

San Francisco Bay Area Rapid Transit District

2150 Webster Street, P. O. Box 12688, Oakland, CA 94604-2688



BOARD MEETING AGENDA

Please note that a revised attachment has been added under Item 5-A and an additional attachment has been added under Item 9-A.

Thursday, April 28, 2022

9:00 AM

via Teleconference Only. Zoom Link: <https://us06web.zoom.us/j/81710823916>

Board of Directors

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
2150 Webster Street, P. O. Box 12688, Oakland, CA 94604-2688

BOARD MEETING AGENDA

April 28, 2022

9:00 a.m.

A regular meeting of the Board of Directors will be held at 9:00 a.m. on Thursday, April 28, 2022.

Please note, pursuant to all necessary findings having been made by the Board of Directors of the San Francisco Bay Area Rapid Transit District (for itself as well as all subordinate legislative bodies) to continue remote public meetings in the manner contemplated under urgency legislation Assembly Bill No. 361, public participation for this meeting will be via teleconference only.

You may watch the Board Meeting live or archived at <https://bart.gov/boardtv>

Presentation materials will be available via Legistar at <https://bart.legistar.com>

You may also join the Board Meeting via Zoom by calling 1-669-900-6833 and entering access code 817 1082 3916; logging in to Zoom.com and entering access code 817 1082 3916; or typing the following Zoom link into your web browser:

<https://us06web.zoom.us/j/81710823916>

If you wish to make a public comment:

- 1) Submit written comments via email to board.meeting@bart.gov, using “public comment” as the subject line. Your comment will be provided to the Board and will become a permanent part of the file. Please submit your comments as far in advance as possible. Emailed comments must be received before 4:00 p.m. on April 27, 2022, in order to be included in the record.
- 2) Call 1-669-900-6833, enter access code 817 1082 3916, dial *9 to raise your hand when you wish to speak, and dial *6 to unmute when you are requested to speak; log in to Zoom.com, enter access code 817 1082 3916, and use the raise hand feature; or join the Board Meeting via the Zoom link (<https://us06web.zoom.us/j/81710823916>) and use the raise hand feature.

Public comment is limited to three (3) minutes per person.

Any action requiring more than a majority vote for passage will be so noted.

Items placed under “consent calendar” are considered routine and will be received, enacted, approved, or adopted by one motion unless a request for removal for discussion or explanation is received from a Director or from a member of the audience.

BART provides service/accommodations upon request to persons with disabilities and individuals who are limited English proficient who wish to address BART Board matters. A request must be made within one and five days in advance of Board meetings, depending on the service requested.

Please contact the Office of the District Secretary at 510-464-6083 for information.

Rules governing the participation of the public at meetings of the Board of Directors and Standing Committees are available for review on the District's website (<http://www.bart.gov/about/bod>).

Meeting notices and agendas are available at bart.legistar.com; via email (<https://cloud.info.bart.gov/signup>); or via regular mail upon request submitted to the District Secretary.

Complete agenda packets (in PDF format) are available for review at bart.legistar.com no later than 48 hours in advance of the meeting.

Please submit your requests to the District Secretary via email to BoardofDirectors@bart.gov; in person or U.S. mail at 2150 Webster Street, 10th Floor, Oakland, CA 94612; or telephone 510-464-6083.

Regular Meeting of the

The purpose of the Board Meeting is to consider and take such action as the Board may desire in connection with:

BOARD OF DIRECTORS1. CALL TO ORDER

- A. Roll Call.
- B. Pledge of Allegiance.
- C. Introduction of Special Guests.

2. REPORT OF THE BOARD PRESIDENT3. CONSENT CALENDAR

- A. Approval of Minutes of the Meeting of April 14, 2022. Board requested to authorize.
(Minutes will be available on Tuesday, April 26, 2022).

- B. Submittal of California Office of Emergency Services (CalOES) Form 130, Designating Agents Necessary to Provide for All Matters Pertaining to State and Federal Emergency Management Agency (FEMA) Reimbursements. Board requested to authorize.

Attachments: [Submittal of California Office of Emergency Services \(CalOES\) Form 130 - EDD](#)

- C. Award of Invitation for Bid No. 9108, For the Procurement of DSS Sign Replacement Project. Board requested to authorize.

Attachments: [Award of Invitation for Bid No. 9108 - EDD](#)

- D. Award of Invitation for Bid No. 9118, For the Procurement of Hi-Rail Flat Bed With Crane. Board requested to authorize.

Attachments: [Award of Invitation for Bid No. 9118 - EDD](#)

- E. Procurement with Carahsoft Technology Corporation, as the Official National Association of State Procurement Officials (NASPO) Provider, for Backoffice Security Equipment for the Unified Optical Network. Board requested to authorize.

Attachments: [Procurement with Carahsoft Technology Corporation - EDD](#)

4. PUBLIC COMMENT - 15 Minutes

(An opportunity for members of the public to address the Board of Directors on matters under their jurisdiction and not on the agenda.)

5. BOARD MATTERS

- A. Amendment to Customer Code of Conduct to Include Mask Requirement. Board requested to authorize. (President Saltzman's request.)

Attachments: [Amendment to Customer Code of Conduct to Include Mask Requirement - Memo](#)
[Amendment to Customer Code of Conduct to Include Mask Requirement - Revised Draft Customer Code of Conduct Redline](#)
[Amendment to Customer Code of Conduct to Include Mask Requirement - Customer Code of Conduct](#)

6. GENERAL MANAGER'S REPORT

- A. Report of Activities, including Updates of Operational, Administrative, and Roll Call for Introductions Items.

7. ADMINISTRATION ITEMS

Director Simon, Chairperson

- A. Issuance and Sale of General Obligation Bonds (Election of 2016), 2022 SERIES D (Green Bonds). Board requested to adopt.

Attachments: [Issuance and Sale of General Obligation Bonds \(Election of 2016\), 2022 SERIES D \(Green Bonds\) - EDD](#)
[Issuance and Sale of General Obligation Bonds \(Election of 2016\) - Resolution](#)
[Issuance and Sale of General Obligation Bonds \(Election of 2016\) - Appendix A](#)
[Issuance and Sale of General Obligation Bonds \(Election of 2016\) - Bond Purchase Agreement](#)
[Issuance and Sale of General Obligation Bonds \(Election of 2016\) - Continuing Disclosure Agreement](#)
[Issuance and Sale of General Obligation Bonds \(Election of 2016\) - Preliminary Official Statement](#)
[Issuance and Sale of General Obligation Bonds \(Election of 2016\) - Third Supplemental Trust Agreement](#)

- B. Issuance and Sale of General Obligation Bonds (Election of 2004), 2022 Refunding SERIES H (Federally Taxable) (Green Bonds). Board requested to adopt.

Attachments: [Issuance and Sale of General Obligation Bonds \(Election of 2004\), 2022 Refunding SERIES H \(Federally Taxable\) \(Green Bonds\) - EDD](#)
[Issuance and Sale of General Obligation Bonds \(Election of 2004\) - Resolution](#)
[Issuance and Sale of General Obligation Bonds \(Election of 2004\) - Appendix A](#)
[Issuance and Sale of General Obligation Bonds \(Election of 2004\) - Bond Purchase Agreement](#)
[Issuance and Sale of General Obligation Bonds \(Election of 2004\) - Continuing Disclosure Agreement](#)
[Issuance and Sale of General Obligation Bonds \(Election of 2004\) - Escrow Agreement](#)
[Issuance and Sale of General Obligation Bonds \(Election of 2004\) - Preliminary Official Statement](#)
[Issuance and Sale of General Obligation Bonds \(Election of 2004\) - Second Supplemental Trust Agreement](#)

- C. Fiscal Year 2023 and Fiscal Year 2024 Preliminary Budget Overview. For information.

Attachments: [Fiscal Year 2023 and Fiscal Year 2024 Preliminary Budget Overview - Memo](#)
[Fiscal Year 2023 and Fiscal Year 2024 Preliminary Budget Overview - Presentation](#)

8. ENGINEERING AND OPERATIONS ITEMS

Director Dufty, Chairperson

- A. Procurement with Cisco Systems, as the Official National Association of State Procurement Officials (NASPO) Provider, for New Network Switches for the New Unified Optical Network (UON). Board requested to authorize.

Attachments: [Procurement with Cisco Systems - EDD](#)

9. PLANNING, PUBLIC AFFAIRS, ACCESS, AND LEGISLATION ITEMS

Director Foley, Chairperson

- A. Silicon Valley BART Extension, Phase II, Project Update. For information.

Attachments: [Silicon Valley BART Extension, Phase II, Project Update - Memo](#)
[Silicon Valley BART Extension, Phase II, Project Update - Presentation](#)
[Silicon Valley BART Extension, Phase II, Project Update – Federal Transit Administration \(FTA\) Meeting Questions and Responses](#)

10. BOARD MATTERS

- A. (CONTINUED from March 10, 2022, Board Meeting)
Response to Roll Call for Introductions (RCI) Item No. 21-842: Initiative to Require Posting Video Recordings of Audit Committee, BART Police Citizen Review Board, and Redistricting Ad Hoc Committee Meetings. For discussion and possible action.

Attachments: [Response to Roll Call for Introductions \(RCI\) Item No. 21-842 - Memo](#)

B. Board Member Reports.

(Board member reports as required by Government Code Section 53232.3(d) are available through the Office of the District Secretary. An opportunity for Board members to report on their District activities and observations since last Board Meeting.)

C. Roll Call for Introductions.

(An opportunity for Board members to introduce a matter for consideration at a future Committee or Board Meeting or to request District staff to prepare items or reports.)

D. In Memoriam.

(An opportunity for Board members to introduce individuals to be commemorated.)

11. CLOSED SESSION

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:

Titles: General Manager, General Counsel, Controller-Treasurer,
District Secretary, Independent Police Auditor, and Inspector General
Government Code Section: 54957

B. PUBLIC EMPLOYEE EMPLOYMENT

Title: District Secretary
Government Code Section: 54957(b)(1)

12. OPEN SESSION

A. Announcement from Closed Session, if any.

April B. A. Quintanilla
Acting District Secretary



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: DocuSigned by: <i>Michael Jones</i> 47000790F2D7463...		GENERAL MANAGER ACTION REQ'D: Approve and forward to Board of Directors		
DATE: 4/14/2022 4/20/2022		BOARD INITIATED ITEM: No		
Originator/Prepared by: Rob Jaques Dept: Funding Strategy DocuSigned by: <i>Rob Jaques</i> E26F20BB2BBA4D2... Signature/Date: 4/18/2022	General Counsel DocuSigned by: <i>Jeana Belan</i> F8FD7B3A73E74E8... 4/18/2022 []	Controller/Treasurer DocuSigned by: <i>Chris Gan</i> EE11C8CEEEA04FD... 4/18/2022 []	District Secretary []	BARC DocuSigned by: <i>Pamela Herhold</i> 3BB24D65B8724F5... 4/18/2022 []

CalOES Form 130, Designating Agents Necessary to Provide for All Matters Pertaining to State and Federal Emergency Management Agency (FEMA) Reimbursements

PURPOSE:

To obtain Board approval of the California Office of Emergency Services (CalOES) Form 130 (attached) which designates BART's General Manager, Controller-Treasurer, Assistant General Manager of Performance & Budget, Director of Funding Strategy, and Manager of Grants & Funding Advocacy as authorized agents necessary to accept funding administered by CalOES.

DISCUSSION:

In order for BART to continue to be eligible for reimbursement from California Office of Emergency Services (CalOES), the Board must approve a CalOES Form 130 -Designation of Applicant's Agency Resolution for Non-State Agencies (Form 130) every three years. The Form 130 was previously approved by the Board in September 2020 and is now being updated to add additional Authorized Agents consistent with other similar delegations for state and federal grant programs. This update will designate the General Manager, Controller-Treasurer, Assistant General Manager of Performance & Budget, Director of Funding Strategy, and Manager of Grants & Funding Advocacy as authorized agents on behalf of the District to interact with and to accept public assistance and recovery funding administered by CalOES, including such funding from the Federal Emergency Management Agency (FEMA), for a three-year period.

FISCAL IMPACT:

BART must approve the CalOES Form 130 as a condition of eligibility to accept certain funds administered by CalOES over the next three years. By adopting this Resolution, BART will be authorized to accept funding from CalOES. This action will have no fiscal impact on unprogrammed District Reserves.

ALTERNATIVES:

Do not approve the Designation of Applicant's Agent resolution. The District would lose eligibility to receive financial assistance from FEMA and CalOES until such a resolution were to be approved.

RECOMMENDATION:

Make the following motion to approve the "California Office of Emergency Services (CalOES) Form 130, Designating Agents Necessary to Provide for All Matters Pertaining to State and Federal Emergency Management Agency (FEMA) Reimbursements."

MOTION:

The Board of Directors approves the California Office of Emergency Services (CalOES) Form 130 (attached) which designates BART's General Manager, Controller-Treasurer, Assistant General Manager of Performance & Budget, Director of Funding Strategy, and Manager of Grants & Funding Advocacy as authorized agents necessary to accept funding administered by CalOES.

DESIGNATION OF APPLICANT'S AGENT RESOLUTION

BE IT RESOLVED BY THE Board of Directors OF THE San Francisco Bay Area Rapid Transit District (BART)
(Governing Body) (Name of Applicant)

THAT General Manager, OR
(Title of Authorized Agent)

Controller-Treasurer, OR
(Title of Authorized Agent)

Assistant General Manager, Performance & Budget, OR
(Title of Authorized Agent)

Director, Funding Strategy, OR
(Title of Authorized Agent)

Manager, Grants & Funding Advocacy,
(Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the San Francisco Bay Area Rapid Transit District (BART), a public entity
(Name of Subrecipient)

established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Service, for the purpose of obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.

THAT the San Francisco Bay Area Rapid Transit District (BART), a public entity established under the laws of the State of
(Name of Subrecipient)

California, hereby authorizes its agent(s) to provide to the California Governor's Office of Emergency Service for all matters pertaining to such state disaster assistance the assurances and agreements required.

Please check the appropriate box below:

☒ This is a universal resolution and is effective for all open and futures Disasters/Grants up to three (3) years following the date of approval below.

☐ This is a Disaster/Grant specific resolution and is effective for only Disaster/Grant name/number(s) _____

Passed and approved this _____ day of _____, 20____

Rebecca Saltzman, Board President

(Name and Title of Governing Body Representative)

Janice Li, Vice President

(Name and Title of Governing Body Representative)

John McPartland, Director

(Name and Title of Governing Body Representative)

CERTIFICATION

I, _____, duly appointed and _____ of
(Name) (Title)

San Francisco Bay Area Rapid Transit District (BART), do hereby certify that the above is a true and correct copy of a
(Name of Applicant)

Resolution passed and approved by the Board of Directors of the San Francisco Bay Area Rapid Transit District
(Governing Body) (Name of Applicant)

on the _____ day of _____, 2022.

(Signature)

District Secretary

(Title)



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <div style="float: right; text-align: right;"> <small>DocuSigned by:</small> <small>47000790F2D7463...</small> </div>		GENERAL MANAGER ACTION REQ'D: Yes		
DATE: 4/14/2022 4/21/2022		BOARD INITIATED ITEM: No		
Originator/Prepared by: Oliver Martinez Dept: Strategic Engineering <div style="text-align: right;"> <small>DocuSigned by:</small> <small>6B2FA3A87CE24CC...</small> </div> Signature/Date: <div style="text-align: right;">4/20/2022</div>	General Counsel <div style="text-align: right;"> <small>DocuSigned by:</small> <small>F8FD7B3A73E74E8...</small> </div> Signature/Date: <div style="text-align: right;">4/20/2022 []</div>	Controller/Treasurer <div style="text-align: right;"> <small>DocuSigned by:</small> <small>EE11C8CEEEA04FD...</small> </div> Signature/Date: <div style="text-align: right;">4/20/2022 []</div>	District Secretary <div style="text-align: right;">[]</div>	BARC <div style="text-align: right;"> <small>DocuSigned by:</small> <small>8128A2EB2F014F3...</small> </div> Signature/Date: <div style="text-align: right;">4/20/2022 []</div>

IFB No. 9108 Destination Sign System SIGN REPLACEMENT PROJECT

PURPOSE:

To obtain Board Authorization to Award Invitation for Bid (IFB) No. 9108 to Transource Services Corp, Phoenix, Arizona, in the amount of \$596,673.00 (includes all taxes) for the purchase of (352) 32" Industrial Displays and (88) Industrial Computers.

DISCUSSION:

These 32" Industrial Displays and AMD Computers will be purchased as a part of the Destination Sign System (DSS) Sign Rehabilitation Project that is replacing the existing platform displays with next-generation passenger information train destination sign units (DSU). The new displays will replace the existing dot matrix message display currently in use in the underground stations. These new DSUs will be modular, and include mechanisms to monitor the health of the display hardware. This will allow the signs to display more detailed delay and train information, assist in meeting ADA requirements, and facilitate more efficient maintenance.

A notice requesting bids was published on December 22, 2021. On the same day, this solicitation was uploaded onto the BART Vendor Portal. Correspondence was sent to four (4) prospective bidders inviting them to view the solicitation on the Vendor Portal. A total of 11 prospective bidders downloaded the solicitation. Bids were opened on January 11, 2022, and one bid was received.

<u>Bidder</u>	<u>Unit Price</u>	<u>Grand Total including</u>
	(352) 32” Industrial Displays	<u>10.25% Sales Tax</u>
	(88) Computers	
Transource Services Corp.	\$541,200.00	\$596,673.00
Independent cost estimate by BART staff	\$536,800.00	\$591,822.00

This IFB was advertised pursuant to the District’s Disadvantaged Business Enterprise (“DBE”) Program requirements. The Office of Civil Rights reviewed the scope of work for this IFB and determined that there were no DBE subcontracting opportunities; therefore, no DBE participation goal was set for this IFB.

Staff has determined that the apparent low bidder, Transource Services Corp, submitted a responsive bid. Staff has also determined that the bid pricing is fair and reasonable based on staff’s independent cost estimate and recent experience in the purchase of similar displays and computers.

FISCAL IMPACT:

Funding in the amount of \$596,673.00 for IFB#9108 is included in the total project budget for 15IM000 DSS Pilot Project. The table below lists funding assigned to the referenced project and is included to track funding history against spending authority. Funds needed to meet this request will be expended from the following source:

Proposed Funding	
F/G 3015 –FTA Award CA-2019-126-00	761,542
F/G 3017 – FTA Award CA2020-086-00	800,000
F/G 3020 – FTA Award CA2020-247-00	534,000
F/G 3025 – FTA Award CA-2021-163-00	480,000
BART Operating to Capital Allocations	795,885

TOTAL	3,371,427
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As of April 5, 2022, \$3,371,427 is the total budget for this project. BART has expended \$1,001,920, committed \$35,794, and reserved \$0.0 to date. This action will commit \$596,673, leaving an available fund balance of \$1,737,040 in these fund sources for this project.

The Office of Controller/Treasurer certifies that funds are currently available to meet this obligation.

This action is not anticipated to have any Fiscal Impact on unprogrammed District reserves.

ALTERNATIVES:

The Board can elect not to authorize the General Manager to award this agreement. The Board may elect to reject the Bid and re-advertise. However, there is no assurance that re-bid would result in a higher number of bidders or lower bids. Furthermore, the current Designated Sign Units (DSU) are at their end of life and there are no longer spare parts available. This limits the ability to perform timely repairs and results in a potential loss of ability to run DSS, announcements, and messages which may potentially impact operations.

RECOMMENDATION:

It is recommended that the Board adopt the motion.

MOTION:

The General Manager is authorized to award IFB No. 9108 for three hundred and fifty-two (352) 32" Industrial Displays and eighty-eight (88) Industrial Computers to Transource Services Corp., of Phoenix, Arizona in the amount of \$596,673.00 (includes all taxes), pursuant to notification to be issued by the General Manager.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <div style="float: right; text-align: right;"> <small>DocuSigned by:</small> <small>47000790F2D7463...</small> </div>		GENERAL MANAGER ACTION REQ'D:		
DATE: 4/14/2022 4/21/2022		BOARD INITIATED ITEM: No		
Originator/Prepared by: Scott Van Dussen Dept: Core Capacity Project Delivery <div style="text-align: right;"> <small>DocuSigned by:</small> <small>B96DFC5A3C1443A...</small> </div> Signature/Date: <div style="text-align: right;">4/19/2022</div>	General Counsel <div style="text-align: right;"> <small>DocuSigned by:</small> <small>F8FD7B3A73E74E8...</small> </div> Signature/Date: <div style="text-align: right;">4/19/2022 []</div>	Controller/Treasurer <div style="text-align: right;"> <small>DocuSigned by:</small> <small>EE11C8CEEEA04FD...</small> </div> Signature/Date: <div style="text-align: right;">4/19/2022 []</div>	District Secretary <div style="text-align: right;"> <small>DocuSigned by:</small> <small>8128A2EB2F014F3...</small> </div> Signature/Date: <div style="text-align: right;">4/19/2022 []</div>	BARC <div style="text-align: right;"> <small>DocuSigned by:</small> <small>8128A2EB2F014F3...</small> </div> Signature/Date: <div style="text-align: right;">4/19/2022 []</div>

To Request for Board Authorization to Award Invitation for Bid (IFB) # 9118 Hi-Rail Flat Bed with Crane

PURPOSE:

To obtain Board Authorization to Award Invitation For Bid (IFB) No. 9118 to Custom Truck One Source, Kansas City, MO in the not-to-exceed (NTE) amount of \$589,037.42 (includes all taxes) for the purchase of two (2) Hi- Rail Flat Bed with Cranes.

DISCUSSION:

This Contract is for the procurement of two (2) Hi- Rail Flat Beds with Crane. These two trucks will be used to support construction crews on the Switch Machine Cabling project during installation and for material transport for the Communications Based Train Control (CBTC) Enabling Works.

A notice requesting bids was published on February 21, 2022. On the same day, this solicitation was uploaded onto the BART Vendor Portal. Correspondence was sent to four (4) prospective bidders inviting them to view the solicitation on the Vendor Portal. Nine (9) vendors downloaded the bid documents. Bids were opened on March 15, 2022, and Two (2) bids were received.

Bidder	Lot Price	Grand Total Including 10.25% Sales Tax
*Custom Truck One Source	*\$534,274.30	*\$589,037.42

Kansas City, MO		
Doc Bailey Construction Equipment Inc San Lorenzo, CA	\$497,589.28	\$548,592.18
Engineer's Estimate	\$550,000	\$606,375.00

Responsive Bidder

Pursuant to the District's Disadvantaged Business Enterprise ("DBE") Program, the Office of Civil Rights reviewed the scope of work for this IFB and determined that there were DBE subcontracting opportunities; therefore, a DBE participation goal of 3% was set. The apparent low Bidder Doc Bailey Construction Equipment (Doc Bailey) committed to 0% DBE participation, which is below the required DBE participation goal. However, the Bidder Doc Bailey Construction Equipment did not meet the DBE goal; therefore, it was required to submit Good Faith Efforts documentation to the Office of Civil Rights demonstrating that, given all relevant circumstances, the Bidder took all necessary and reasonable steps to actively and aggressively meet the DBE participation requirements. The subsequent Good Faith Efforts analysis conducted by the Office of Civil Rights concluded that the Bidder Doc Bailey Construction Equipment did not demonstrate sufficient Good Faith Efforts to meet the DBE goal, rendering the Bid non-responsive. At the Bidder Doc Bailey Construction Equipment's request, a Good Faith Efforts hearing was held on March 31, 2022, before an independent hearing officer. The hearing officer upheld the findings of the Office of Civil Rights that the Bidder Doc Bailey Construction Equipment neither met the DBE goal nor demonstrated sufficient Good Faith Efforts to do so - thereby upholding the determination that the Bidder Doc Bailey Construction Equipment's Bid was non-responsive.

Pursuant to the District's DBE Program, the second lowest responsive Bidder Custom Truck One Source (Custom Truck) committed to 2.9% DBE participation, short of the required 3% DBE participation goal for this IFB. However, the Bidder Custom Truck One Source did not meet the DBE goal; therefore, it was required to submit Good Faith Efforts documentation to the Office of Civil Rights demonstrating that, given all relevant circumstances, the Bidder took all necessary and reasonable steps to actively and aggressively meet the DBE participation requirements. The subsequent Good Faith Efforts analysis conducted by the Office of Civil Rights concluded that Custom Truck demonstrated sufficient Good Faith Efforts to meet the DBE goal, rendering Custom Truck's Bid the lowest responsible Bid submitted.

FISCAL IMPACT:

Funding in the amount not to exceed \$589,037.42 for IFB 9118 to Custom Truck One Source will come from the total project budget for FMS# 49GH006 – CBTC Enabling Works (49GH-130).

The table below lists funding assigned to the referenced project and is included to track funding history against spending authority. Funds needed to meet this request will be expended from the following sources:

Fund Description	Amount
F/G 354S – FTA CA-2020-047 TBCCCP FFGA	\$23,210,010
F/G 543D – CTC SCCP Res#SCCP-P-2021-04B	\$45,150,000
F/G 802C – Measure RR GOB*	\$33,572,550
F/G 8531 – Capital Improvement Allocation	\$57,440
TOTAL	\$101,990,000

**While this project is funded through Measure RR, this source will not be used for this contract.*

As of March 23, 2022, \$101,990,000 is the total budget for this project. BART has expended \$1,991,545, committed \$2,874,653, and reserved \$3,170,019 to date. This action will commit \$589,037 leaving an available fund balance of \$93,364,746 in these fund sources for this project.

The Office of Controller/Treasurer certifies that funds are currently available to meet this obligation.

This action is not anticipated to have any Fiscal Impact on unprogrammed District reserves.

ALTERNATIVES:

The Board may elect to reject the Bid and readvertise the work of this Contract. There is no assurance that readvertising this IFB will result in an increased number of bids submitted or result in any lower bid prices. Choosing not to proceed with the current award will likely lead to construction delays to the CBTC Enabling Works Program.

RECOMMENDATION:

It is recommended that the Board adopt the following motion:

MOTION:

The General Manager is authorized to award IFB No. 9118 Hi-Rail Flat Bed with Crane to Custom Truck One Source for an amount not-to-exceed \$589,037.42 (includes all taxes), pursuant to notification to be issued by the General Manager, subject to compliance with the District's Protest Procedures and the Federal Transit Administration's requirements related to protests.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <div style="float: right; border: 1px solid black; padding: 2px;"> <small>DocuSigned by:</small> <i>Michael Jones</i> <small>47000790F2D7463...</small> </div>		GENERAL MANAGER ACTION REQ'D: Yes		
DATE: 9/10/2021 4/21/2022		BOARD INITIATED ITEM: No		
Originator/Prepared by: Albert Louie Dept: Strategic Engineering <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> <small>DocuSigned by:</small> <i>Albert Louie</i> <small>B6E0F66BCB1B462...</small> </div> Signature/Date: <div style="text-align: right;">4/19/2022</div>	General Counsel <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> <small>DocuSigned by:</small> <i>Jana Belan</i> <small>F8FD7B3A73E74E8...</small> </div> <div style="text-align: right;">4/19/2022 []</div>	Controller/Treasurer <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> <small>DocuSigned by:</small> <i>Chris Gan</i> <small>EE11C8CEEEA04FD...</small> </div> <div style="text-align: right;">4/19/2022 []</div>	District Secretary <div style="text-align: right;">[]</div>	BARC <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> <small>DocuSigned by:</small> <i>Shane Edwards</i> <small>8128A2EB2F014F3...</small> </div> <div style="text-align: right;">4/20/2022 []</div>

Procurement of Backoffice Security Equipment for the unified Optical Network, \$560,000

PURPOSE:

To request Board Authorization for the General Manager to enter into a contract with Carahsoft Technology Corporation for the purchase of Gigamon back-office security equipment for an amount not to exceed \$558,274.

DISCUSSION:

Back-office server equipment manages data traffic and monitors security of station operations. The purchase of new equipment includes adding to existing security equipment manufactured by Gigamon and updating Software as a Service (SaaS) applications that enhance performance visibility and control of sensitive data. The Back-office equipment provides additional security against cyber-attack to BART's network and encrypt the data rendering it incomprehensible if breached. Failure in the server equipment would lead to a greater risk of issues with network infrastructure and potential security breaches.

NASPO ValuePoint is a cooperative purchasing program, aggregating the demand of all 50 states, the District of Columbia and the organized US territories, their political subdivisions and other eligible entities. Because the State of California participates in the NASPO program, its local agencies and districts, including BART, are authorized by California Public Contract Code section 10298 to purchase items from the suppliers awarded contracts by NASPO without further competitive bidding, pursuant to a Master Agreement for Data

Communications Products and Services with the State of Utah Division of Purchasing (AR2472) and Carahsoft Technology Corporation, a California Participating Addendum number 7-17-70-40-05 and compliance with BART requirements. The expiration of NASPO Master Agreement AR2472 is September 15, 2026

Pursuant to the District's Disadvantaged Business Enterprise ("DBE") Program, the Office of Civil Rights reviewed the scope of work for this NASPO ValuePoint Contract and determined that there were no DBE subcontracting opportunities; therefore, no DBE participation goal was set for this Contract.

The Office of the General Counsel will review and approve the contract as to form prior to execution.

FISCAL IMPACT:

Funding in the amount of \$558,274 is included in the total project budget for the Clipper C2 Upgrade Program Integration Project. Number 47CJ016.

The table below lists funding assigned to the referenced project and is included to track funding history against spending authority. Funds needed to meet this request will be expended from the following sources:

Project 47CJ016:

Fund	Fund Description	Source	Amount
3015	FTA 5307 & 5337 CA-2019-126-00	FEDERAL	\$796,000.00
3017	FTA 5307 & 5337 CA2020-086-00	FEDERAL	\$1,600,000.00
8532	FY2018 Operating Capital Alloc	INTERNAL	\$219,000.00
8531	FY2017 Operating Capital Alloc	INTERNAL	\$437,250.00
8533	FY2019 Operating Capital Alloc	LOCAL	\$390,000.00
3025	FTA 5307 & 5337 CA-2021-163-00	FEDERAL	\$1,749,000.00
8536	FY 2022 Oper Cap Allocation	INTERNAL	\$8,005,000.00
Total			\$13,196,250.00

As of April 14, 2022, \$13,196,250 is the total budget for this project. BART has expended \$3,905,049 committed \$196,342 and reserved \$23,700 to date. This action will commit \$558,274 leaving an available fund balance of \$8,512,885 in this fund source for this project.

The Office of the Controller/Treasurer certifies that funds are currently available to meet this obligation.

This action is not anticipated to have any Fiscal Impact on unprogrammed District reserves.

ALTERNATIVES:

The District can seek to competitively bid this procurement, which is not likely to result in lower Bid prices and would increase the time needed to replace the server equipment.

RECOMMENDATION:

Staff recommends that the Board adopt the following motion.

MOTION:

The General Manager is authorized to enter into a NASPO ValuePoint contract with Carahsoft Technology Corporation for the procurement of Gigamon backoffice server equipment for an amount not to exceed \$558,274.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors

DATE: April 22, 2022

FROM: General Manager

SUBJECT: Amendment to the BART Customer Code of Conduct

At the April 28, 2022 Board meeting, President Saltzman has requested that an Amendment to the BART Customer Code of Conduct be considered on Board Matters.

Please contact Michael Jones at (510) 464-6126 if you have any questions.

DocuSigned by:

47000790E2D7463

Robert M. Powers

cc: Board Appointed Officers
Executive Staff

Customer Code of Conduct

It is the policy of the San Francisco Bay Area Rapid Transit District to help ensure the safety, security, comfort and convenience of all those who use its services. BART has established the following passenger conduct regulations to ensure that any one person may not adversely affect others using the system or operating the BART system. Customers shall use the BART system in a responsible manner to preserve and protect the aesthetics, and promote the longevity of this essential public resource for greater mobility in the San Francisco Bay Area. Customers shall treat other patrons and BART representatives with consideration, patience, respect and civility to allow use, operation and enjoyment of the BART system in a safe and gratifying manner for all persons.

A person is prohibited from committing the following acts on a BART vehicle, BART facility, or BART property unless otherwise specified in this Section:

- I. Smoke or expel the residue of any tobacco product including chewing tobacco.
- II. Consume any alcoholic beverage or possess an open container of any alcoholic beverage.
- III. Eat or drink in the paid areas of the stations or on the trains.
- IV. Engage in disruptive, disturbing behavior including: loud conversation, profanity or rude insults, or operating any electronic device used for sound without an earphone(s).
- V. Take any animal into the paid area of the BART system unless the animal is secured in a container sufficient to contain the animal. Exceptions will be made for service animals or service dogs in training.
- VI. Carry or possess any weapon in violation of the law.
- VII. Possess or transport any flammable liquid, combustible material or other dangerous substance such as gasoline, kerosene or propane.
- VIII. Litter.
- IX. Vandalize a BART vehicle or BART property by writing, marking, scribbling, defacing or causing destruction to the vehicle or property in any manner.
- X. Beg or solicit by accosting another person.
- XI. Spit, urinate, defecate or inappropriately expose oneself.
- XII. Possess, use or sell any illicit substance.
- XIII. Enter a paid area without proper fare payment.

- XIV. Be present after hours of operation without authorization.
- XV. Use a BART facility or BART property for non-transportation related purposes without authorization.
- XVI. Interfere with the operation of a BART vehicle.
- XVII. Threaten, harm or assault a BART employee or passenger.
- ~~XVIII.~~ Sexually harass a BART employee or passenger (non-criminal).

~~XVIII-XIX.~~ Use the BART paid area without wearing a mask. This rule shall not apply to (1) individuals who are unable to wear a mask due to a disability or medical condition; and (2) children age two and under. This rule is effective until 7/18/2022 unless extended by the Board of Directors.

Any person who violates one or more of these regulations may be warned and/or ordered to immediately leave a BART vehicle, BART facility, or BART property by a BART employee. Situations where a person refuses to leave a BART vehicle, BART facility or BART property after being ordered to do so may be handled by the BART Police Department or other appropriate law enforcement agencies.

This policy does not seek to limit or conflict with any federal, state, or local law or ordinance; or to prevent any law enforcement agency or entity from taking any lawful action against any person on a BART vehicle, BART facility, or BART property.

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Customer Code of Conduct

It is the policy of the San Francisco Bay Area Rapid Transit District to help ensure the safety, security, comfort and convenience of all those who use its services. BART has established the following passenger conduct regulations to ensure that any one person may not adversely affect others using the system or operating the BART system. Customers shall use the BART system in a responsible manner to preserve and protect the aesthetics, and promote the longevity of this essential public resource for greater mobility in the San Francisco Bay Area. Customers shall treat other patrons and BART representatives with consideration, patience, respect and civility to allow use, operation and enjoyment of the BART system in a safe and gratifying manner for all persons.

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- V. Take any animal into the paid area of the BART system unless the animal is secured in a container sufficient to contain the animal. Exceptions will be made for service animals or service dogs in training.
- VI. Carry or possess any weapon in violation of the law.
- VII. Possess or transport any flammable liquid, combustible material or other dangerous substance such as gasoline, kerosene or propane.
- VTII. Litter.
- IX. Vandalize a BART vehicle or BART property by writing, marking, scribbling, defacing or causing destruction to the vehicle or property in any manner.
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- XI. Spit, urinate, defecate or inappropriately expose oneself.
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- XITI. Enter a paid area without proper fare payment.

- XIV. Be present after hours of operation without authorization.
- XV. Use a BART facility or BART property for non-transportation related purposes without authorization.
- XVI. Interfere with the operation of a BART vehicle.
- XVII. Threaten, harm or assault a BART employee or passenger.
- XVIII. Sexually harass a BART employee or passenger (non-criminal).

Any person who violates one or more of these regulations may be warned and/or ordered to immediately leave a BART vehicle, BART facility, or BART property by a BART employee. Situations where a person refuses to leave a BART vehicle, BART facility or BART property after being ordered to do so may be handled by the BART Police Department or other appropriate law enforcement agencies.

This policy does not seek to limit or conflict with any federal, state, or local law or ordinance; or to prevent any law enforcement agency or entity from taking any lawful action against any person on a BART vehicle, BART facility, or BART property.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <div style="float: right; border: 1px solid black; padding: 2px;"> DocuSigned by: <i>Michael Jones</i> <small>47000790F2D7463...</small> </div>		GENERAL MANAGER ACTION REQ'D:		
DATE: 1/25/2022 4/20/2022		BOARD INITIATED ITEM: No		
Originator/Prepared by: Michaela Morales Dept: Finance Administration <div style="float: right; border: 1px solid black; padding: 2px;"> DocuSigned by: <i>Michaela Morales</i> <small>A4260ED7FFD24F8...</small> </div> Signature/Date: 4/19/2022	General Counsel <div style="float: right; border: 1px solid black; padding: 2px;"> DocuSigned by: <i>Jana Belan</i> <small>F8FD7B3A73E74E8...</small> </div> Signature/Date: 4/19/2022 <div style="text-align: right;">[]</div>	Controller/Treasurer <div style="float: right; border: 1px solid black; padding: 2px;"> DocuSigned by: <i>Chris Gan</i> <small>EE11C8CEEEA04FD...</small> </div> Signature/Date: 4/19/2022 <div style="text-align: right;">[]</div>	District Secretary <div style="float: right; border: 1px solid black; padding: 2px;"> DocuSigned by: <i>Pamela Herhold</i> <small>3BB24D65B8724F5...</small> </div> Signature/Date: 4/19/2022 <div style="text-align: right;">[]</div>	BARC <div style="float: right; border: 1px solid black; padding: 2px;"> DocuSigned by: <i>Pamela Herhold</i> <small>3BB24D65B8724F5...</small> </div> Signature/Date: 4/19/2022 <div style="text-align: right;">[]</div>

AUTHORIZE THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS (ELECTION OF 2016), 2022 SERIES D (Green Bonds)

PURPOSE:

To request Board adoption of a resolution, which authorize the issuance and sale of not to exceed \$700 million in General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds) and 2022 Series D-2 (Federally Taxable) (Green Bonds) (the "Bonds"). Furthermore, to seek Board authorization for the Interim Controller-Treasurer to (1) enter into a Bond Purchase Agreement with the Underwriters selected from the District's Underwriters Pool to provide the District with underwriting services in the issuance of the Bonds, (2) to implement the preparation, execution and delivery of the necessary documents including the Preliminary Official Statement, the Official Statement, Supplemental Trust Agreement, Bond Purchase Agreement, Continuing Disclosure Agreement and related agreements and, (3) to attend rating agency meetings and to execute "Green Bonds" certification agreements in connection with the issuance of the Bonds

DISCUSSION:

In 2022, the District intends to issue not to exceed \$700 million of voter approved General Obligation Bonds. Proceeds of the Bonds will be used to fund projects authorized by Measure RR and to pay costs of issuance of the bonds.

The proposed resolution will authorize the Interim Controller-Treasurer to negotiate the structure, financing terms and cost of issuance of the Bonds. In addition, the resolution

AUTHORIZE THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS (ELECTION OF 2016), 2022
SERIES D (Green Bonds)

authorizes the preparation, execution, and delivery of the necessary documents including the Preliminary Official Statement, Official Statement, Supplemental Trust Agreement, Bond Purchase Agreement, Continuing Disclosure Agreement and related agreements, and payment to cover the costs of issuance as well as the execution of green bond certification agreements in connection with issuance of the Bonds.

The District advertised the RFP for underwriting services to the nine members of the District's Underwriting Pool on December 9, 2021, and received nine proposals on January 6, 2022. The Selection Committee performed a technical evaluation of the proposals. The Selection Committee ranked these proposals and recommended Stifel, Nicolaus and Company, Incorporated as Senior Manager, Barclays Capital Inc. and Siebert Williams Shank & Co., LLC as Co-Senior Managers, and Citigroup Global Markets Inc. and J.P. Morgan Securities LLC as Co-Managers.

Consistent with BART Debt Policy, BART anticipates issuing the Bonds as "Green Bonds" that are "Climate Bond Certified" by the Climate Bonds Initiative under the low carbon land transport criteria established by the Climate Bonds Standard & Certification Scheme. Green Bonds typically finance projects that have positive environmental and/or climate benefits. The projects financed by the Bonds and the use of the proceeds of the Bonds to finance such projects will assist BART in providing mass transit services which are electrically powered and thus reduce the amount of carbon dioxide that would otherwise be released if BART riders used automobiles.

FISCAL IMPACT:

The District proposes to issue the Bonds, in the total principal amount not to exceed \$700 million. The cost of issuance for underwriting, legal counsel, financial advisors, rating agencies, trustee services, and other auxiliary fees is estimated not to exceed 1% of principal amount of Bonds issued and will be paid out of the proceeds.

Interest and principal on the General Obligation Bonds will be paid through ad valorem taxes assessed on all property in the three BART District counties. No General Obligation Bond debt service will be borne by District general fund revenues.

ALTERNATIVES:

The District may elect not to issue the Bonds, at this time which would mean no bond funds would be available to fund projects under Measure RR.

RECOMMENDATION:

AUTHORIZE THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS (ELECTION OF 2016), 2022
SERIES D (Green Bonds)

To authorize the issuance of the Bonds and for the Interim Controller-Treasurer to negotiate the structure, financing and cost of issuance for the Bonds and execute and deliver all documents necessary for their issuance.

MOTION:

The Board adopts the attached resolution, incorporated herein as if set forth in full, authorizing and approving the issuance and sale of not to exceed \$700 million aggregate principal amount of the Bonds, and authorizing the preparation, execution and delivery of agreements and documents in connection therewith.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**

Resolution No. _____

AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$700,000,000 AGGREGATE PRINCIPAL AMOUNT OF SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT GENERAL OBLIGATION BONDS (ELECTION OF 2016), 2022 SERIES D; AUTHORIZING THE EXECUTION AND DELIVERY OF A THIRD SUPPLEMENTAL TRUST AGREEMENT PURSUANT TO WHICH SUCH BONDS ARE TO BE ISSUED, A BOND PURCHASE AGREEMENT PURSUANT TO WHICH SUCH BONDS ARE TO BE SOLD BY NEGOTIATED SALE; APPROVING AN OFFICIAL STATEMENT RELATING TO SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF THE OFFICIAL STATEMENT AND CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE AND SALE OF SUCH BONDS, INCLUDING A CONTINUING DISCLOSURE AGREEMENT; DELEGATING TO THE CONTROLLER/TREASURER OF THE DISTRICT OR THE INTERIM CONTROLLER/TREASURER OF THE DISTRICT POWER TO DETERMINE FINAL TERMS OF SUCH BONDS AND COMPLETE SAID DOCUMENTS AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO.

Adopted: _____

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
CERTIFIED A TRUE COPY

April B. A. Quintanilla, Assistant District Secretary

WHEREAS, pursuant to Resolution No. 5321 of the San Francisco Bay Area Rapid Transit District (the "District"), adopted June 9, 2016, the District duly called an election, and an election was regularly held in the Counties of Alameda, Contra Costa and San Francisco on November 8, 2016, at which the following proposition ("Measure RR") was submitted to the electors of the District:

"To keep BART safe; prevent accidents/breakdowns/delays; relieve overcrowding; reduce traffic congestion/pollution; and improve earthquake safety and access for seniors/disabled by replacing and upgrading 90 miles of severely worn tracks; tunnels damaged by water intrusion; 44-year-old train control systems; and other deteriorating infrastructure, shall the Bay Area Rapid Transit District issue \$3.5 billion of bonds for the acquisition or improvement of real property subject to independent oversight and annual audits?"

WHEREAS, at least two-thirds of the votes cast on said proposition were in favor of issuing said bonds;

WHEREAS, said bonds are authorized pursuant to said favorable vote and pursuant to Part 2 of Division 10 of the Public Utilities Code of the State of California, commencing with Section 28500, and are issued pursuant to Article 4.5 of Chapter 3 of Division 2 of Title 5 of the Government Code, commencing with Section 53506, and other applicable law;

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2016), 2017 Series A-1 (Green Bonds) (the “2017 A-1 Bonds”) in an aggregate principal amount of \$271,600,000 and its General Obligation Bonds (Election of 2016), 2017 Series A-2 (Federally Taxable) (Green Bonds) (the “2017 A-2 Bonds” and, together with the 2017 A-1 Bonds, the “2017A Bonds”) in an aggregate principal amount of \$28,400,000, pursuant to that certain Trust Agreement (Measure RR) (the “Master Trust Agreement”), by and between the District and U.S. Bank National Association, as trustee (“U.S. Bank”), dated as of June 1, 2017;

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2016), 2019 Series B-1 (Green Bonds) (the “2019 B-1 Bonds”) in an aggregate principal amount of \$313,205,000 and its General Obligation Bonds (Election of 2016), 2019 Series B-2 (Federally Taxable) (Green Bonds) (the “2019 B-2 Bonds” and, together with the 2019 B-1 Bonds, the “2019B Bonds”) in an aggregate principal amount of \$46,795,000, pursuant to the First Supplemental Trust Agreement (Measure RR), dated as of August 1, 2019 (the “First Supplemental Trust Agreement”), between the District and U.S. Bank;

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2016), 2020 Series C-1 (Green Bonds) (the “2020 C-1 Bonds”) in the aggregate principal amount of \$625,005,000 and its General Obligation Bonds (Election of 2016), 2020 Series C-2 (Federally Taxable) (Green Bonds) (the “2020 C-2 Bonds” and, together with the 2020 C-1 Bonds, the “2020C Bonds”) in an aggregate principal amount of \$74,995,000, pursuant to the Second Supplemental Trust Agreement (Measure RR), dated as of August 1, 2020 (the “Second Supplemental Trust Agreement”), between the District and U.S. Bank;

WHEREAS, effective February 28, 2022, U.S. Bank transferred substantially all of its corporate trust business to its wholly owned subsidiary, U.S. Bank Trust Company, National Association, which is serving as successor trustee (the “Trustee”) as of such date with respect to the 2017A Bonds, the 2019B Bonds and the 2020C Bonds;

WHEREAS, the District deems that it is necessary and desirable to issue its “San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds)” and its “San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-2 (Federally Taxable) (Green Bonds)” (collectively, the “2022D Bonds”) in an aggregate principal amount not exceeding \$700,000,000, according to the terms and in the manner as set forth in the Third Supplemental Trust Agreement (Measure RR), between the District and the Trustee, for the purpose of financing the cost of the projects authorized in Measure RR (collectively, the “Project”) and paying the costs of issuance of the 2022D Bonds;

WHEREAS, there has been prepared and presented to this meeting a proposed form of Third Supplemental Trust Agreement (such Third Supplemental Trust Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution being hereinafter referred to as the “Third Supplemental Trust Agreement” and, together with the Master Trust Agreement, the First Supplemental Trust Agreement and the Second Supplemental Trust Agreement, the “Trust Agreement”);

WHEREAS, the District deems it necessary and desirable to sell the 2022D Bonds by negotiated sale to Stifel, Nicolaus & Company, Incorporated, acting as representative (the “Representative”) of itself, Barclays Capital Inc., Siebert Williams Shank & Co., LLC, Citigroup Global Markets Inc., and J.P. Morgan Securities LLC (collectively with the Representative, the “Underwriters”), in order to provide flexibility in the timing of the sale of the 2022D Bonds and to achieve a more desirable debt structure and an overall lower cost of borrowing, all pursuant to a bond purchase agreement to be entered into between the District and the Representative, a proposed form of which has been prepared and presented to this meeting (such bond purchase agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being hereinafter referred to as the “Bond Purchase Agreement”);

WHEREAS, there has been prepared and submitted to this meeting a proposed form of Official Statement (as defined herein) in preliminary form (the “Preliminary Official Statement”) to be used in connection with the offering and sale of the 2022D Bonds;

WHEREAS, in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), there has been prepared and submitted to this meeting a proposed form of Continuing Disclosure Agreement (such Continuing Disclosure Agreement, in the form presented to this meeting, with such changes, omissions and insertions as are made pursuant to this Resolution, being hereinafter referred to as the “Continuing Disclosure Agreement”), which is proposed to be entered into by the District and U.S. Bank Trust Company, National Association, as dissemination agent;

WHEREAS, the District has engaged Sperry Capital Inc., as municipal advisor to the District (the “Municipal Advisor”) with respect to the 2022D Bonds, and Orrick, Herrington & Sutcliffe LLP, as bond and disclosure counsel to the District with respect to the 2022D Bonds and pursuant to Section 5852.1 of the Government Code of the State of California, the District has estimated the costs of issuance for the 2022D Bonds and has received certain representations and good faith estimates from the Representative and the Municipal Advisor as to the debt costs and finance charges with respect to the 2022D Bonds as set forth in Exhibit A hereto; and

WHEREAS, the District hereby determines that use of the proceeds of the 2022D Bonds for the Project will assist BART in providing mass transit services which are electrically powered and thus reduce the amount of carbon dioxide that would otherwise be released if BART riders used automobiles and as such the 2022D Bonds should be certified as “Green Bonds” under the low carbon land transport criteria established by the Climate Bonds Standard and Certification Scheme;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Francisco Bay Area Rapid Transit District as follows:

Section 1. The foregoing recitals are true and correct, and the issuance by the District of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds) and San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-2 (Federally Taxable) (Green Bonds), in an aggregate principal amount not to exceed \$700,000,000, on the terms and conditions set forth herein and in the Third Supplemental Trust Agreement, as finally executed and delivered, is hereby approved.

Section 2. The Third Supplemental Trust Agreement in the form presented to this meeting is hereby approved. The Controller/Treasurer of the District or the Interim Controller/Treasurer of the District (each hereinafter referred to as the “Controller/Treasurer”) is hereby authorized and directed to execute and deliver the Third Supplemental Trust Agreement in substantially the form presented to this meeting with such changes, insertions and omissions as may be approved by such officer, such approval being conclusively evidenced by the execution and delivery of the Third Supplemental Trust Agreement. The proceeds of the 2022D Bonds (after payment of the costs of issuance thereof) will be applied to provide funds for the purposes hereinabove described. The maximum term of the 2022D Bonds shall not exceed thirty-one (31) years. The maximum rate of interest to be payable on the 2022D Bonds shall not exceed five and one-half percent (5.50%) per annum. The combined true interest cost for the 2022D Bonds shall not exceed four and eight hundred seventy-five thousandths percent (4.875%). Optional redemption of the 2022D Bonds shall be provided for at not later than ten (10) years from the date of issuance at the principal amount of 2022D Bonds being redeemed; provided, however, that the Controller/Treasurer is hereby authorized to cause all or any portion of the 2022D Bonds to be issued as callable, noncallable, taxable or tax-exempt bonds. The 2022D Bonds shall be signed by the manual or facsimile signature of the President of the Board of Directors of the District and countersigned by the manual or facsimile signature of the Secretary of the District, and the manual or facsimile seal of the District shall be affixed to the 2022D Bonds. The 2022D Bonds shall be authenticated by a manual signature of a duly authorized officer of the Trustee. The dated date of the document, the interest payment dates, series designations, tax designation, denominations, forms, manner of execution, terms of redemption and other terms of the 2022D Bonds shall be as provided in the Third Supplemental Trust Agreement as finally executed.

Section 3. The negotiated sale of the 2022D Bonds to the Underwriters on the terms and conditions contained in the Bond Purchase Agreement is hereby approved and authorized. The Bond Purchase Agreement in the form presented to this meeting is hereby approved and the Controller/Treasurer is hereby authorized and directed to execute and deliver the Bond Purchase Agreement in substantially the form presented to this meeting with such changes, insertions and omissions as may be approved by such officer, such approval being conclusively evidenced by the execution and delivery thereof. The maximum underwriting discount on the sale of the 2022D Bonds (exclusive of original issue discount) shall be not greater than thirty-five hundredths of one percent (0.35%) of the principal amount of the 2022D Bonds. The proceeds, including any accrued interest on the sale of the 2022D Bonds, shall be applied simultaneously with the delivery of the 2022D Bonds, as required by the terms of the Third Supplemental Trust Agreement as finally

executed. The costs of issuance of the 2022D Bonds excluding the underwriting discount, shall not be greater than one-half of one percent (0.5%) of the principal amount of the 2022D Bonds.

Section 4. The Preliminary Official Statement in the form presented to this meeting is hereby approved and the distribution of the Preliminary Official Statement, in connection with the offering and sale of the 2022D Bonds, with such changes, omissions and insertions as shall be approved by the Controller/Treasurer, is hereby authorized and approved. The Controller/Treasurer is hereby authorized to review the Preliminary Official Statement and to certify on behalf of the District that the Preliminary Official Statement is “deemed final” as of its date, except for certain terms and pricing information permitted to be omitted therefrom pursuant to Securities and Exchange Commission Rule 15c2-12. The Controller/Treasurer is authorized to deliver such a certification to the Underwriters.

The Controller/Treasurer is hereby authorized and directed to prepare a final version of the Official Statement (such final version of the Official Statement, in the form of the Preliminary Official Statement, with such changes, insertions and omissions as shall be approved by the Controller/Treasurer, being hereinafter referred to as the “Official Statement”) and to execute the Official Statement and any amendment or supplement thereto, in the name of and on behalf of the District, and cause the Official Statement and any such amendment or supplement to be delivered to the Underwriters and distributed in connection with the offering and sale of the 2022D Bonds.

Section 5. The Continuing Disclosure Agreement in the form presented to this meeting is hereby approved. The Controller/Treasurer is hereby authorized and directed to execute and deliver a Continuing Disclosure Agreement in substantially the form presented to this meeting, with such changes, insertions and omissions as may be approved by such officer, such approval being conclusively evidenced by the execution and delivery of the Continuing Disclosure Agreement.

Section 6. The Controller/Treasurer is hereby authorized to arrange and confirm Green Bonds certifications from the Climate Bonds Initiative for the 2022D Bonds or a portion thereof and the Controller/Treasurer is further authorized to execute and deliver all documents necessary in connection therewith.

Section 7. The Controller/Treasurer is hereby authorized to enter into or to instruct the Trustee to enter into one or more investment agreements, float contracts, swaps or other hedging products (hereinafter collectively referred to as the “Investment Agreement”) providing for the investment of moneys in any of the funds and accounts created under the Trust Agreement, on such terms as the Controller/Treasurer shall deem appropriate. Pursuant to Section 5922 of the California Government Code, the Board of Directors of the District hereby finds and determines that the Investment Agreement will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreement and is designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the 2022D Bonds or enhance the relationship between risk and return with respect to investments.

Section 8. Pursuant to Section 29121 of the California Public Utilities Code, the District shall, at the time of fixing the general tax levy and in the manner provided for fixing the

general tax levy, levy and collect annually until the 2022D Bonds are paid, or until there is a sum in the treasury of the District set apart for the purpose of paying all principal of and interest (and redemption premiums, if any) on the 2022D Bonds as the same become due and payable, a tax sufficient to pay the annual interest on the 2022D Bonds and such part of the principal thereof, including any sinking fund installments or redemption premiums required to be paid pursuant to the Third Supplemental Trust Agreement, as will become due before the proceeds of a tax levied at the next general tax levy will be made available for such purposes.

Section 9. The District hereby pledges all revenues from the property taxes collected from the levy for the payment of outstanding general obligation bonds of the District heretofore and hereafter issued pursuant to voter-approved Measure RR of the District, including the 2022D Bonds and any bonds issued to refund the 2022D Bonds or any other bonds issued pursuant to Measure RR (for the purpose of this pledge herein collectively, the “Bonds”) and amounts on deposit in the interest and sinking fund of the District to the payment of the principal or redemption price of and interest on the Bonds subject only to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein. This pledge shall be valid and binding from and after delivery by the Trustee of the 2022D Bonds for the benefit of the owners of the 2022D Bonds and successors thereto. The property taxes and amounts held in the interest and sinking fund of the District shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the interest and sinking fund of the District to secure the payment of the Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act.

Section 10. The Board of Supervisors, the Auditor-Controller, the Assessor, the Treasurer, and other appropriate officials of each of the County of Alameda, the County of Contra Costa and the City and County of San Francisco (each, a “BART County” and collectively, the “BART Counties”), are hereby requested to take and authorize such actions as may be necessary pursuant to the laws of the State of California to provide for the levy and collection of the property tax on all property within their respective BART County subject to taxation by the District at such rate specified annually by the District to provide for payment of all principal of, redemption premium, if any, and interest on the 2022D Bonds as the same shall become due and payable, and to transfer such monies to or as requested by the District for deposit to the District’s interest and sinking fund established pursuant to the Trust Agreement, and the Secretary of the District is hereby authorized and directed to deliver certified copies of this Resolution to the Clerk of the Board of Supervisors, the Auditor-Controller, the Assessor, the Treasurer and other appropriate officials of each BART County. The Board of Directors of the District hereby agrees to reimburse each BART County for any costs associated with the levy and collection of said tax, upon such documentation of said costs as the District shall reasonably request. The Controller/Treasurer is hereby authorized to enter into agreements with each BART County, provide such other documentation, and engage such consultants as the Controller/Treasurer determines is necessary or convenient to assist in the levy and collection of the taxes, the transfer thereof to or at the direction of the District, and the management of the bond program.

Section 11. The President of the Board of Directors of the District, the General Manager of the District, the Controller/Treasurer, the General Counsel of the District, the Secretary of the

District and any other proper officer of the District, acting singly, is, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper to carry out the transactions contemplated by the Trust Agreement, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Continuing Disclosure Agreement, and by this Resolution, including without limitation, the delivery of tax certifications, the delivery of any instructions or documents relating to the investment of bond proceeds and the making of any determinations or submission of any documents or reports which are required by any governmental entity in connection with the issuance or payment of the 2022D Bonds. In the event the Secretary of the District shall not have been appointed or is not otherwise available, the Assistant Secretary of the District is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things that the Secretary of the District is authorized or directed hereunder to execute, deliver, do or cause to be done. The Board of Directors of the District hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

Section 12. All actions heretofore taken by the officers, representatives or agents of the District in connection with the issuance and sale of the 2022D Bonds are hereby ratified, confirmed and approved.

Section 13. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED on _____, 2022.

EXHIBIT A TO RESOLUTION

GOOD FAITH ESTIMATES¹

**SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016), 2022 SERIES D-1
(GREEN BONDS)**

**SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016), 2022 SERIES D-2
(FEDERALLY TAXABLE) (GREEN BONDS)**

The following information was obtained from Stifel, Nicolaus & Company, Incorporated, as Representative of the Underwriters of the above-captioned bonds (the “Bonds”) and Sperry Capital Inc., as Municipal Advisor to the San Francisco Bay Area Rapid Transit District with respect to the Bonds, for consideration prior to the authorization in the foregoing Resolution of the proposed Bonds:

1. *True Interest Cost of the Bonds.* Assuming an aggregate principal amount of the Bonds in the amount of \$700,000,000 is sold pursuant to the financing and based on market interest rates prevailing at the time of preparation of this information plus 50 basis points, a good faith estimate of the true interest cost of the 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 Bonds, is 4.246%.

2. *Finance Charge of the Bonds.* Assuming such a principal amount of the proposed Bonds is sold and based on market interest rates prevailing at the time of preparation of this information plus 50 basis points, a good faith estimate of the Finance Charge of the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the issuance of the Bonds), is \$2,091,000 as follows:

	Name	Amount*
a)	Bond Counsel Fees	\$368,421
b)	Disclosure Counsel Fees	147,368
c)	Disbursements	3,500
d)	Municipal Advisor Fees	119,737
e)	Rating Agency Fees	233,026
f)	Trustee Fees	19,711
g)	Printer Fees	4,605
h)	Miscellaneous Expenses	2,303
i)	Green Bond Certification	7,000
j)	Underwriters’ Discount	1,176,000
	Subtotal	\$2,081,671
k)	Contingency	9,329
	Total:	\$2,091,000

* Preliminary, subject to change. Final allocation of fees between refunding and new money to be determined at pricing.

¹ Note: Amounts in the good faith estimates are approximated to the nearest dollar. Totals may not sum due to rounding.

3. *Amount of Proceeds to be Received.* Assuming such aggregate principal amount of the proposed Bonds required to effectuate the financing is sold and based on market interest rates prevailing at the time of preparation of this information plus 50 basis points, a good faith estimate of the amount of proceeds expected to be received by the issuer for sale of the Bonds less the Finance Charge of the Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$700,000,000.

4. *Total Payment Amount.* Assuming such aggregate principal amount of the proposed Bonds (\$700,000,000) are sold and based on market interest rates prevailing at the time of preparation of this information plus 50 basis points, a good faith estimate of the total payment amount, which means the sum total of all payments the issuer will make to pay debt service on the Bonds plus the Finance Charge of the Bonds described in paragraph 2 above not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$1,459,811,437².

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

² Net debt service excluding \$74,983,672 in debt service payments the District will make with proceeds of the Bonds deposited in the interest and sinking fund of the District.

APPENDIX A

**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
FINANCIAL AND OPERATING INFORMATION**

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SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

General Description of the District

The San Francisco Bay Area Rapid Transit District (the “District” or “BART”) was created in 1957 by Chapter 1056 of the Statutes of 1957 of the State of California, constituting Sections 28500 to 29757, inclusive, of the California Public Utilities Code, as amended (the “BART Legislation”) to provide rapid transit to the San Francisco Bay Area. The District is presently composed of all the area in the Counties of Alameda and Contra Costa and the City and County of San Francisco (the “Three BART Counties”). In addition, the District owns property within the County of San Mateo and has easements to operate within the County of Santa Clara on which BART is operating facilities, and the District acquired the right to use additional right of way and station locations in connection with the extension of its rapid transit system (the “BART System”) to the San Francisco International Airport (“SFO”) located in the County of San Mateo. The first phase of the extension of the BART System into the County of Santa Clara was completed in Fiscal Year 2019-20, as service to the Milpitas and Berryessa/North San José stations began on June 13, 2020. See “BART FINANCINGS AND CAPITAL PROGRAMS – System Expansion Program” herein. Under certain conditions, other counties may be annexed to and become a part of the District. BART is not aware of any plans to annex any counties to the District.

References to “Fiscal Year” or “FY” refer to the fiscal year ending on June 30 of the designated year and beginning on the preceding July 1.

Administration

Governance of the District is vested in a Board of Directors (the “Board of Directors” or the “Board”) composed of nine members, each representing an election district within the District. The boundaries of the election districts have been set on the basis of, as nearly as practicable, equal population and, among other things, community of interest of the population within the election district. The election districts are adjusted to reflect population changes after every national census. The boundaries of the District’s election districts do not conform to the boundaries of the Three BART Counties. The nine electoral districts may include areas from one or more of the Three BART Counties.

Directors are elected to staggered four-year terms every two years, alternating between four and five available positions. Each term commences on the first Friday of December in the year of a November general election and ends on the first Friday of December four years later.

The District Directors are:

Director	District	City of Residence	Term Expiration (December)
Rebecca Saltzman, President	3	El Cerrito	2024
Janice Li, Vice President	8	San Francisco	2022
Debora Allen	1	Clayton	2024
Elizabeth Ames	6	Union City	2022
Bevan Dufty	9	San Francisco	2024
Mark Foley	2	Antioch	2022
John McPartland	5	Castro Valley	2024
Robert Raburn	4	Oakland	2022
Lateefah Simon	7	Oakland	2024

The executive management staff of the District consists of statutory officers appointed by the Board and operating managers appointed by the General Manager.

Principal statutory officers include:

Robert Powers, General Manager

Robert Powers was appointed General Manager of BART on July 25, 2019. As General Manager, Mr. Powers manages an operating budget of approximately \$1 billion, oversees approximately \$1.4 billion in capital projects, and leads an agency with approximately 4,000 employees that keeps the San Francisco Bay Area moving.

Prior to his appointment, Mr. Powers served as Deputy General Manager of BART starting in January of 2017. In this role, Mr. Powers provided support to the General Manager in the management of major District departments including Operations; System Safety; Planning, Development and Construction; Administration and Budget; Office of the CIO; Civil Rights; External Affairs and Human Resources. Mr. Powers also provided management support to the Board of Directors, Board-appointed officers and BART's executive staff.

Before his appointment to Deputy General Manager, Mr. Powers served as Assistant General Manager of Planning, Development and Construction at BART and was responsible for the design, construction and management of several major rail transit extension projects along with BART's Real Estate and Property Development; Strategic and Station Planning efforts; BART's Energy and Sustainability Program, and the Office of the District Architect.

Mr. Powers is a licensed Professional Engineer. He holds a Bachelor of Science degree in Civil Engineering and Master of Science degree in Structural Engineering, both from the University of Illinois at Urbana-Champaign.

Christopher S. Gan, Interim Controller/Treasurer

The Board of Directors appointed Mr. Gan as the Interim Controller-Treasurer of the District, effective March 22, 2021. In this role, Mr. Gan plans, organizes, directs, and administers

the functions of the District's finances, including investment, debt administration, cash collection and revenue services, risk management, and controllership. He also provides advice and financial information to District staff and the Board of Directors. Mr. Gan joined the District in June 1999 as Accounting Manager in the Finance Department and was promoted to Assistant Controller in December 2012. In this role, he was responsible for managing all accounting-related functions in the District, including general accounting, accounts payable, accounts receivable, payroll, and financial reporting. Mr. Gan is a certified public accountant in California and holds a Bachelor of Science degree in Commerce, major in accounting, from De La Salle University in the Philippines.

Matthew Burrows, General Counsel

Mr. Burrows joined the District in 1997 as an attorney in the Office of the General Counsel. In this role, Mr. Burrows generally represented the District and provided advice and counsel in labor, employment, procurement and construction matters. He was appointed Associate General Counsel in May, 2007 and General Counsel in January 2008. In his more than 14 years as General Counsel he has been responsible for the management of the legal affairs of the District. Mr. Burrows received a Bachelor of Arts degree in Sociology from the University of California at Santa Barbara and his Juris Doctor degree from the University of California, Hastings College of the Law.

Principal executive management staff appointed by the General Manager include:

Shane Edwards, Interim Assistant General Manager, Operations

Mr. Edwards was appointed the Interim Assistant General Manager of Operations of the District on July 31, 2021. In this role, Mr. Edwards is responsible for the day-to-day delivery of safe, clean, reliable train service. Mr. Edwards joined in the District in May 2015 as the Assistant Chief Maintenance and Engineering Officer of the Right-of-Way, and was appointed Chief Maintenance and Engineering Officer in December 2018. In this role, Mr. Edwards led a diverse team of engineering and maintenance professionals, who maintained over 30,000 fixed assets and managed a capital portfolio of 400 projects. Mr. Edwards received an Associate of Arts and Sciences degree in Business Management from California State University at Fresno, and has 28 years of experience in the railway industry.

Pamela Herhold, Assistant General Manager, Performance and Budget

Ms. Herhold was appointed the Assistant General Manager of Performance and Budget for the District in September 2017. In this role, Ms. Herhold is responsible for the District's Performance and Budget Executive Office, leading areas including Budgets, fare policy, long-term financial planning, Grants, Funding Strategy and Internal Audit. Previously, Ms. Herhold led the District's Financial Planning function and was a leader in institutionalizing the District's inflation-based fare increase program, now in place since 2006. Ms. Herhold holds a Master of Urban and Regional Planning from the University of Florida.

THE BART SYSTEM

General Description

The BART System is an electrically-powered rail rapid transit system serving the residents of the San Francisco Bay Area. The BART System is currently comprised of approximately 131 miles of dual mainline track (including some areas of more than two tracks) and 50 stations, 42 of which are located in the Three BART Counties, six of which are located in San Mateo County on the San Francisco Peninsula, and two of which are located in Santa Clara County. In addition, the BART System includes the renewable diesel-powered Antioch Extension (as defined herein) and the electric Oakland Airport Connector (the “OAC”). Automatic fare collection equipment is located in each station to vend and process passenger tickets and Clipper Cards (as defined herein). BART is powered by an electric third rail at 1,000 volts DC. The rail right-of-way is fully protected and has no grade crossings. Computers located along the right-of-way automatically control train movements. BART train supervision is provided by the BART train control computer located at the BART Operations Control Center (the “Control Center”). Should the need arise, train operators aboard each train may override the automatic system.

BART service lines run through the urban and suburban areas of the Three BART Counties, San Mateo County and Santa Clara County. Lines run along the west side of the San Francisco Bay on the San Francisco Peninsula from the Millbrae station and the SFO station, under the San Francisco Bay in the San Francisco-Oakland rapid transit tube (the “Transbay Tube”) and traverse the hills and valleys of the east side of the San Francisco Bay including through the Berkeley Hills Tunnel, which runs approximately parallel to the Caldecott Tunnel and bisects the Hayward Fault. For more detailed information regarding BART System routes, see the BART System map in the inside back cover of this Official Statement. Approximately one-third of the BART System is underground or underwater, one-third is aerial, and one-third is at grade.

BART stations are spaced approximately one-half mile apart in downtown San Francisco and Oakland, and approximately two to four miles apart in most suburban areas. A number of BART stations located in downtown San Francisco enable intermodal transfers to the San Francisco Metropolitan Transportation Authority light rail, cable cars and buses. The Millbrae station provides convenient transfers to the Caltrain commuter rail service, which provides commuter service along the San Francisco Peninsula and south to Gilroy in Santa Clara County. The Richmond and Coliseum stations in the East Bay provide intermodal transfers to the Capitol Corridor intercity rail service between Sacramento and San Jose. The Milpitas station in Santa Clara County provides convenient transfers to the Santa Clara Valley Transportation Authority (“VTA”) light rail and bus systems, which provide commuter service throughout the greater San Jose area. The SFO station is located within SFO. The Coliseum station in Oakland provides access via the OAC to Oakland International Airport (“OAK”).

BART began operations in the early 1970s with Transbay service beginning in 1974. A number of East Bay extensions to North Concord/Martinez and Pittsburg/Bay Point to the northeast and Castro Valley and Dublin/Pleasanton to the southeast were added in the mid-1990s and a new station in the Warm Springs district of Fremont in southern Alameda County (the “Warm Springs Extension”) was opened in 2017. The SFO Extension (as defined herein), consisting of service to five stations in San Mateo County, opened in 2003 with BART assuming

operational control of the SFO Extension from the San Mateo County Transit District (“SamTrans”) in 2007.

BART commenced service of the OAC in November 2014. The OAC is an automated, cable-propelled people mover manufactured by Doppelmayr Cable Car, Inc. (“DCC”) that travels between the Coliseum BART station and OAK in about eight minutes on a guideway structure along the median of Hegenberger Road. The OAC project is operated pursuant to a 20-year operations and maintenance contract with DCC. Pursuant to the contract, the District pays DCC a monthly fee, which is calculated pursuant to a formula that includes a base fee, plus additional fixed fees for service adjustments, deductions for excessive downtime, incentives for increased service availability, and an adjustment for inflation. In Fiscal Year 2021, the District paid DCC approximately \$6.5 million.

On May 26, 2018, BART service was extended to Antioch in east Contra Costa County (the “Antioch Extension”). The Antioch Extension, designed to improve transit service in the congested California State Highway Route 4 (“State Route 4”) corridor, consists of a 10-mile rail extension located in the median of State Route 4 eastward from the Pittsburg/Bay Point BART station to the City of Antioch utilizing Diesel Multiple Unit (“DMU”) technology (the “eBART Project”). The eBART Project operates eight DMUs out of the eBART Maintenance Facility (“EMF”) in Antioch. The EMF consists of a maintenance shop, fueling station, train washing facility, warehouse, control center, and administrative offices.

On June 13, 2020, BART service was extended to Milpitas and San Jose in north Santa Clara County (the “Silicon Valley Berryessa Extension Project” or the “SVBX”). The SVBX is a ten-mile extension south from the Warm Springs/South Fremont station and includes the Milpitas and Berryessa/North San José stations. The SVBX is the first phase of the Silicon Valley Extension (defined herein). See “BART FINANCINGS AND CAPITAL PROGRAMS – System Expansion Program – *Silicon Valley Extension*” herein.

Revenue Hours

BART operates revenue train service from 5:00 a.m. to midnight Monday through Friday, from 6:00 a.m. to midnight on Saturdays, and from 8:00 a.m. to midnight on Sundays. The last trains depart each end of the line around midnight, so passengers can get anywhere in the BART System if they arrive at any station by around midnight. Depending upon demand, holiday rail service is provided on a full or modified weekday schedule, a Saturday schedule or a Sunday schedule. On April 8, 2020, BART temporarily reduced its revenue service due to reduced ridership resulting from the COVID-19 pandemic. As of February 14, 2022, BART customary revenue service hours were restored.

Ridership

Average weekday passenger trips for Fiscal Years 2016-17 through 2020-21, as well as for the first three-quarters of Fiscal Year 2021-22 are set forth below.

Average Weekday Ridership

Trip Locations:	2017	2018	2019	2020	2021	2022*
East Bay	84,946	82,251	79,751	57,420	14,709	26,323
West Bay	106,814	102,844	103,210	72,039	11,830	24,121
Transbay	<u>231,636</u>	<u>229,071</u>	<u>227,816</u>	<u>158,812</u>	<u>26,383</u>	<u>52,283</u>
Average Total Weekday Trips	423,396	414,166	410,777	288,271	52,922	102,727
Percentage Annual Change	(2.3)%	(2.2)%	(0.8)%	(29.8%)	(81.6%)	94.1%

* Average passenger trips per weekday through March 31, 2022. In March 2022, average weekday passenger trips were 124,094.

Following extraordinary ridership growth after the 2008-2011 recession, ridership growth peaked in Fiscal Year 2015-16 averaging just over 433,000 weekday trips. In Fiscal Year 2016-17, ridership trended down, averaging 423,396 weekday trips for the year. That trend continued through Fiscal Year 2017-18 and Fiscal Year 2018-19 as ridership declined to just over 414,000 and just over 410,000 average weekday trips, respectively. Historically, factors such as changes in employment, traffic congestion and the price of gas have impacted BART ridership, and in recent years Uber, Lyft, and other app-based services (also known as Transportation Network Companies (“TNCs”)) appear to have contributed to the decline in ridership.

The ongoing COVID-19 pandemic, which began approximately eight months into Fiscal Year 2019-20, contributed to a sharp decline in ridership. From July 2019 through February 2020, average weekday trips were just over 405,000, and were approximately just 5% below the expected baseline as of March 2, 2020. Ridership fell drastically after each of the Three BART Counties instituted shelter-in-place orders in response to the COVID-19 outbreak (collectively, the “Shelter-In-Place Orders”) on March 17, 2020. From March 2020 through June 2020, ridership fell to just over 66,000 average weekday trips, bringing average weekday trips in Fiscal Year 2019-20 to just over 288,000. In Fiscal Year 2020-21, average weekday trips were just below 53,000, reflecting a full year of depressed ridership figures due to the effects of the COVID-19 pandemic. Ridership has fluctuated in Fiscal Year 2021-22, declining in December 2021 as a result of the onset and spread of the Omicron variant of COVID-19 and increasing since. Average weekday trips in April through April 23, 2022 were [____], approximately [____]% of pre-COVID-19 pandemic levels. For a discussion of the District’s long-term ridership outlook, and how the decline in ridership has affected and is expected to continue to affect the District’s finances, see “DISTRICT FINANCIAL INFORMATION – Management’s Discussion of Historical Financial Results and Adopted Budget for Fiscal Year 2021-22” and “– Preliminary Budget for Fiscal Year 2022-23” below. During this period of reduced ridership and service, the District has accelerated its capital programs to take advantage of increased maintenance windows.

During the COVID-19 pandemic, monthly station exits at the District’s downtown San Francisco stations decreased at a higher rate than at the District’s other stations, as many large employers in the District’s service area implemented policies that required or permitted employees to work remotely. These policies resulted in fewer employees commuting into San Francisco, and

according to Cushman & Wakefield, the vacancy rate in San Francisco offices reached 20.5% and 19.9% in the third and fourth quarters of calendar year 2021, respectively. The District anticipates that ridership will increase when San Francisco employers permit or require employees to return to the office.

The Coliseum station in Oakland provides access to the Oakland-Alameda County Coliseum (the “Coliseum”), currently home to the Oakland Athletics, a professional baseball team. The Golden State Warriors, a professional basketball team, relocated to the Chase Center in San Francisco beginning with the 2019-20 basketball season, the Oakland Raiders, a professional football team, relocated to a new venue in Las Vegas beginning with the 2020-21 football season, and the Oakland Athletics are considering relocating to a different site either in Oakland or outside the San Francisco Bay Area. Although the Coliseum continues to serve as a concert and event venue, the District has seen a decline in ridership at the Coliseum station since the relocation of the Golden State Warriors and the Oakland Raiders. The District expects, however, that some trips relating to Golden State Warriors home games remain on the BART System and now exit at a station closer to the Chase Center. The District cannot predict the impact of a future relocation of the Oakland Athletics on ridership at the Coliseum station or the BART System.

Passenger Fares

BART fares are calculated based on distances between the departure and arrival stations, with surcharges applied to certain trips adjusted for a speed differential. Surcharges apply to transbay trips; trips originating from or destined to stations located in San Mateo County; a capital surcharge applies to BART trips within the Three BART Counties; and a premium applies to trips to and from the SFO station and the OAK station via the OAC. Since January 1, 2020, the minimum one-way fare is \$2.10 for riders using the regional Clipper Card and \$2.60 for riders using the magnetic stripe paper tickets. The current maximum one-way fare for Clipper Card users is \$17.00, charged for the trip between the SFO and OAK stations, and \$17.50 for paper ticket users. Systemwide conversion from the use of paper tickets was fully completed in December 2020, and the Clipper Card is now the only fare product available for purchase at all BART stations. Clipper Card is also available via mobile application, and increased adoption of Clipper Card via mobile application may result in some cost savings to the District relating to equipment maintenance.

Fare increases during the District's history are summarized below:

Average District Fare Increases

Date	Average Increase
November 1975	21.0%
July 1980	34.9
September 1982	18.4
January 1986	30.0
April 1995	15.0
April 1996	13.0
April 1997	11.4
January 2003	5.0
January 2004	10.0
January 2006	3.7
January 2008	5.4
July 2009	6.1*
July 2012	1.4
January 2014	5.2
January 2016	3.4
January 2018	2.7
January 2020	5.4
July 2022	3.4**

* All fares increased by an average 6.1% with the exception of the 16.7% increase to the minimum fare and the 167% increase to the premium fare charged for trips to or from SFO station.

** Planned fare increase deferred from January 2022 to July 2022 to support regional recovery from the COVID-19 pandemic. This deferral reduces expected fare revenue by approximately \$3.5 million in Fiscal Year 2021-22.

The District currently offers a variety of fare discount programs ranging in value from 6.25% to 62.5% of the regularly-applicable fare. Persons eligible for such discount programs include youth between the ages of 5 and 18 (children under the age of 5 ride free), students attending San Francisco State University, and seniors or persons with disabilities. Specific terms and eligibility requirements apply to each discount program.

BART is currently participating in a pilot means-based fare discount program sponsored by MTC, which allows adult riders earning 200% or less of the federal poverty level to receive a 20% discount per trip on BART. MTC is reimbursing BART for up to 50% of BART's annual revenue loss from the program. The program has had slow adoption during the COVID-19 pandemic (less than 0.5% of all trips), and adoption is expected to increase as general ridership recovers.

BART commenced revenue service to the Milpitas and Berryessa/North San José stations in Fiscal Year 2019-20. The fare revenues generated for service to such stations are used to help offset VTA's operating costs for the extension under the VTA/BART Operations and Maintenance Agreement. See "BART FINANCINGS AND CAPITAL PROGRAMS – System Expansion Program" herein.

The rates and charges of BART are by law free from the jurisdiction and control of any regulatory agency, including the California Public Utilities Commission. Passenger fares are established by a two-thirds vote of the Board of Directors following public hearings in compliance with Title VI of the Civil Rights Act of 1964 and State law.

Parking Programs

As of March 2022, parking is provided at 38 of the District's 50 stations. The total number of BART-managed parking spaces is approximately 48,100, and VTA operates approximately 3,100 additional parking spaces at the Berryessa/North San José and Milpitas stations.

Parking is provided in surface lots and in parking garages. The District offers paid daily fee parking and reserved parking (both single/multi-day and monthly parking) at most of its stations. Monthly reserved parking fees vary from station to station within a range of approximately \$84 to \$105 at most stations, based upon the daily fee for each station. The number of spaces set aside for monthly reserved parking under current authorization cannot exceed 25% of the total spaces in a lot. All total reserved spaces may not exceed 40% of the station's total spaces. Passengers traveling to either SFO or OAK may purchase single/multi-day parking for approximately \$6-7/day at most stations.

The amount for the daily parking fee is demand-based, up to a \$3 daily fee limit which may be increased when demand exceeds 95% capacity, except at the West Oakland BART station, which does not have a limit.

Power Supply

The operation of the BART System requires a substantial amount of electricity to serve its traction power system as well as the operation of its stations, shops, yards and other facilities. The District's current annual electric load is approximately 380,000 megawatt-hours, with peak electric demand of approximately 80 megawatts. In calendar year 2020, for the first time, the District achieved a 100% greenhouse gas-free power supply as certified by its 2020 Power Content Label produced under the California Clean Energy Commission's Power Source Disclosure program.

The District historically purchased all of its electricity services, including both supply and delivery, from Pacific Gas & Electric Company ("PG&E"). In April 2017, the Board of Directors adopted the District's first Wholesale Electricity Portfolio Policy, mandating that procurement activities: (1) "Support low and stable BART operating costs," and (2) "Maximize the use of low-carbon, zero-carbon and renewable electricity supply." Specifically, this policy implemented performance measures for the energy portfolio's carbon and renewables content and for cost stability, including a 100% renewable electricity commitment by 2045 and long-term cost advantages over equivalent bundled electric service available through PG&E.

Pursuant to legislative authorization and the Wholesale Electricity Portfolio Policy, the District's energy supply needs are currently met through a portfolio of short-term, medium-term and long-term supply contracts, including power purchase agreements with hydroelectric, solar, and wind facilities. In 2017, the District executed two twenty-year renewable power purchase agreements ("PPAs") – a wholesale solar PPA and a wholesale wind PPA – to secure the majority of its electricity supply needs in 2021 and beyond at cost-effective, fixed prices. The projects,

known as the Slate Solar Project and the Sky River Wind Project, are located in Kings County and Kern County, respectively, and achieved commercial operation in 2021. Together, the two projects are expected to serve greater than 55% of the District's annual electric load. The balance of the District's power supply is comprised of approximately 35% hydroelectric imports from the Pacific Northwest, approximately 5% of federal preference hydroelectric power from the Western Area Power Administration's Central Valley Project, and approximately 5% from other registered renewable resources including the Lake Nacimiento hydroelectric project, the Gridley solar project, and five on-site solar installations at BART facilities. The District also receives marginal quantities of electricity from California's wholesale electric market for purposes of filling any hourly imbalances among load and supply.

The District continues to utilize PG&E transmission and distribution facilities to deliver energy purchased by the District from its various suppliers under agreements in effect through 2026. Wholesale power procurement provides significant savings to the District relative to the cost of standard bundled retail electric service from PG&E, but both transmission and distribution costs are expected to increase due to higher rates driven by ongoing grid investment throughout the State to enhance system reliability and resiliency. During wildfire season, under certain meteorological conditions, PG&E may institute public safety power shut offs ("PSPS"), during which it will turn off electricity service in designated areas to lessen the threat of fires started by power lines. Notably, the District's existing delivery agreements do not currently offer any special protections to avoid the possibility of proactive de-energization by PG&E in the interest of public safety; however, the District has identified risk mitigations and established an operational response plan to respond to such power service disruptions without material impact to transit service. These mitigations include the rerouting of load flows throughout the District's 34.5 kilovolt traction power system or the utilization of an alternate feeder for facilities equipped with a redundant dual-feed configuration. The District also maintains a fleet of mobile generators that may be moved throughout the system to back-up facilities at risk of de-energization. During the most recent PSPS in 2021, the District was able to maintain operations with minimal disruptions through the use of redundant electrical feeds where available, and pre-positioned portable generators where they were not. In the event that the District is unable to mitigate disruptions in power service, whether due to issues relating to de-energization and/or distribution equipment failure, the District would rely on contingency circuits to maintain lighting and other essential electrical loads while the facility or asset is safely removed from service.

The District also faces some limited risks associated with the impact of wildfire on its portfolio of power supply resources and the transmission delivery infrastructure that transmits electricity from the point of generation to the point of delivery. To the extent BART's contracted generation resources are impacted by a localized wildfire event or ambient wildfire smoke, generation units will continue to operate as long as operating equipment and onsite personnel are safe and secure. To the extent site safety and security are compromised, the affected unit(s) would be forced out of service, and BART would rely on unspecified replacement power sourced from California's wholesale market on an interim basis. Similarly, to the extent transmission infrastructure is threatened or compromised by a localized wildfire event, transmission operators may take action to remove the impacted transmission from service and reroute flows via alternate transmission pathways. If alternate transmission pathways are not available, BART would rely on unspecified market power on an interim basis to replace any power supply shortfalls until sufficient transmission capacity is restored.

The District is also a 6.6% participant/owner in the Northern California Power Agency's Lodi Energy Center (the "LEC"), a natural gas power plant which achieved commercial operation in 2012, and is an obligor of a portion of the bonds issued for construction of the facility. The LEC operates according to the needs of the California Independent System Operator ("CAISO"), the entity responsible for grid operations and facilitation of wholesale electric markets in California. While the District does not currently receive physical energy deliveries from the LEC, the District pays operations, maintenance, and fuel costs for its share of the facility, and receives a proportionate share of the revenues from the energy and ancillary services sales into the CAISO power market.

BART FINANCINGS AND CAPITAL PROGRAMS

Powers of the District

The BART Legislation grants the District the following powers, among others:

Financing and Taxation. The District may issue general obligation bonds up to the amount authorized by a two-thirds vote of the electorate voting on the ballot measure proposing such general obligation bonds. Upon issuance of general obligation bonds authorized by the electorate, the District is obligated to levy an *ad valorem* tax on property in the Three BART Counties at a rate sufficient to pay the annual debt service on such outstanding general obligation bonds when due and payable. Such tax may be offset to the extent that other moneys are legally made available for such purpose.

In addition to general obligation bonds, the District may issue: (1) sales tax revenue bonds; (2) revenue bonds payable solely from revenues of any facility or enterprise to be acquired or constructed by the District; (3) equipment trust certificates payable from revenues derived from the operation of the BART System; (4) special assessment bonds; (5) grant anticipation notes, bond anticipation notes and tax and revenue anticipation notes; and (6) such other obligations as are authorized by the laws of the State of California (the "State of California" or the "State").

Eminent Domain. The District has the right, with certain limitations, of eminent domain for the condemnation of private property for public use.

Sources of Funds

The District has received and expects to continue to receive grants from the federal government, from the State, from regional bridge tolls and from local governments for capital renovation and expansion of the BART System. In addition to grants and bridge toll revenues, capital renovation and expansion of the BART System is funded with BART revenues, including allocations from the operating budget and the proceeds of BART financings, as further described below.

General Obligation Bonds

Pursuant to voter approval in the Three BART Counties in 1962, the District issued a total of \$792 million aggregate principal amount of general obligation bonds in twelve series during the

years 1963 through 1969 to pay a portion of the cost of planning, acquisition and construction of the original 71-mile BART System, excluding the Transbay Tube and its approaches. All such original general obligation bonds have been paid.

Pursuant to voter approval in the Three BART Counties of Measure AA (“Measure AA”) at the November 2, 2004 election, the District was authorized to issue general obligation bonds, in one or more series, in an amount not to exceed \$980 million, in order to make earthquake safety improvements to the BART System. The District issued its first general obligation bonds under Measure AA in May 2005, and issued the last of its remaining authorization of the general obligation bonds under Measure AA in August 2019.

At the November 8, 2016 election, voters in the Counties of Alameda and Contra Costa and the City and County of San Francisco approved a new general obligation bond measure (“Measure RR”), titled “BART Safety, Reliability and Traffic Relief” in the amount of \$3.5 billion. See “—System Renewal Program and System Reinvestment Program” below. Commencing in June 2017, the District issued general obligation bonds under Measure RR in order to finance critical infrastructure needs identified in the System Renewal Program.

For a description of the general obligation bonds issued by the District under Measure AA and Measure RR, including refunding bonds, and the amount of each series of general obligation bonds that will be outstanding upon the issuance of the 2022 Bonds, see “PLAN OF FINANCE – Measure AA” and “– Measure RR” in the forepart of this Official Statement.

Pursuant to Section 29150 of the California Public Utilities Code, the District may borrow money, incur a bonded indebtedness in respect thereto, and levy taxes for the payment of principal and interest thereon, in an amount up to 3.75% of the assessed valuation of taxable property within the District. In Fiscal Year 2020-21, the assessed value of taxable property within the District was approximately \$889.8 billion, creating a limit on bonded indebtedness of approximately \$33.4 billion. As of the end of Fiscal Year 2020-21, the District had \$1,871,890,000 of outstanding bonded indebtedness, which is approximately \$31.5 billion below the statutory limit.

Sales Tax Revenue Bonds

Commencing in 1970, the District has issued from time to time bonds payable from and collateralized by a pledge of sales tax revenues (the “Sales Tax Revenue Bonds”), comprised of seventy-five percent (75%) of the amounts derived from a one-half of one percent (0.5%) transactions and use tax imposed within the Three BART Counties and received by the District pursuant to Section 29140 of the California Public Utilities Code. The Sales Tax Revenue Bonds are special obligations of the District issued in order to finance or refinance the costs of constructing, improving and equipping the BART System. The following issues of Sales Tax Revenue Bonds will be outstanding in the amounts indicated in the table below as of April 2, 2022:

Outstanding Sales Tax Revenue Bonds

Issue	Original Principal Amount	Amount Outstanding	Final Maturity
Series 2012A Bonds	\$130,475,000	\$4,175,000	2022
Series 2012B Bonds (Taxable)	111,085,000	2,845,000	2022
Series 2015A Refunding Bonds	186,640,000	121,975,000	2034
Series 2016A Refunding Bonds	83,800,000	73,900,000	2036
Series 2017A Refunding Bonds	118,260,000	118,260,000	2034
Series 2017B Refunding Bonds (Taxable)	67,245,000	33,055,000	2023
Series 2019A Bonds	223,020,000	223,020,000	2044
Series 2019B Refunding Bonds (Taxable)	80,290,000	80,290,000	2036
Total		\$657,520,000	

Rail Vehicle Replacement Program

BART System vehicles are electric multiple unit cars, with an electric motor powering each axle of every car. BART's legacy fleet includes "A," "B" and "C" cars (the "Legacy Cars"), which are being supplemented and will eventually be replaced by "D" and "E" cars (the "Fleet of the Future"). Cars of BART's Fleet of the Future are designated "D" (cab-equipped) and "E" (mid-train) cars. Trains vary from four to ten cars in length and contain one control cab-equipped vehicle at each end, with mid-train vehicles making up the remainder of each train.

On May 10, 2012, the Board of Directors authorized the award of a contract to Bombardier Transit Corporation ("Bombardier") for the procurement of cars to replace and expand BART's revenue fleet. The base contract provides for the design, engineering, manufacturing, testing, management and support of 260 rail transit vehicles, with several options to procure additional vehicles thereafter. The District has exercised such options for a total initial purchase of 775 vehicles, comprised of 310 "D" (control cab-equipped) and 465 "E" (non-control) cars. An additional 306 vehicles and more may also be acquired under the contract as described below.

Bombardier began delivery of production vehicles in early 2018 and as of April 1, 2022 has delivered 307 cars. In June 2019, Bombardier opened a rail car assembly facility in Pittsburg, California, which is currently being used to perform upgrades to the District's new rail cars and will enable accelerated delivery of the new cars.

On January 8, 2021, the District stopped accepting deliveries of new rail cars due to poor reliability performance and car availability issues. On February 16, 2022, the District announced that it is once again accepting deliveries of new rail cars, as the District and Bombardier had made necessary modifications and upgrades which, along with several software improvements, significantly improved the overall performance of the new rail cars being delivered. BART plans to phase in the first 775 new cars and phase out the existing cars, which are incompatible with the new cars.

The total project cost for the 775 vehicles is expected to be approximately \$2.584 billion and MTC and the District have agreed in principle that MTC by allocation of federal and State funds will fund 75% of the purchases of the new vehicles, and BART will fund the remaining 25% of the purchases under the replacement vehicle contract. Sixty vehicles are attributed to service requirements for the expansion into Santa Clara County and are funded per the terms of a cost-sharing agreement entered into by VTA and BART.

A portion of the funds MTC expects to use to fund its share of the cars depends on FTA and Federal Highway Administration (“FHWA”) funds that are subject to authorization and appropriation by Congress, and on other critical regional transit capital needs. Should the FTA and FHWA funds become unavailable, the District cannot predict what funds, if any, MTC will provide in their place. MTC received a Letter of No Prejudice, dated February 14, 2019, from FTA with respect to such proposed financing.

To set aside funding for vehicle replacement, the District and MTC entered into the BART Car Replacement Funding Exchange Agreement in 2006 (the “Exchange Agreement”). Under the Exchange Agreement, MTC agreed to program federal funds to eligible BART projects that are ready to be delivered within the year of MTC’s programming action. In exchange for MTC programming funds for such BART projects, the District deposits an equal amount of local unrestricted funds into the “BART Car Exchange Fund”, a restricted account established to fund the Rail Vehicle Replacement Program. MTC is the exclusive administrator of this restricted account and any withdrawal of funds from the account requires prior approval from the MTC Commission and the District’s Board. The federal grant is shown as nonoperating revenue—operating financial assistance and the District’s remittance to MTC is shown as nonoperating expense in the District’s financial statements. The BART Car Exchange Fund for the Rail Vehicle Replacement Program, which is held by MTC and is excluded from the District’s financial statements, showed a total cash and investment balance, at market value unaudited, of \$362.7 million as of December 31, 2021.

In addition to the 775 new vehicles on order, the District plans to acquire an additional 306 new rail cars, 252 of which will operate on lines that travel through the Transbay Tube. These additional rail cars will help to enable a peak capacity of 30 scheduled ten-car trains per hour via the Transbay Tube as part of the District’s Transbay Corridor Core Capacity Project. Funding for the 252 additional rail cars that will operate through the Transbay Tube was included in the District’s Transbay Corridor Core Capacity Project. For a description of the Transbay Corridor Core Capacity Project, see “BART FINANCINGS AND CAPITAL PROGRAMS – Service and Capacity Enhancement Program.” The District may also acquire an additional 119 new cars, 60 of which are needed for the network as expanded to Santa Clara by the second phase of the Silicon Valley Extension (defined herein). BART is exploring funding options, including FTA grants, State grants and local funding to fully fund the additional cars. The additional cars are included in MTC’s updated Regional Transportation Plan and the Bay Area Plan (defined herein), Core Capacity Program, and Regional Measure 3 projects. BART plans to phase in the first 775 new cars and phase out the existing cars, which are incompatible with the new cars.

Earthquake Safety Program

The original components of the BART System, constructed in the 1960s, were designed to withstand much greater seismic stress than required by construction standards of the time. The 1989 Loma Prieta Earthquake provided a significant test of that design. Within hours after the earthquake, BART was back in service while many roads, bridges, freeways, and other structures in the San Francisco Bay Area suffered major damage. With the San Francisco-Oakland Bay Bridge out of service, BART served as a vital link between San Francisco and the East Bay following the Loma Prieta Earthquake. However, the epicenter of the Loma Prieta Earthquake was located approximately 60 miles from most of the BART System. BART faces potential earthquake risk from several major fault lines in the immediate vicinity of BART rail lines.

In Fiscal Year 2000-01, BART embarked on a comprehensive study (the “Seismic Vulnerability Study”) to assess the vulnerability of, and evaluate the risk to, the District’s physical plant and systems from a major earthquake in the San Francisco Bay Area. The Seismic Vulnerability Study, developed by BART after more than a year of engineering analysis and presented to the Board of Directors on June 6, 2002, identified retrofit strategies to strengthen the BART System.

Subsequently, on June 10, 2004, the Board of Directors adopted a General Obligation Bond Program Report, which defined a \$1.307 billion earthquake safety program (which includes projected construction inflation costs through estimated completion) (the “Earthquake Safety Program”), based on the Seismic Vulnerability Study. The Earthquake Safety Program is based on maintaining operability of the core components of the BART System and retrofitting the rest of the BART System to a life safety level. The goals of the Earthquake Safety Program are (i) to protect aerial trackway structures, underground trackway structures, including the Transbay Tube, at-grade trackway structures, stations, and administrative, maintenance, and operations facilities and (ii) to provide additional retrofits to facilitate a rapid return to service in the core of the BART System.

Funding for the Earthquake Funding Program is provided by the \$980 million Measure AA general obligation bond issue and \$143 million of bridge toll revenues programmed by MTC under a statutory designation contained in the Regional Measure 2 (“RM2”) program, an increase in bridge tolls which was approved by Bay Area voters in March 2004. Other funding sources for the Earthquake Safety Program include \$134 million of State Local Seismic Safety Retrofit Program funds and \$194 million in Measure RR general obligation bond funds.

The District has completed several retrofits of the Transbay Tube to date, including upgrading seismic joints, soil improvement, retrofitting the Oakland Ventilation Structure and installing structural steel liner plates in one area of the Transbay Tube. At present, the last construction contract of the Earthquake Safety Program, the seismic retrofit of the Transbay Tube, is underway. This project entails the installation of internal liner plates, to minimize water intrusion following a major seismic event and an upgrade of the existing pumping system with an emergency power supply. The District anticipates the project to be completed around December 2022.

System Renewal Program and System Reinvestment Program

In 2016, BART introduced its System Renewal Program (the “System Renewal Program”) in order to address critical infrastructure needs. Specific programs identified include the repair and replacement of critical safety infrastructure; the renewal of track, power infrastructure, mechanical infrastructure, and stations; the repair of tunnels and structures; the replacement of train control and other major system infrastructure to increase peak period capacity; the expansion of opportunities to safely access stations; the relief of crowding and reduction of traffic congestion; and the design and engineering of future projects to relieve crowding, increase system redundancy and reduce traffic congestion.

A major project under the System Renewal Program is the replacement of the train control system. In 2014, the Board approved the replacement of the existing track circuit (fixed block) train control system with modern Communications Based Train Control (“CBTC”) technology. On April 26, 2018, the California State Transportation Agency (“CalSTA”) awarded BART a \$318.6 million Transit and Intercity Rail Capital Program (“TIRCP”) grant for the replacement of its train control system with a CBTC system and for the procurement of 272 capacity-increasing rail vehicles. Subsequently, on April 21, 2020, CalSTA awarded BART a \$107.1 million TIRCP grant for an additional 34 capacity-increasing rail vehicles. Funding for the new CBTC system was included in the District’s Transbay Corridor Core Capacity Project. For a description of the Transbay Corridor Core Capacity Project, see “BART FINANCINGS AND CAPITAL PROGRAMS – Service and Capacity Enhancement Program.” When in place, the new CBTC system, an approximately \$1.7 billion project, will enable a peak capacity of 30 scheduled ten-car trains per hour via the Transbay Tube. The new system will be design-built, with design, installation, testing and deployment occurring in phases between Fiscal Year 2020-21 and Fiscal Year 2033-34.

The System Renewal Program includes the renewal of BART’s traction power system, which consists of over 60 substations which include transformers, switching stations, gap breaker stations, and protection and control devices, as well as over 200 miles of 34.5 kV cabling. The electrical systems include tunnel and station lighting, uninterruptible power supplies, non-portable generators and switchgear, and fire alarm systems. As part of its Transbay Corridor Core Capacity Project, the District plans to enhance energy supply to its electric third rail through the addition of several traction power substations. Five sites have been identified for new substations as part of the Transbay Corridor Core Capacity Project including the Civic Center, Montgomery, Concord, and Richmond Stations, and a site on 34th Street in Oakland near MacArthur Station. A sixth substation would also be installed at the HMC, although it is not a part of the Transbay Corridor Core Capacity Project. For a description of the Transbay Corridor Core Capacity Project, see “BART FINANCINGS AND CAPITAL PROGRAMS – Service and Capacity Enhancement Program.”

Measure RR funding covers a portion of the most critical needs of the System Renewal Program, and the District will continue to identify other funding sources to maintain a state of good repair.

In addition to the System Renewal Program discussed above, BART has adopted a System Reinvestment Program. To the extent the acquisition or improvement of real property is required,

funds from Measure RR may be utilized for the projects in this program. The Automatic Fare Collection Modernization Program is included providing for the complete renovation and replacement of automatic fare collection equipment throughout the BART System, including ticket vendors, addfare machines, and faregates. The fare collection equipment is compatible with MTC's Clipper Card Program, designed to enable a transit rider to utilize one ticket (the "Clipper Card") to access multiple transit systems within the San Francisco Bay Area. Clipper Card® has been operating on BART gates since August 2009 and is currently the only fare product available for purchase at all BART stations. See "THE BART SYSTEM – Passenger Fares" herein.

System Expansion Program

Planned extensions of the BART System include:

Silicon Valley Extension. VTA's Silicon Valley Extension (formerly referred to as the Silicon Valley Rapid Transit, or SVRT, Project) is a sixteen-mile extension of the BART System from BART's Warm Springs/South Fremont station in Fremont to the cities of Milpitas, San Jose and Santa Clara in the County of Santa Clara (the "Silicon Valley Extension"). The Silicon Valley Extension is being implemented in two phases. The first phase, the SVBX, consists of the ten-mile extension south from the Warm Springs/South Fremont station to the Milpitas and Berryessa/North San José stations. The SVBX was completed in Fiscal Year 2019-20, and revenue service to the Milpitas and Berryessa/North San José stations began on June 13, 2020. The second phase consists of a six-mile extension from the Berryessa/North San José station, and will include a five-mile subway through downtown San Jose, four new BART stations and a yard and shop complex at the Santa Clara terminus.

The extension of BART into Santa Clara County is being financed and implemented by VTA in accordance with the VTA - BART Comprehensive Agreement executed on November 19, 2001 (the "Comprehensive Agreement"). The Comprehensive Agreement outlines responsibilities between the two agencies concerning the planning, design, construction, management, financing, operation and maintenance of the extension. BART and VTA, in connection with the opening of the SVBX, executed a VTA/BART Operations and Maintenance Agreement, dated as of May 22, 2020 specifying the roles and responsibilities of the parties in the ongoing operations, maintenance, costs and revenues of the extension. The agreement requires VTA to be responsible for funding subsidies for the ongoing operating, maintenance and capital costs attributable to the extension, including a share of BART's core system capital costs, and to provide dedicated funding for such costs. VTA, BART and U.S. Bank Trust Company, National Association, as trustee, executed the 2008 Measure B Sales Tax Trust Agreement, dated as of May 22, 2020 in order to provide to BART a pledge of sales tax revenues from VTA as the dedicated funding source for such subsidy obligations. Pursuant to the agreement, in Fiscal Year 2020-21 VTA paid BART approximately \$37.1 million in operating subsidies and approximately \$26.7 million representing VTA's share of BART's systemwide capital costs.

VTA estimates the total capital cost for the Silicon Valley Extension at approximately \$9.3 billion in Year-Of-Expenditure ("YOE") dollars. The SVBX, with a capital cost of approximately \$2.4 billion in YOE dollars, was granted an FTA Full Funding Grant Agreement in March 2012. VTA estimates that the second phase of the Silicon Valley Extension will have an estimated capital cost of approximately \$6.9 billion in YOE dollars. Planning and environmental studies for the

second phase have been completed and the FTA issued the Record of Decision in June 2018. FTA granted entry into the Federal New Starts Program in March 2016; however, the federal budget proposal for Fiscal Year 2019-20 raised concerns about the viability of the Federal New Starts Program and in November 2018 VTA submitted an Expression of Interest letter to the FTA to enter the federal Expedited Project Delivery (“EPD”) Pilot Program (which is funded through the “Consolidated Appropriations Act, 2019”) in lieu of the New Starts Program. In June 2019, the FTA selected VTA as its first EPD participant. In August 2019 the FTA allocated \$125 million to the second phase of the Silicon Valley Extension, and in January 2021 allocated an additional \$100 million to the project. The VTA received a Notice of Funding Opportunity from the FTA on July 28, 2020, and submitted a formal application requesting federal funds under the EPD in mid-2021. In October 2021, the VTA received a Letter of Intent from FTA (the precursor to the execution of a Full Funding Grant Agreement) announcing the project was formally selected for funding through the EPD. The FTA’s Letter of Intent will be in effect for two years, and during that time VTA plans to continue to advance design, receive actual contractor bids, identify and mitigate or eliminate perceived risks, finalize an overall cost estimate, and solidify the funding plan to ultimately achieve a Full Funding Grant Agreement. It is anticipated that federal funding through the EPD will cover approximately 25% of the cost of the second phase of the Silicon Valley Extension, with the remaining portion funded by a variety of State and local funding sources.

Irvington Station. In 2003, the Board approved a revised Warm Springs Extension, which included the Irvington station as an “Optional Station.” In the revised Warm Springs Extension, funding for the optional Irvington station would be the responsibility of the City of Fremont. The City of Fremont successfully secured \$120 million for the Irvington station when Measure BB, a sales tax measure, was approved by Alameda County voters in November 2014, and the 2014 Transportation Expenditure Plan was approved by the Alameda County Transportation Commission (“ACTC”). However, this funding was not secured in time for the Irvington station to be included when the Warm Springs Extension was otherwise completed and opened for revenue service in March 2017. Pursuant to the terms of a 2017 Letter of Intent with BART, the City of Fremont undertook a \$2.7 million effort to develop a station area plan, update the station site plan to reflect BART’s current access policies and priorities, and refresh the station’s environmental clearance under the California Environmental Quality Act. This effort was successfully completed in the Summer of 2019 when the Fremont City Council adopted the station area plan and the District’s Board of Directors adopted both the modified project and supplemental environmental impact report addendum. In October 2018, ACTC voted to grant BART \$16.45 million for the station’s design, which began in May 2019. In March 2019, the MTC approved a re-allocation of \$2 million in Warm Springs RM 2 funds to complete the funding of the Irvington station’s design phase. Further funding for right-of-way acquisition and construction is still pending at this time. Subject to funding availability and following the completion of design, right-of-way acquisition, construction, testing, certification and the on-boarding phases of the project, the Irvington station could be open for passenger service in Fiscal Year 2029-30.

Hayward Maintenance Complex. BART repairs and maintains its revenue rolling stock at four primary shop facilities in Concord, Daly City, Hayward and Richmond, as well as at a secondary facility in Hayward. The primary shop facilities perform preventive and regular train maintenance based on operating hours, as well as unscheduled failure repairs. The Hayward Maintenance Complex (“HMC”) is being expanded to accommodate additional demand caused by the extension of the BART System into Santa Clara County and planned core system service

extension. The HMC project consists of the acquisition and improvement of four properties on the west side of the existing HMC to provide a new component repair shop, a revenue vehicle overhaul shop, a new central parts warehouse, and a new maintenance and engineering non-revenue vehicle shop. The project also includes the construction of additional storage tracks for a maximum of 250 vehicles on undeveloped BART property on the east side of the HMC, referred to as HMC Phase 2 - East Storage Yard. The project is proceeding in two phases, Phase 1 (consisting of both Phase 1 and Phase 1A) and Phase 2, and will cost approximately \$2.2 billion.

Phase 1 included the acquisition of properties, and the design and construction of the component repair shop, and the central parts warehouse and is being completed and funding is being sought for Phase II.

Security Enhancement Program

The District has identified significant capital investment needs for infrastructure security hardening, employee training and customer outreach (the “Security Enhancement Program”). The District’s Security Enhancement Program integrates security design review, planning and preparedness into BART’s operations and services. At present, the District anticipates that a portion of the funding required for capital security improvements will need to be obtained from external grant sources, but District funds will be utilized to meet security needs such as improved perimeter fencing, lighting, and video surveillance cameras.

To help prevent fare evasion, the District is currently undertaking efforts to improve station security infrastructure through, for example, installing higher barriers and bringing elevators into the paid area, which program will be completed by the end of Fiscal Year 2021-22. In September 2019, the Board of Directors approved a new swing style barrier design for all new fare gates and directed the District to develop a funding strategy for the replacement of existing fare gates with swing style barrier fare gates and anticipates issuing a Request for Proposals in Fiscal Year 2021-22 for systemwide implementation of new faregates.

Service and Capacity Enhancement Program

Major elements of this program include station enhancements and upgrades, capacity projects, station access improvements and transit-oriented development projects.

Station enhancement and upgrade projects include capacity expansion and other improvements within the paid and unpaid areas of stations, such as entrance improvements, faregate upgrades, elevator improvements, and crossing connections. Such projects may be either system-wide projects or individual station projects, which are developed through a comprehensive planning process. Once projects are identified, grant funding is sought from a variety of sources to allow for project implementation. When grant funding is secured and identified for a particular project, such project is implemented.

Transbay Corridor Core Capacity Project. Prior to the COVID-19 pandemic, BART increasingly experienced severe crowding on the system, both onboard trains and in stations. To address crowding onboard trains, BART is proceeding with the Transbay Corridor Core Capacity Project, which will implement a package of improvements (train control modernization, additional rail cars, new traction power substations, and additional rail vehicle storage capacity) that will

allow BART to increase frequencies on the system. See “BART FINANCINGS AND CAPITAL PROGRAMS – Rail Vehicle Replacement Program” and “BART FINANCINGS AND CAPITAL PROGRAMS – System Expansion Program – *Hayward Maintenance Complex*” herein; see also discussions of CBTC system and traction power upgrades within “BART FINANCINGS AND CAPITAL PROGRAMS – System Renewal Program and System Reinvestment Program. On June 20, 2019, the FTA approved this project to enter the Core Capacity Engineering Phase of the FTA’s Capital Investment Grant Program. In September 2020, the District entered into Full Funding Grant Agreement with the FTA for a \$1.17 billion Capital Investment Grant (“CIG”) to help fund the Transbay Corridor Core Capacity Project. Other minor capacity enhancement projects such as tail track improvements and crossovers are implemented as grant funding is secured through a variety of sources. The Transbay Corridor Core Capacity Project is projected to cost approximately \$2.7 billion, and is anticipated to be funded by the \$1.17 billion CIG along with approximately \$1.53 billion in local, state and regional matching funds.

Transit-Oriented Development. The Board has adopted four policy documents guiding the Transit-Oriented Development (“TOD”) program. First, on January 28, 2016, the Board adopted an Affordable Housing Policy, requiring that a minimum of 20% of the units developed on BART property at a station be affordable, with a preference for low income, very low income, and transit dependent populations. Second, on June 9, 2016, the Board adopted a new TOD policy (which was subsequently amended on April 23, 2020), which updated the original 2005 policy to emphasize BART’s leadership in the implementation of the Bay Area Plan (as defined below), a focus on greenhouse gas reduction and expansion of transportation choices through TOD, encouragement of reverse commute and off-peak ridership, and inclusion of the affordable housing policy. Third, on December 1, 2016, the Board adopted TOD performance targets, stating that the District aims to produce 20,000 housing units and 4.5 million square feet of office space on BART property by 2040, 35% of which will be affordable (totaling 7,000 affordable units). The TOD performance targets also establish that BART aims to influence development within a half-mile of BART. Fourth, on November 17, 2011, the Board adopted a Project Stabilization Agreement Policy requiring developers of BART-owned property to negotiate a construction labor agreement with the local building trades.

In September 2018, then Governor Jerry Brown signed Assembly Bill 2923, which requires local jurisdictions to zone certain developable BART-owned property for intensive transit-oriented development. BART is working with its partner jurisdictions on the implementation of this state legislation. On August 27, 2020, BART adopted its Assembly Bill 2923 Development Principles, which guides the District to (i) prioritize TOD projects that cost effectively implement its TOD-related policies; (ii) work in partnership with local jurisdictions and communities to deliver regionally impactful TOD projects; (iii) work with jurisdictions to incorporate local design standards that result in TOD projects that follow global best practices in design, access and scale; and (iv) encourage sustainable mobility for residents, workers, visitors and the District’s customers.

BART and its private development partners have completed, are planning or constructing multiple residential and commercial projects located at or adjacent to stations in Alameda and Contra Costa Counties. Participation in the planning and development process does not commit the District to funding any project.

BART Headquarters Acquisition and Improvement

In 2019, the District acquired a newly renovated building to use as its new headquarters and relocated to the building in July 2021. Located at 2150 Webster Street in Oakland, the approximately 245,000 square feet, ten-story building was constructed in 1975 using concrete cast in place construction. BART financed the cost of the acquisition and improvement of the property by issuing its San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds, 2019 Series A, in the aggregate principal amount of \$223,020,000 (the “2019A Sales Tax Bonds”) on October 31, 2019. See “BART FINANCINGS AND CAPITAL PROGRAMS – Sales Tax Revenue Bonds” herein.

Funding Developments

Pension Reform Act and Grant Funding. The Urban Mass Transportation Act of 1964 (the “UMTA”) requires that employee protections, commonly referred to as “protective arrangements” or “Section 13(c) arrangements,” must be certified by the United States Department of Labor (“DOL”) and be in place (between transit agency management and transit employee unions) before federal transit funds can be released to a mass transit provider. The DOL has been refusing to certify the release of grants pursuant to a protracted dispute involving pension reform in California.

The California Public Employees’ Pension Reform Act (“PEPRA”), State legislation which took effect in January 2013, changed the way CalPERS retirement and health benefits are applied, and placed compensation limits on certain members.

In October 2013, the California Legislature passed temporary legislation exempting represented transit workers from PEPRA. The temporary legislation was necessary because the DOL had refused to certify Federal Transit Administration funding grants based on its determination that PEPRA infringed upon transit workers’ collective bargaining rights. Absent that certification, transit agencies in California could not receive federal funds. Once the temporary legislation was enacted, making represented transit employees exempt from PEPRA, the DOL permitted the release of federal funds to transit agencies including the District.

The State (and the Sacramento Regional Transit Agency) brought litigation in the U.S. District Court, Eastern District of California, which challenged the DOL’s determination that PEPRA interfered with collective bargaining rights. On December 30, 2014, the U.S. District Court issued a ruling that the DOL’s refusal to certify the federal grants was arbitrary and capricious. The District Court remanded the issue back to the DOL with instructions that it act in accordance with the District Court’s order.

The legislation which exempted transit employees from PEPRA by its terms was to expire in 2015 or upon a determination by the District Court that the DOL erred in refusing to certify the federal funds. As a result, the temporary exemption expired on December 30, 2014, and all transit employees became subject to PEPRA.

Thereafter, the DOL took the position that the District Court’s ruling did nothing more than require it to reconsider whether PEPRA infringes upon collective bargaining rights. However, the DOL did agree to conditionally certify the federal grants subject to certain terms and conditions.

Those conditions require the District to potentially return the grant funds or alternatively to reimburse employees for pension contributions. Federal transit funds were being provided subject to these conditions. The parties returned to District Court to, again, address the DOL's position. On January 24, 2018, the Court, again, ruled that the DOL's determination that PEPPA interfered with collective bargaining rights was in error.

The decision is now final; however, the issue is still not resolved. In 2019, the Amalgamated Transit Union ("ATU") objected to the DOL's certification of federal funding grants based upon PEPPA. Fortunately, these objections were rejected by DOL's Director of the Office of Labor-Management Standards in June 2019, with reference to the Court's ruling. In October 2021, however, the DOL returned to the position it adopted in 2013 and 2015, which it found to be superior despite having unsuccessfully defended that position in court. The DOL clarified that its change of position would apply only to future grant applications. The State moved for an order to stay the DOL's 2021 determination and submitted declarations from BART and other transit agencies regarding the harm that the DOL's 2021 determination would cause. Both the DOL and ATU opposed the State's request to stay the effects of DOL's 2021 determination. On December 19, 2021, the Court granted the State's motion and preliminarily enjoined DOL from failing to process and certify grant applications by California transit agencies as required by the UMTA or from relying on PEPPA as a basis to deny, withhold, delay, or otherwise limit the certification of such grants under Section 13(c) of the UMTA. A hearing on dispositive motions was held on February 11, 2022 and the parties are awaiting a decision.

A dispositive ruling in favor of the DOL that prevents the certification of federal transit grants or interferes with prior certifications would have a material adverse effect on the District's finances. BART will continue to monitor objections to the certification of federal transit grants as well as the status of litigation filed in response to prior certifications. For more information regarding pension contributions under the District's collective bargaining agreements, see "DISTRICT FINANCIAL INFORMATION – Labor Relations and Employee Retirement Benefits."

State and Regional Transit Funding. BART receives funding through appropriations of State Transit Assistance ("STA"), which are derived from actual receipts of the sales tax on fuel and diesel fuel. Statewide collections can fluctuate based on diesel prices and consumption. In addition, appropriations to transit operators can vary based on calculations of qualifying revenues for the local operator and the region. STA funding has not been consistent and can be subject to actions in the governor's state budget. BART's STA funds are allocated by MTC.

The District also applied and received an allocation from the Low Carbon Transit Operations Program ("LCTOP") which is funded from the State's Cap-and-Trade program annual proceeds and was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. The District received approximately \$8.4 million and approximately \$8.5 million of LCTOP in Fiscal Year 2019-20 and Fiscal Year 2020-21, respectively, which funds were programmed for BART to Antioch operations in each respective fiscal year. In addition, the District generates operating revenues through the generation and sale of credits under the State's Low Carbon Fuel Standard ("LCFS"). The LCFS allows low- and zero-carbon fuel producers and transportation providers to generate credits and requires high-carbon fuel providers to purchase credits while they

work to reduce their carbon content. As a rail transportation agency which operates an electrified commuter rail system, the District generates LCFS credits and can translate these credits into revenues by selling them to high carbon fuel providers, such as oil refineries. In Fiscal Year 2020-21, the District generated approximately \$3.0 million from the LCFS. For additional information regarding LCTOP and the LCFS, see Note 8 to the audited financial statements of the District included as Appendix B to this Official Statement.

With respect to transit funding within the San Francisco Bay Area, on October 21, 2021 the Association of Bay Area Governments (“ABAG”) and the MTC jointly adopted Plan Bay Area 2050 (the “Bay Area Plan”), an integrated transportation and land-use strategy through 2050 that meets the requirements of California’s landmark Senate Bill 375 of 2008, which calls on each of the State’s 18 metropolitan areas to develop a Sustainable Communities Strategy to accommodate future population growth and reduce greenhouse gas emissions from cars and light trucks. Working in collaboration with local jurisdictions and transit operators, the Bay Area Plan connects the elements of housing, the economy, transportation and the environment through 35 strategies intended to make the Bay Area more equitable for all residents and more resilient in the face of unexpected challenges. In the short-term, the Bay Area Plan identifies more than 80 specific actions for MTC, ABAG and partner organizations to take over the next five years to make progress on each of the 35 strategies. BART plays a critical role in meeting major goals and objectives of the Bay Area Plan.

The Bay Area Plan sets forth a \$1.4 trillion vision for policies and investments to make the nine-county region more affordable, connected, diverse, healthy and economically vibrant for all its residents through 2050. While it is not a funding plan, projects and strategies must be included in the Bay Area Plan to be eligible for regional discretionary funds. The Bay Area Plan includes approximately \$468 billion for housing strategies, approximately \$234 billion for economic strategies, approximately \$578 billion for transportation strategies, and approximately \$103 billion for environmental strategies. Approximately 76% (or \$440 billion) of funds for transportation strategies will be used to maintain and optimize the existing system, and of such amount, approximately \$389 billion will be used to restore, operate, and maintain the Bay Area’s existing roads and transit infrastructure, and reverse COVID-19 pandemic-related cuts to total transit service hours. Additionally, approximately 21% (or \$122 billion) of funds for transportation strategies will be used to build a next-generation transit network, and of such amount, approximately \$81 billion will be used to expand and modernize the regional rail network, including the second phase of the Silicon Valley Extension.

BART continues to receive approximately \$50-55 million per year in capital renovation funds from the FTA Sections 5307 and 5337 Formula Funding programs, which are programmed regionally by MTC. Under its current policy, MTC funds only the District’s highest scoring transit capital reinvestment needs in the Bay Area Plan. Under the Bay Area Plan, the District has a 30-year capital asset renovation and rehabilitation need of \$13.1 billion. MTC and participating counties fund these from a combination of federal formula funds (“STP/CMAQ”) and State Transportation Improvement Program (“STIP”) funds. For the District, this means approximately 65% of the District’s 28-year capital asset renovation and rehabilitation needs are projected to be funded in Fiscal Years 2017-40. The remaining 35% of the District’s reinvestment needs in this period, approximately \$5 billion, remain unfunded.

San Mateo County Transit District Settlement. On April 27, 2007, with the assistance of MTC, BART and SamTrans reached a resolution (the “Settlement”) regarding the financing of operations to the five San Mateo County stations south of Daly City that make up the extension of the BART System into SFO and to the Millbrae station (the “SFO Extension”). The resulting key terms of the Settlement give BART full responsibility over SFO Extension operations, with monetary contributions from SamTrans and MTC to offset the cost of operating outside the District. Under the Settlement, BART receives two forms of ongoing subsidy, consisting of: two percent (2%) of San Mateo County’s Measure A half-cent sales tax, which is currently equal to approximately \$1.5 million per year and was allocated to BART for 25 years beginning in Fiscal Year 2008-09; and SamTrans’ annual Proposition 42 Traffic Congestion Relief Program increment, approximately \$100,000 in Fiscal Year 2007-08 and a fixed amount of approximately \$800,000 beginning in Fiscal Year 2008-09, until \$145 million has been generated for BART’s vehicle replacement program. Proposition 42 dedicates revenues from the State’s share of the sales tax on gasoline to transportation projects and is subject to reduction or elimination by State budget action that reduces the sales tax.

Senate Bill 595 and Regional Measure 3. In 2017, Senate Bill 595 (“SB 595”) was enacted and authorizes a toll increase of up to \$3.00 on the seven State-owned bridges within the MTC’s jurisdiction (the “Bridges”) subject to approval by a majority of voters in the Bay Area of the increase and a related expenditure plan (the “Expenditure Plan”). A regional ballot measure, entitled Regional Measure 3 (“RM3”), was placed on the ballot in all nine counties in the Bay Area and, on June 5, 2018, a majority of Bay Area voters approved RM3, including a toll increase of \$3.00 phased in over time, with a \$1.00 toll increase on January 1, 2019, a \$1.00 toll increase on January 1, 2022, and a \$1.00 toll increase on January 1, 2025, for vehicles traveling on the Bridges (collectively, the “SB 595 Toll Increases”). The approved Expenditure Plan includes funding for projects to improve and enhance the Bridges and corridors from proceeds of the SB 595 Toll Increases. Within the Expenditure Plan, BART was allocated \$500 million to expand the District’s fleet of rail cars and improve reliability, and also earmarked additional funds for the Silicon Valley Extension. SB 595 also required the District to establish a new independent office of the BART Inspector General (the “Inspector General”). The Inspector General is charged with ensuring that the District makes effective use of bridge toll and other revenue and operates efficiently, effectively, and in compliance with applicable federal and state laws. SB 595 allocates \$1 million annually to the Inspector General’s office from bridge toll revenues to finance operations of the office.

Two suits have been filed challenging RM3. In the first suit, several plaintiffs, including the Howard Jarvis Taxpayers Association, filed suit against the Bay Area Toll Authority (“BATA”) and the State Legislature in San Francisco Superior Court (the “Superior Court”) seeking to invalidate SB 595 and RM3 (the “Jarvis Lawsuit”).

In the second suit, filed by Randall Whitney, representing himself, against MTC and other unnamed defendants, the plaintiff asserted, among other things, that: (i) SB 595 is unconstitutional, and (ii) that RM3 is a special tax which would require two-thirds voter approval (the “MTC Litigation” and, together with the Jarvis Lawsuit, the “Challenges to SB 595 and RM3”). After the defendants prevailed at the local level, on June 29, 2020, the Court of Appeal affirmed in full the Superior Court’s judgments in the Challenges to SB 595 and RM3. On July 8, 2020, appellants filed a petition for rehearing in the Court of Appeal and, on July 13, 2020, the Court of Appeal

denied such motion. On August 10, 2020, appellants filed a petition in the Supreme Court of California seeking review of the Court of Appeal’s decision. The Supreme Court granted review on October 14, 2020, but ordered briefing deferred pending resolution of another case, *Zolly v. City of Oakland* (*Zolly*). In *Zolly*, the Court of Appeal held that local-government-imposed franchise fees, which the Court of Appeal stated are arguably subject to a similar exception for entrance to or use of local agency property under Article XIII C of the California Constitution, must be reasonably related to the value of the franchise. The City of Oakland petitioned the California Supreme Court for review of the Court of Appeal’s decision in *Zolly* and, on August 12, 2020, the California Supreme Court granted review.

Pursuant to a BATA resolution, the SB 595 Toll Increases are currently being held in an SB 595 escrow account until such suits have reached a final, non-appealable resolution and further action consistent with such final, non-appealable resolution is taken by BATA. No funding from this source of funds will be available to support the new Inspector General office during the pendency of these suits.

DISTRICT FINANCIAL INFORMATION

Financial Statements

A copy of the most recent audited financial statements of the District prepared by Crowe LLP (“Crowe”), San Francisco, California, is included as Appendix B to this Official Statement. See Appendix B—“SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT REPORT ON AUDIT OF FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021.” The financial statements of the District included in Appendix B to this Official Statement have been audited by Crowe, whose report thereon appears in such Appendix. Crowe was not requested to consent to the inclusion of its report in Appendix B, nor has Crowe 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 Crowe with respect to any event subsequent to the date of its report.

Historical Financial Results

The following table summarizes BART’s historical financial operating results for its General Operating Fund for the Fiscal Years ending June 30, 2016 through June 30, 2021. This summary is derived from BART audited financial statements for the Fiscal Years indicated therein (excluding certain non-cash items and after certain other adjustments) and are qualified in their entirety by reference to such statements, including the notes thereto. See Appendix B—“SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT REPORT ON AUDIT OF FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021.” Amounts reported in audited financial statements as “Other Income (expenses)” under “Nonoperating revenues (expenses)” are excluded from the presentation below because they pertain only to extraordinary transactions or those transactions associated with Other District Funds, *i.e.* debt issue and debt service costs. The income and expenses reported in the audited financial statements were based on consolidated information which included transactions pertaining to Other District Funds—Capital Funds and Debt Service Funds. Generally, income and expenses associated with the Other District Funds include investment income, interest expense and debt issue costs.

However, in the table below summarizing historical financial operating results, only transactions related to the District's General Operating Fund are shown.

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HISTORICAL FINANCIAL RESULTS OF GENERAL OPERATING FUND

(\$ in Thousands)	(Fiscal Years Ending June 30)					
	2016	2017	2018	2019	2020	2021
Annual Passengers (thousands)	128,524	124,171	120,554	118,104	83,678	16,132 ⁽¹⁾
Operating Revenues						
Passenger Revenues - Net	\$489,583	\$485,674	\$481,783	\$482,644	\$341,587	\$62,529
Investment Income ⁽²⁾	1,120	2,329	4,742	3,700	4,380	616
Other	56,217	61,426	64,831	72,040	53,347	27,981
Total Operating Revenues	\$546,920	\$549,429	\$551,356	\$558,384	\$399,314	\$91,126
Financial Assistance:						
Sales Tax Revenues	\$241,546	\$247,185	\$257,882	\$280,385	\$266,895	\$258,522
Property Tax Revenues ⁽³⁾	38,086	41,622	45,701	48,086	52,392	54,884
Other ⁽⁴⁾	72,795	77,069	54,736	65,694	97,428	95,128
Total Financial Assistance	\$352,427	\$365,876	\$358,319	\$394,165	\$416,715	\$408,534
Total Operating Revenues and Financial Assistance (before Emergency Assistance)	\$899,347	\$915,305	\$909,675	\$952,549	\$816,029	\$499,660
Emergency Assistance ⁽⁵⁾	-	-	-	-	\$185,510	\$402,396
Total Operating Sources	\$899,347	\$915,305	\$909,675	\$952,549	\$1,001,539	\$902,056
Operating Expenses:						
Labor	\$451,769	\$514,692	\$573,996	\$586,871	\$638,386	\$578,021
Electrical Power	37,680	37,883	38,976	39,230	40,584	40,323
Express Feeder Bus ⁽⁶⁾	3,465	3,772	3,126	4,054	7,992	2,704
Purchased Transportation-OAC	5,928	6,014	6,242	6,448	6,491	6,518
Other Non-Labor ⁽⁷⁾	139,452	153,827	150,694	154,226	143,877	133,670
Total Operating Expenses Net ⁽⁸⁾	\$638,294	\$716,188	\$773,034	\$790,829	\$837,330	\$761,236
Net Revenues	\$261,053	\$199,117	\$136,641	\$161,720	\$164,209	\$140,820
Sales Tax Bond Debt Service ⁽⁹⁾	\$48,611	\$50,448	\$45,614	\$46,640	\$45,910	\$47,035
BART Car Funding Exchange ⁽¹⁰⁾	\$50,176	\$52,548	-	-	-	-
Excess Revenues/(Deficit)	\$162,266	\$96,121	\$91,027	\$115,080	\$118,299	\$93,785
Operating Ratio ⁽¹¹⁾	83%	80%	76%	74%	51%	12%
Farebox Ratio ⁽¹²⁾	74%	70%	67%	64%	44%	8%

(1) For a discussion regarding the decline in ridership during the COVID-19 pandemic, see "THE BART SYSTEM – Ridership" herein.

(2) Investment income amount in audited financial statements is higher due to inclusion of investment income from District Funds other than the District's General Operating Fund.

(3) Excludes property tax revenue collected for the debt service of the general obligation bonds.

(4) The increase in other financial assistance in Fiscal Year 2019-20 is primarily attributable to increases in revenues recognized under Measure A in the current and prior years, increases in revenues received under the LCTOP, the LCFS, and other STA grant funds, and the recognition of revenues from the VTA in connection with the opening of the SVBX. The decrease in other financial assistance in Fiscal Year 2020-21 is primarily attributable to decreases in revenues recognized under Measure A, decreases in STA grant funds, and decreases in revenues received under the LCFS, which were partially offset by increases in revenues from the VTA in connection with the operation of the SVBX.

(5) Federal emergency relief grants provided by the Federal Transit Administration recognized as revenue during the fiscal year.

(6) Relates to District's share of expenses paid to local operators providing passenger access to BART not covered by STA funds.

(7) Other Non-Labor expenses include professional and technical fees, rent, repairs and maintenance, Clipper Card and interchange fees, cost of providing paratransit services, feeder agreement with SFMTA, costs for other utilities, and other miscellaneous expenses.

(8) Amount reported is higher in audited financial statements because such amounts in the financial statements include depreciation expense.

(9) "Bond Debt Service" reported above represents actual amount remitted to cover debt service paid from the General Operating Fund, which excludes general obligation bonds. Amount in audited financial statements under "Interest Expense" represents interest expenses for all District debts, net of capitalized interest expense through Fiscal Year 2018-19. For a complete discussion of BART's long term debt, see Note 6 to the audited financial statements of the District included as Appendix B to this Official Statement.

(10) BART Car Funding Exchange represents a transfer to MTC in exchange for the same amount in federal preventive maintenance grant provided by MTC to the District. The federal grant received is shown as part of Financial Assistance – Other.

(11) Operating Ratio is defined as the total operating revenues divided by the total operating expenses, net of expenses associated with the implementation of GASB 68 and GASB 75, which affected pension expense and other post-employment benefit expenses.

(12) Farebox Ratio is defined as total passenger revenues divided by total operating expenses, net of expenses associated with the implementation of GASB 68 and GASB 75, which affected pension expense and other post-employment benefit expenses.

Management's Discussion of Historical Financial Results

Annual BART ridership has trended downward each year from Fiscal Years 2015-16 through 2020-21. Between Fiscal Years 2015-16 and 2018-19, annual BART ridership declined from 128.5 million trips to 118.1 million trips. Ridership fell drastically beginning in March 2020 following the onset of the COVID-19 pandemic and the imposition of the Shelter-In-Place Orders resulting in Fiscal Year 2019-20 annual BART ridership of 83.7 million trips (reflecting the impact of the COVID-19 pandemic for a portion of the fiscal year), and Fiscal Year 2020-21 annual BART ridership of 16.1 million trips (reflecting the impact of the COVID-19 pandemic for the entire fiscal year). See “THE BART SYSTEM – Ridership” herein. In this six-year period between Fiscal Years 2015-16 and 2020-21, BART opened three extension projects: the Warm Springs Extension in March 2017, the Antioch Extension in May 2018, and the SVBX in June 2020. Cumulatively, these projects have the potential to add thousands of net new riders to the BART System. Prior to the COVID-19 pandemic, any such ridership gains attributable to the Warm Springs Extension or the Antioch Extension were increasingly offset by concerns about congestion at peak commute times, safety and cleanliness on the system as well as increases in shared mobility options, particularly the increased utilization of TNCs. OAK first permitted operation of TNCs in November 2015, which accompanied a noticeable shift in ridership for BART at that same time. A similar decline in ridership due to TNCs occurred at the SFO station.

Passenger revenue peaked at approximately \$490 million in Fiscal Year 2015-16 due to fare increases and ridership growth. Passenger revenue began to decrease moderately in Fiscal Year 2016-17 and was \$483 million in Fiscal Year 2018-19, 1.4% lower compared to the peak revenue in Fiscal Year 2015-16 due to declines in ridership. The decline in passenger revenue was less than the decline in ridership in part due to fare increases during that period and because most of the ridership loss was in short trips that generate less revenue per trip. Passenger revenue declined greatly due to the COVID-19 pandemic, and was \$342 million in Fiscal Year 2019-20, 30.2% lower compared to the peak revenue in Fiscal Year 2015-16, and was \$63 million in Fiscal Year 2020-21, 87.2% lower compared to the peak revenue in Fiscal Year 2015-16. Despite the decline in passenger revenues, total operating sources increased from \$899 million in Fiscal Year 2015-16 to \$902 million in Fiscal Year 2020-21. This increase is due primarily to the utilization of emergency relief grants provided by the federal government due to the COVID-19 pandemic, which offset declines in passenger revenue. See “INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak” in the forepart of this Official Statement. In addition, between Fiscal Years 2015-16 and 2020-21, the District also saw increases to sales tax and property tax revenues, and other operating revenue.

Sales tax revenues were \$242 million in Fiscal Year 2015-16 and increased to \$280 million in Fiscal Year 2018-19. The sales tax revenues in Fiscal Year 2018-19 reflected an 8.7% increase compared to the prior fiscal year, but some of those revenues may be derived from the prior year and sales tax revenues totaled \$267 million for Fiscal Year 2019-20. Due to the COVID-19 pandemic, the sales tax revenues for Fiscal Year 2020-21 further declined to \$259 million.

Other operating assistance received by BART includes STA, ranging from \$10.1 million to \$32.5 million received annually during Fiscal Year 2015-16 through Fiscal Year 2020-21, although amounts have fluctuated. STA revenues for Fiscal Year 2020-21 were \$21.4 million. Additional financial assistance comes from BART's portion of the one percent (1%) general

property tax levy, which ranged from \$38.1 million in Fiscal Year 2015-16 to \$54.9 million in Fiscal Year 2020-21, with annual growth rates between 4.8% and 9.8% after recovery from the recession and continued increases in Bay Area real estate prices despite the COVID-19 pandemic. The District also received operating assistance from the VTA in connection with the completion of the SVBX in June 2020. The District received approximately \$1 million in Fiscal Year 2019-20, and approximately \$37 million in Fiscal Year 2020-21 from the VTA.

Emergency assistance allocated to BART in connection with the COVID-19 pandemic includes approximately \$377 million received under the CARES Act, approximately \$378 million received under CRRSSA, and approximately \$853 million under the American Rescue Plan Act of 2021 (the “Rescue Plan Act”). See “INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak” in the forepart of this Official Statement. The table below details the amount of federal emergency assistance funds expended by the District in Fiscal Years 2019-2020 and 2020-2021, as well as the first half of Fiscal Year 2021-22.

Emergency Assistance Funds Expended by the District

Emergency Assistance (millions)	CARES Act*	CRRSSA	Rescue Plan Act	Total ⁽¹⁾
Total Amount Allocated to the District	\$377,053	\$378,138	\$853,113	\$1,608,304
Amount Expended in Fiscal Year 2019-20	120,304	-	-	120,304
Amount Expended in Fiscal Year 2020-21	256,750	41,339	-	298,089
Amount Expended in Fiscal Year 2021-22 (through December 31, 2021)	-	127,184	-	127,184
Remaining Amount	-	\$209,615	\$853,113	\$1,062,728 ⁽²⁾

⁽¹⁾ Columns may not add due to rounding.

⁽²⁾ BART has already received approximately \$829,203,000 of such remaining amount from FTA and expects to draw down the remainder from FTA in the future.

Operating expenses, excluding depreciation, increased by approximately \$123 million between Fiscal Year 2015-16 and Fiscal Year 2020-21. Expense increases during these six years included additional service and investments in the BART System, the opening of the Warm Springs Extension (March 2017), the opening of the Antioch Extension (May 2018), the opening of the SVBX (June 2020), as well as additional staff and funds to address areas such as system maintenance, quality of life, fare evasion, safety and security, and station cleanliness. In October 2020, the Board of Directors approved a seven-point plan to reduce operating expenses in order to address the short- and long-term impact of the COVID-19 pandemic on ridership. The plan included (i) pursuing efficiencies around contracting and other reductions to BART’s non-labor budget; (ii) continuing BART’s hiring freeze and eliminating most current vacancies; (iii) negotiating a retirement incentive package with labor union leadership; (iv) re-assigning or re-training staff wherever possible to fill critical gaps created by departures; (v) filling critical capital budget vacancies with operating staff wherever possible; (vi) allocating service dependent staff to capital projects to accelerate capital program delivery; and (vii) exploring additional cost savings measures with labor partners and non-represented employees. Through the implementation of this plan, net operating expenses, excluding depreciation, declined by approximately \$76 million in Fiscal Year 2020-21 compared to the prior fiscal year. This reduction included a decline in net

labor expenses by approximately \$60 million, which was driven by a decrease of approximately \$26 million in overtime expenses, an increase of approximately \$23 million in labor reimbursement through the redeployment of staff to capital projects, a decrease in other postemployment benefit expenses of approximately \$30 million (offset by increases of approximately \$14 million in connection with the retirement incentive package, and approximately \$7 million in COVID-19-related benefits paid to employees as mandated by the federal government and the State), and a decrease in temporary services of approximately \$2 million. The overall reduction also included a decline in non-labor expenses of approximately \$20 million, which was driven primarily by a decrease of approximately \$7 million in interchange fees, Clipper Card, and other bank fees, and a decrease of approximately \$10 million in purchased transportation related expenses due to reduced ridership and paratransit trips.

Electric power costs increased slightly over the past six years, growing by a modest 7% mainly due to incremental costs to source electric supply from carbon-free sources, higher energy use due to system expansion, and increased rates for electricity delivery. While power costs have slightly increased, actual costs have come in lower than forecast due to lower cost of greenhouse gas compliance under the State's Cap-and-Trade program and lower than expected energy prices. See "THE BART SYSTEM – Power Supply" herein.

In each Fiscal Year's budget process, management establishes an operating ratio goal (percentage of operating revenue to operating expenses). The District achieved operating ratios of above 70% in the recent years before the COVID-19 pandemic, well above national averages for urban transit systems. Due to the impacts of the COVID-19 pandemic, the District's operating ratio fell drastically to a low of 12% for Fiscal Year 2020-21.

The District proceeded with major capital projects in Fiscal Year 2020-21, including the Rail Vehicle Replacement Program, the System Reinvestment Program, the Earthquake Safety Program and the System Renewal Program. See "BART FINANCINGS AND CAPITAL PROGRAMS" herein.

Adopted Budget for Fiscal Year 2021-22 and Preliminary Budget for Fiscal Year 2022-23

On June 10, 2021, the Board of Directors adopted its operating budget for Fiscal Year 2021-22 (the "2021-22 Budget"). The 2021-22 Budget reflects the extraordinary challenges that BART continues to face due to the COVID-19 pandemic, as well as continued challenges posed by declining fare revenue, increased operating expenses, and aging infrastructure. After each of the Three BART Counties instituted the Shelter-In-Place Orders in March 2020, ridership on the BART System declined to approximately 6% of expected ridership. Ridership increased from approximately 8% of expected ridership in July 2020 to approximately 18% of expected ridership in Fiscal Year 2020-21. See "THE BART SYSTEM – Ridership" herein. Given the uncertainty surrounding the future course of the COVID-19 pandemic and the recovery of rail transit ridership, the District developed three different ridership scenarios while creating the 2021-22 Budget. The base case scenario, on which the 2020-21 Budget is based, projects that ridership will average approximately 36% of pre-COVID-19 pandemic levels in Fiscal Year 2021-22. During the first four months of Fiscal Year 2021-22, monthly ridership outperformed the assumed ridership level in the 2021-22 Budget, but fell below such level following the onset of the Omicron variant of COVID-19. As of March 31, 2022, monthly ridership remained 35% below the assumed ridership

level in the 2021-22 Budget. Under new labor agreements effective Fiscal Year 2021-22 through either Fiscal Year 2023-24 or Fiscal Year 2024-25, labor cost growth is anticipated to slow over the next three years. See “DISTRICT FINANCIAL INFORMATION – Labor Relations and Employee Retirement Benefits” herein.

Operating expenses in Fiscal Year 2021-22 are budgeted to increase by approximately 1.0% from the adopted Fiscal Year 2020-21 budget, mainly due to increases in net labor costs. Operating sources in Fiscal Year 2021-22 are budgeted to increase approximately 11.3% from the adopted Fiscal Year 2020-21 budget, mainly due to increases in sales tax proceeds, fare revenues, and emergency federal assistance used to fill the budget gap created by reduced ridership levels. In particular, the District is able to achieve a balanced budget in Fiscal Year 2021-22 by utilizing emergency federal assistance. See “INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak” in the forepart of this Official Statement.

The Board of Directors intends to review the Fiscal Year 2021-22 Budget quarterly and take actions within its powers to address any revenue shortfalls, with use of available federal assistance as may be necessary to achieve a balanced budget in Fiscal Year 2021-22.

The operating budget for Fiscal Year 2022-23 is currently under development and expected to be approved by the Board of Directors in June 2022. In March 2022, the District released its preliminary budget for Fiscal Year 2022-23 (the “Preliminary 2022-23 Budget”). The Preliminary 2022-23 Budget projects that operating expenses in Fiscal Year 2022-23 will increase by approximately 1.6% from the 2021-22 Budget, mainly due to increases in traction power and other non-labor costs, partially offset by a reduction in net labor expenses. Operating sources in Fiscal Year 2022-23 are projected to increase by approximately 1.2% from the 2021-22 Budget, mainly due to increases in fare revenues and sales tax proceeds. The Preliminary 2022-23 Budget projects that the District will need to utilize approximately \$328.5 million in federal emergency assistance to fill the budget gap in Fiscal Year 2022-23.

The District’s long-term ridership outlook projects that average weekday ridership will gradually recover and stabilize below pre-COVID-19 pandemic levels. Under the base case scenario, the District projects that ridership will stabilize at 70% of pre-COVID-19 pandemic levels over the long-term, while under the upside and downside scenarios the District projects that ridership will stabilize at 80% and 60% of pre-COVID-19 pandemic levels, respectively, over the long-term.

As of January 2022, the District had approximately \$1.06 billion in emergency federal assistance remaining, and the District projects that it will utilize such funding to cover projected budget deficits through approximately September 2025. The District anticipates that it will face budget deficits beginning in Fiscal Year 2025-26, and will need to pursue various strategies, including additional assistance to achieve a balanced budget.

The table below shows the revenue and expense projections in the adopted 2021-22 Budget compared to the revenues and expenses in the Preliminary 2022-23 Budget:

District Operating Budget (millions)	Fiscal Year 2021-22 Adopted*	Fiscal Year 2022-23 Preliminary*	Fiscal Year 2021-22 vs. Fiscal Year 2022-23*
Revenue			
Passenger Revenue (Rail and ADA)	\$ 166.4	\$ 222.2	\$ 55.8
Non-Fare Revenue	29.3	32.5	3.2
Total Financial Assistance	437.3	448.0	10.7
<i>Sales Tax Proceeds</i>	261.7	299.0	37.3
<i>Property Tax Proceeds</i>	54.5	58.0	3.5
<i>Low Carbon Transit Operations</i>	4.4	10.3	5.9
Program			
<i>Low Carbon Fuel Standard Program</i>	22.6	16.6	(6.0)
<i>Other</i>	94.2	64.1	(30.1)
Federal Emergency Assistance	385.7	328.5	(57.2)
Total Sources	1,018.7	1,031.2	12.5
Expense			
Net Labor and Benefits	649.7	646.8	(2.9)
Power	48.9	52.7	3.8
Other Non-Labor	134.6	144.3	9.7
ADA Paratransit	14.0	16.7	2.7
Purchased Transportation	12.4	12.7	0.3
Total Expense	859.6	873.2	13.6
Sales Tax Debt Service and Allocations	159.1	158.0	(1.1)
TOTAL USES	1,018.7	1,031.2	12.5

BART's \$1.42 billion capital budget for Fiscal Year 2021-22 reflects a 5.8% decrease from the capital budget for Fiscal Year 2020-21, during which BART took advantage of reduced ridership to accelerate critical projects. Approximately 48% of the capital budget for Fiscal Year 2021-22 is directed to the System Reinvestment Program, including \$390 million directed towards rail vehicle replacement, \$215 million directed at track and structures rehabilitation and traction power reinvestment, \$34 million directed at station renovation and wayfinding improvements, \$22 million directed at renewing components of the existing train control system, and \$22 million directed at Measure RR funded facilities upgrades and replacements. Additional expenditures include approximately \$524 million for service and capacity enhancements, \$86 million for the Earthquake Safety Program, \$79 million for system expansion projects, \$39 million for safety and security, and \$8 million for reimbursable expenses. In addition to allocations from the operating budget, capital expenditures are funded from bond proceeds, state and federal grants and other local sales tax and toll bridge revenues.

BART's preliminary capital budget for Fiscal Year 2022-23 is currently under development. The Preliminary 2022-23 Budget projects an approximately \$1.44 billion capital

* Columns may not add due to rounding.

budget for Fiscal Year 2022-23, reflecting a 1.2% increase from the capital budget for Fiscal Year 2021-22. Approximately 48% of the preliminary capital budget for Fiscal Year 2022-23 is directed to the System Reinvestment Program, including \$402 million directed towards rail vehicle replacement, \$209 million directed at track and structures rehabilitation and traction power reinvestment, \$27 million directed at station renovation and wayfinding improvements, \$20 million directed at renewing components of the existing train control system, and \$23 million directed at Measure RR funded facilities upgrades and replacements. Additional expenditures in the preliminary capital budget include approximately \$593 million for service and capacity enhancements, \$69 million for the Earthquake Safety Program, \$63 million for system expansion projects, \$23 million for safety and security, and \$8 million for reimbursable expenses. In addition to allocations from the operating budget, capital expenditures are funded from bond proceeds, state and federal grants and other local sales tax and toll bridge revenues.

Risk Management and Insurance

The District is partially self-insured for workers' compensation, public liability and property damage claims. The District's property is insured against flood damage but is not insured against earthquake damage, which is not currently commercially affordable. The District's property is insured for \$50 million per occurrence for equipment in the Control Center and \$50 million per occurrence for all other insured property. Additional catastrophic insurance coverage is provided in the amount of \$50 million dollars for all property. The self-insured retention for all insurance programs is \$5 million per occurrence. The District's self-insurance programs are administered by independent claims adjustment firms. Claim expenses and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Liabilities are discounted at a 3% rate and are based, in part, upon the independent adjustment firms' estimate of reserves necessary for the settlement of outstanding claims and related administrative costs and included estimates of claims that have been incurred but not yet reported. Such reserves are reviewed by professional actuaries and are subject to periodic adjustments as conditions warrant.

Pursuant to a recent evaluation of District liabilities for workers' compensation, outstanding losses as of December 31, 2021 are projected to total \$58,006,709 (undiscounted). The required reserves discounted 3% are \$48,423,405. Ultimate District workers' compensation losses are limited to \$4,000,000 self-insured retention per occurrence for the forecast periods and are estimated at \$17,659,623 for Fiscal Year 2021-22 and \$17,695,400 for Fiscal Year 2022-23. Outstanding losses for automobile and general liability are projected to be \$16,418,357 (undiscounted). The required reserves discounted 3% are \$15,780,045.

The District also has cyber security insurance with an aggregate limit of \$3 million subject to a \$500,000 self-insurance retention.

See also Note 7 to the audited financial statements of the District included as Appendix B to this Official Statement.

Investment Policy

The investment of funds of BART is made in accordance with BART’s investment policy, developed by BART’s Controller/Treasurer and approved by the Board of Directors on May 16, 2017 (the “Investment Policy”), and Section 53600 et seq. of the California Government Code. The Investment Policy is subject to revision by the Controller/Treasurer, subject to approval by the Board of Directors, at any time and is reviewed periodically to ensure compliance with the stated objectives of safety, liquidity, yield and current laws and financial trends.

All funds of BART and investment activities are governed by the Investment Policy, which sets forth the following primary objectives, in order of priority:

1. Preservation of capital - The investment portfolio should be structured to minimize the probability of a loss of principal value through adequate diversification of investments across a variety of security offerings, maturities, and financial institutions.
2. Liquidity – Funds shall be invested only until date of anticipated need or for a lesser period. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets.
3. Yield – generation of the best available return on investment without compromise of the first two objectives.

See Appendix C—“SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT STATEMENT OF INVESTMENT POLICY.”

Set forth in the below table are the carrying values and types of investment securities in BART’s General Fund and Working Capital Fund as of March 31, 2022.

INVESTMENT DISTRIBUTION as of March 31, 2022

Certificates of Deposit	\$890,098
Cash on Hand and in Bank	194,572,009
Investments – Foreign Obligations	30,761,649
Investments – Treasury Bonds & Notes	509,936,594
Total	<u><u>\$736,160,350</u></u>

Source: District.

As of March 31, 2022, the average duration of the District’s investments (average days to maturity) was 73 days.

All amounts deposited in the Interest and Sinking Fund and the Project Fund established in connection with the outstanding general obligation bonds are invested at the direction of the District in Investment Securities as such term is defined in the applicable trust agreement entered into by the District in connection with the general obligation bonds. Investment Securities include guaranteed investment contracts.

All amounts held by the trustee for the Sales Tax Revenue Bonds in the funds and accounts established under the indenture pursuant to which such obligations were issued are invested at the direction of the District, subject to certain limitations contained in the applicable indenture.

Labor Relations and Employee Retirement Benefits

The information concerning the California Public Employees' Retirement System ("CalPERS") set forth below is excerpted from publicly available sources which the District believes to be accurate, but the District cannot and does not guarantee such information as to accuracy and completeness. CalPERS should be contacted directly at CalPERS, Lincoln Plaza North, 400 Q Street, Sacramento, California 95814, Telephone: (888) 225-7377 for other information, including information relating to its financial position and investments.

Employee and Labor Relations. As of April 1, 2022, the District has 3,915 employees, of which 3,848 are full-time and 67 are part-time.

Most District employees are represented by recognized employee organizations. Station agents, train operators, foreworkers, and certain clerical employees are represented by the ATU, Local 1555. Maintenance workers, foreworkers, some professional employees, and the majority of clerical employees are represented by the Service Employees International Union ("SEIU"), Local 1021. Supervisors and professionals are represented by the American Federation of State, County and Municipal Employees ("AFSCME"), Local 3993. In addition, BART police officers and non-managerial civilian staff of the BART Police Department are represented by the BART Police Officers Association ("BPOA"), and police managers below the rank of Deputy Chief and civilian supervisors are represented by the BART Police Managers Association ("BPMA"). In 2020, the District and ATU, SEIU and AFSCME entered into agreements to extend their respective collective bargaining agreements ("CBAs") and to create successor CBAs that will be in effect through June 30, 2024. In 2021, the District and the BPOA and BPMA entered into agreements to extend their respective CBAs and create successor CBAs that will be in effect through June 30, 2025. Given the financial uncertainty surrounding the COVID-19 pandemic, the District and its unions agreed to limited scope negotiations focused primarily on wages. Each of the five CBAs provide for no wage increases in the first year, and provide for potential modest wage increases in the second and third year conditioned upon the District's ridership returning to at least 60% of pre-COVID-19 pandemic levels.

The District has taken steps to control rising pension and healthcare costs. In 2019, the District and ATU, SEIU and AFSCME modified their existing agreements to require employees to pay their full pension contribution (plus an additional one percent share) and receive a corresponding wage offset. Since July 1, 2020, all employees represented by ATU, SEIU and AFSCME, as well as non-represented employees, contribute 8% of their wages to their pensions. Since July 1, 2021, BPOA and BPMA safety employees contribute 10% to 14.25% of their wages

to their pensions, depending on their CalPERS status. In addition, employee contributions to medical premiums continue to increase by 3% per year, along with continuation of the additional employee premium contribution of \$37 per month. Employees will continue to be eligible each year to receive a lump sum payment in the event that ridership increases above certain forecasted levels, but in Fiscal Year 2020-21 ridership levels were such that no lump sum payment was owed.

BART has generally enjoyed stable relations with its labor force, and expects to enjoy continued stability in its labor relations through at least June 30, 2024. BART experienced two strikes in 2013 for a total of eight days. Prior to 2013, BART had only experienced strikes in its early history in 1976 and 1979, and once again in 1997; BART had successfully negotiated a number of labor agreements with the unions without the employees resorting to strikes.

Plan Description. All eligible employees may participate in the appropriate Public Employees' Retirement Fund (the "Fund") administered by CalPERS under the Miscellaneous Plan or the Safety Plan of the District. The Safety Plan covers all sworn police officers of the District; all other District employees are covered by the Miscellaneous Plan. The Fund is a multiple-employer public sector employee defined-benefit retirement plan that acts as a common investment and administrative agent for approximately 2,892 local public agencies (including the District), school districts and charter schools within the State of California according to CalPERS. The Fund provides retirement, disability and death benefits based on the employee's years of service, age and compensation. New employees hired on or after January 1, 2013 whose benefits are limited by PEPPRA under the Miscellaneous Plan, vest after five years of service and may receive retirement benefits starting at age 52. Under PEPPRA, employees hired prior to January 1, 2013, also referred to as "classic" employees, and employees under the Safety Plan, vest after five years of service and may receive retirement benefits starting at age 50. These benefit provisions and all other requirements are established by State statute and District contractual agreements. Legislation was enacted in the State which exempted most District employees from the provisions of pension reform, at least as an interim measure pending the resolution of a dispute with the DOL. The temporary exemption expired on December 30, 2014 and all transit employees became subject to PEPPRA. See "BART FINANCINGS AND CAPITAL PROGRAMS – Funding Developments – *Pension Reform Act and Grant Funding*" herein.

Annual Actuarial Valuation Reports. In calculating the annual actuarially required contribution rates, the CalPERS actuary calculates, on the basis of certain assumptions, the actuarial present value of benefits that CalPERS expects to fund under the CalPERS Plans, which includes two components, the normal cost and the unfunded actuarial accrued liability (the "UAAL"). The normal cost represents the actuarial present value of benefits that CalPERS expects to fund under the CalPERS Plans that are attributed to the current year, and the UAAL represents the actuarial present value of benefits that CalPERS will fund that are attributed to past years. The UAAL represents an estimate of the actuarial shortfall between assets on deposit at CalPERS and the present value of the benefits that CalPERS will pay under the CalPERS Plans to retirees and active employees upon their retirement. The UAAL is based on several assumptions, including the rate of investment return, average life expectancy, average age of retirement, inflation, salary increases and occurrences of disabilities. In addition, calculation of the UAAL involves certain actuarial adjustments. As a result, prospective investors are encouraged to consider the UAAL as an estimate of the unfunded actuarial present value of the benefits that CalPERS will fund under

the CalPERS Plans to retirees and active employees upon their retirement, and not as a fixed or hard expression of the liability the District owes to CalPERS under the CalPERS Plans.

CalPERS uses the rate stabilization methodologies in its actuarial valuations which have been shown to be very effective in mitigating rate volatility. See Note 9 to the audited financial statements of the District included as Appendix B to this Official Statement for a summary of principal assumptions and methods used by CalPERS to determine the District's annual required contributions to the Miscellaneous Plan and Safety Plan.

CalPERS prepares an Annual Actuarial Valuation Report ("CalPERS Actuarial Report") for its members. The District receives an annual report for its Miscellaneous Plan and a separate annual report for its Safety Plan. The latest CalPERS Actuarial Reports were received by the District in July 2021, which were based on financial data available from the District and from various CalPERS databases as of June 30, 2020. These reports established the District's required minimum employer contribution rates for Fiscal Year 2022-23, which are 8.90% of covered payroll for the Employer Normal Cost and \$66,764,335 for the Employer Payment of Unfunded Liability for the Miscellaneous Plan and 25.92% of covered payroll for the Employer Normal Cost and \$14,945,561 for the Employer Payment of Unfunded Liability for the Safety Plan, before any cost sharing. Starting in Fiscal Year 2017-18, CalPERS changed the employer rate from a percentage of payroll to a percentage of payroll for the normal cost and a flat dollar amount for payment of the unfunded liability. The reports also included for District's Miscellaneous and Safety Plans the latest Schedule of Funding Progress, which shows a five-year history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of unfunded actuarial accrued liability to payroll, as discussed herein below. The employer contribution rates for new PEPPRA employees will continue to be the same rates as classic employees.

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The following chart lists the District's employer required contribution rates for Fiscal Years 2022-23, 2021-22, and 2020-21.

<i>Contribution Rates</i>			
Valuation Date	Fiscal Year	Employer Rate for Miscellaneous	Employer Rate for Safety
6/30/20	2022-2023	8.90% + \$66,764,335	25.92% + \$14,945,561
6/30/19	2021-2022	9.08% + \$56,666,712	26.41% + \$12,672,395
6/30/18	2020-2021	9.381% + \$48,571,632	28.301% + \$10,608,953

Sources: CalPERS Annual Valuation Report as of June 30, 2020.

Funding Policy. CalPERS' funding policy for the Miscellaneous Plan and the Safety Plan (hereinafter sometimes referred to as the "CalPERS Plans") requires periodic contributions by the District based on CalPERS actuarially determined amounts sufficient to accumulate the necessary assets to pay benefits when due as specified by contractual agreements between the District and its unions. The individual entry age normal method is used to determine the normal cost. There are two components to this cost: the employer cost and the employee cost. District payment for the employer portion of the contributions for the Miscellaneous Plan and the Safety Plan is to cover normal cost and to amortize the unfunded actuarial accrued liability.

Certain District employees pay their CalPERS employee contribution and also reimburse the District for a portion of the employer contribution. For "classic" miscellaneous non-police employees the employee contribution is seven percent (7%) and the reimbursement of the employer contribution is one percent (1%). The District, in compliance with its CBAs, reimburses the employee contribution for "classic" police employees and reimburses a larger portion of the employer contribution. The employer contribution reimbursement under PEPR for police employees varies by group.

Schedule of Funding Progress. The funding status applicable to the District's CalPERS Plans at June 30, 2020 (the most current information available) is summarized as follows:

Funded Status of the Miscellaneous Plan
(in thousands of dollars)⁽¹⁾

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Status (Actuarial Value)	Annual Covered Payroll	UAAL as a Percentage of Payroll
6/30/18	\$2,501,597	\$1,855,353	\$646,244	74.2%	\$322,955	200.1%
6/30/19	\$2,618,173	\$1,940,360	\$677,814	74.1%	\$356,401	190.2%
6/30/20	\$2,759,872	\$2,001,180	\$758,692	72.5%	\$392,152	193.5%

⁽¹⁾ Dollars reflect rounding.

Sources: CalPERS Annual Valuation Report as of June 30, 2020.

Funded Status of the Safety Plan
(in thousands of dollars)⁽¹⁾

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Status (Actuarial Value)	Annual Covered Payroll	UAAL as a Percentage of Payroll
6/30/18	\$356,999	\$213,949	\$143,051	59.9%	\$20,412	700.8%
6/30/19	\$381,943	\$227,017	\$154,926	59.4%	\$22,371	692.5%
6/30/20	\$409,469	\$236,885	\$172,584	57.9%	\$27,611	625.1%

⁽¹⁾ Dollars reflect rounding.

Sources: CalPERS Annual Valuation Report as of June 30, 2020.

CalPERS is continuing to implement strategies to improve the long-term health of the pension fund and approved in 2016 a decrease in the discount rate assumed for future investment returns from 7.5% to 7%. This change will significantly increase the District's future contributions and together with other measures implemented are projected to require contributions by the District within ten years of more than double of the current contribution amounts. Such forecasts are subject to many variables and cannot be predicted with certainty.

Irrevocable Supplemental Pension Trust. On March 28, 2019, the Board adopted a Pension Funding Policy and authorized the Controller-Treasurer to establish a District-controlled IRS Section 115 Irrevocable Supplemental Pension Trust. The Trust was established in February 2020 and the assets in the Trust are to be held for the sole and exclusive purpose of making pension payments. Payments can include paying down pension liability or making regular pension payments when required payments exceed the budgeted projections. Assets placed into the Trust

cannot be used for any other purpose and are not available to satisfy general creditors of the District. The District has contributed \$10 million in Fiscal Year 2018-19 and added an additional \$10 million in Fiscal Years 2019-20 and 2020-21. The District intends to continue to add to the Trust through Fiscal Year 2028-29. Total contribution over the ten-year period would be \$100 million ending in Fiscal Year 2028-29.

Money Purchase Pension Plan

Most District employees participate in the Money Purchase Pension Plan (“MPPP”), which is a supplemental retirement defined contribution plan under Internal Revenue Code Section 401(a). The District’s total expense and funded contribution for this plan for the Fiscal Years 2020-21 and 2019-20 were \$12,376,000 and \$13,195,000, respectively. The MPPP assets at June 30, 2021 and 2020 (excluded from the accompanying financial statements) per the plan administrator’s unaudited reports were \$432,831,000 and \$348,117,000, respectively. As of June 30, 2021, there were approximately 293 (326 in 2020) participants receiving payments under this plan. For additional information regarding MPPP, see Note 10 to the audited financial statements of the District included as Appendix B to this Official Statement.

Other Post-retirement Benefits

Post-retirement Health Care Costs. In addition to the retirement benefits described above and as specified in the District’s contractual agreements, the District provides post-retirement health care benefits assistance to employees. Most employees who retire directly from the District (or their surviving spouses) are eligible if the employee retires from the District at or after age 50 with a minimum of 5 years of CalPERS service (which may be with another public entity) and elects to take an annuity from CalPERS within 120 days of leaving the District. ATU, SEIU, AFSCME, and non-represented employees first hired on or after January 1, 2014, BPOA employees first hired on or after July 10, 2014, and BPMA employees first hired on or after January 1, 2015 will be required to have 15 years of District service in order to receive the full contribution.

Retiree Health Benefit Trust. In 2004, the Government Accounting Standards Board (“GASB”) issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (“GASB 45”). GASB 45 required the District to change its accounting for other postemployment benefits (“OPEB”) from pay-as-you-go to an accrual basis. Pursuant to Section 53620 of the California Government Code, a local agency may create a trust to fund post-retirement health benefits. The assets of such a trust will qualify as an offset against liability under GASB 45. On May 18, 2004, the District created the Retiree Health Benefit Trust for the San Francisco Bay Area Rapid Transit District (the “Health Benefit Trust”) in order to provide a vehicle for prefunding portions of retiree health benefits. Pursuant to the terms of the Health Benefit Trust, the assets of the Health Benefit Trust are to be held for the sole and exclusive purpose of providing benefits to participants and beneficiaries and to defray the reasonable expenses of administering the Health Benefit Trust and designated plans. Assets placed into the Health Benefit Trust cannot be used for any other purposes and are not available to satisfy general creditors of the District. The Health Benefit Trust is administered by a trustee appointed by the Board of Directors. The current trustee is the Controller/Treasurer of the District.

Pursuant to a Bartel Associates, LLC report dated September 9, 2021, entitled “Retiree Healthcare Plan, June 30, 2020 Actuarial Valuation” and report dated September 9, 2021 entitled “Retiree Life Insurance, June 30, 2020 Actuarial Valuation” (the “Bartel Report”), 2,510 retirees and surviving spouses are provided retiree medical benefits. The District made payments on an actuarial basis totaling \$45,978,000 (including subsidy valued at \$4,655,000) in Fiscal Year 2020-21 and \$41,832,000 (including subsidy valued at \$4,413,000) in Fiscal Year 2019-20 and life insurance premiums amounting to \$1,030,000 (including subsidy valued at \$892,000) in Fiscal Year 2020-21 and \$1,367,000 (including subsidy valued at \$1,210,000) in Fiscal Year 2019-20.

At June 30, 2021, net assets held in the Health Benefit Trust included money market mutual funds, U.S. Treasury obligations, corporate obligations, foreign obligations, domestic common stocks, equity mutual funds, and foreign stocks with a fair market value of approximately \$501,321,000.

Funding projections are based on the Bartel Report, the most recent actuarial analysis prepared for the District. These funding projections are based on certain assumptions and are inherently subject to a variety of risks and uncertainties, including increases in the cost and duration of health care benefits, which could cause actual results to differ materially from those that have been projected. Pursuant to its labor agreements, effective January 1, 2010, the District’s contribution toward medical coverage was limited to the highest Bay Area HMO rate under CalPERS (Blue Shield or Kaiser) minus the applicable retiree contribution. The actuarial accrued liability (“AAL”) as of June 30, 2020 is estimated at approximately \$642.2 million. The report also contained projected per capita claims cost updates based on Calendar Years 2019 and 2020 CalPERS premiums.

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The following is the summary of results of the valuation. The Bartel Report employed different actuarial assumptions than prior actuarial valuations, including mortality improvement, inflation based on the plan's long-time horizon, age-based claims based on Society of Actuaries publications, and participation and coverage based in part on plan experience. Such assumptions contributed to an increased actuarial liability between the June 30, 2018 actuarial valuation date and the June 30, 2019 actuarial valuation date.

Funded Status of the Retiree Healthcare Plan
(in thousands of dollars)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Projected Covered Payroll* (c)	UAAL as Percentage of Covered Payroll ((b-a)/c)
6/30/2018	\$305,850	\$587,896	\$282,046	52.0%	\$362,428	77.8%
6/30/2019	\$340,470	\$603,787	\$263,317	56.4%	\$385,327	68.3%
6/30/2020	\$389,128	\$581,778	\$192,650	66.9%	\$442,963	43.5%

*The projected covered payroll is calculated out two years from the date of the actuarial valuation date.
Source: Bartel Report dated September 9, 2021.

Life Insurance and Survivor Benefits. Additional benefits include providing BART employees with certain life insurance benefits after retirement. For survivor benefits, if an employee elects such benefits upon employment, the employee makes a monthly contribution and, upon the employee's death, the employee's survivors receive certain medical, dental and vision benefits. The Board has approved setting up a trust to hold such employee contributions but currently such benefits are provided on a pay-as-you-go basis by the District. See Note 11 to the audited financial statements of the District included as Appendix B to this Official Statement.

BOND PURCHASE AGREEMENT

\$ _____
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

\$ _____
General Obligation Bonds (Election of 2016),
2022 Series D-1 (Green Bonds)

\$ _____
General Obligation Bonds (Election of 2016),
2022 Series D-2 (Federally Taxable)
(Green Bonds)

\$ _____
General Obligation Bonds (Election of 2004),
2022 Refunding Series H (Federally Taxable)
(Green Bonds)

_____, 2022

San Francisco Bay Area Rapid Transit District
300 Lakeside Drive, 23rd Floor
Oakland, California 94612-3534
Attention: Interim Controller/Treasurer

Ladies and Gentlemen:

The undersigned Stifel, Nicolaus & Company, Incorporated, on its own behalf and as representative (the “Representative”) of the other underwriters named on the attached Schedule I (together, the “Underwriters”), offers to enter into this Bond Purchase Agreement (this “Purchase Agreement”) with the San Francisco Bay Area Rapid Transit District (the “Issuer”) which, upon the Issuer’s written acceptance of this offer, will be binding upon the Issuer and upon the Underwriters. The Representative has been duly authorized to execute this Purchase Agreement and to act hereunder on behalf of the other Underwriters. Any action taken under this Purchase Agreement by the Representative will be binding upon all the Underwriters. Upon acceptance of this offer by the Issuer in accordance with the terms hereof, this Purchase Agreement will be binding upon the Issuer and upon the Underwriters.

This offer is made subject to the Issuer’s written acceptance hereof on or before 11:59 p.m., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Capitalized terms used herein and not defined shall have the respective meanings assigned to them in the Official Statement (as defined in Section 4).

1. Purchase and Sale. Upon the terms and conditions, and in reliance upon the representations, warranties and agreements of the Issuer set forth herein, the Underwriters hereby agree to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to or for the

account of the Underwriters, all, but not less than all, of the Issuer's General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds) in the aggregate principal amount of \$_____ (the "2022D-1 Bonds" or "Tax-Exempt Bonds") and 2022 Series D-2 (Federally Taxable) (Green Bonds) in the aggregate principal amount of \$_____ (the "2022D-2 Bonds" and together with the 2022D-1 Bonds, the "2022D Bonds") and of \$_____ in aggregate principal amount of General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds) (the "Refunding Bonds" and together with the 2022D Bonds, the "Bonds").

The Issuer agrees and acknowledges that: (i) with respect to the engagement of the Underwriters by the Issuer, for the purchase, sale and offering of the Bonds, and the discussions, conferences, negotiations and undertakings in connection therewith, the Underwriters (a) are in an arm's-length commercial transaction with the Issuer and have been acting as a principal and not as an agent or fiduciary of the Issuer and (b) have not assumed an advisory or fiduciary responsibility in favor of the Issuer; (ii) the Issuer has consulted its own legal, financial and other advisors to the extent it has deemed appropriate; and (iii) this Purchase Agreement expresses the entire contractual relationship between the parties hereto with respect to the purchase of the Bonds.

2. The Bonds.

a) The 2022D Bonds shall be issued in accordance with the Trust Agreement (Measure RR), dated as of June 1, 2017, as supplemented to the date hereof (the "Original RR Trust Agreement"), as further supplemented by a Third Supplemental Trust Agreement (Measure RR), dated as of [May] 1, 2022 (the "Measure RR Third Supplemental Trust Agreement" and together with the Original RR Trust Agreement, the "Measure RR Trust Agreement") each by and between the Issuer and U.S. Bank Trust Company, National Association, as successor trustee to U.S. Bank, National Association (the "Trustee"). The 2022D Bonds are being issued pursuant to the provisions of Article 4.5 of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53506 and other applicable law and according to the terms and in the manner set forth in the Measure RR Trust Agreement, as authorized by Resolution No. _____ adopted by the Board of Directors of the Issuer on [April 28], 2022 (the "2022D Resolution"). The 2022D Bonds constitute a portion of the total authorized amount of \$3.5 billion of general obligation bonds of the Issuer duly authorized by at least two-thirds of the qualified voters of the Issuer voting on a ballot measure ("Measure RR") at an election held on November 8, 2016. The 2022D Bonds constitute the fourth issue of general obligation bonds being issued pursuant to the Measure RR authorization.

The purchase price for the 2022D Bonds shall be \$_____, representing the aggregate principal amount of the 2022D Bonds (i.e., \$_____), less an Underwriters' discount of \$_____, plus [net] original issue premium of \$_____. The 2022D Bonds shall be issued and secured as described in the Measure RR Trust Agreement and the Official Statement. The principal amount of the 2022D Bonds to be issued, which will be dated the date of issuance thereof, and the maturities and interest rates per annum are set forth in Appendix A hereto. The 2022D Bonds shall be subject to redemption as provided in the Measure RR Trust Agreement and as set forth in the Official Statement.

The proceeds of the 2022D Bonds will be used and applied by the Issuer in accordance with the provisions of the Measure RR Trust Agreement to (i) finance projects approved by Measure RR, [(ii) pay a portion of the debt service on the 2022D Bonds through _____, including the debt service in full on the 2022D-2 Bonds at maturity on [June 1, 2022,] and (iii) pay the costs of issuance of the 2022D Bonds.

b) The Refunding Bonds shall be issued in accordance with the Trust Agreement (Measure AA), dated as of June 1, 2017, as supplemented to the date hereof (the “Original AA Trust Agreement”), as further supplemented by a Second Supplemental Trust Agreement, dated as of [May] 1, 2022 (the “Measure AA Second Supplemental Trust Agreement” and together with the Original AA Trust Agreement, the “Measure AA Trust Agreement”) each by and between the Issuer and the Trustee. The Refunding Bonds are being issued pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Government Code”), the refunding bond provisions of the Government Code, and other applicable law and according to the terms and in the manner set forth in the Measure AA Trust Agreement, as authorized by Resolution No. _____ adopted by the Board of Directors of the Issuer on [April 28], 2022 (the “Refunding Resolution” and together with the Series 2022D Resolution, the “Resolutions”).

The purchase price for the Refunding Bonds shall be \$ _____, representing the aggregate principal amount of the Refunding Bonds (i.e., \$ _____), less an Underwriters’ discount of \$ _____, plus [net] original issue premium of \$ _____. The Refunding Bonds shall be issued and secured as described in the Measure AA Trust Agreement and the Official Statement. The principal amount of the Refunding Bonds to be issued, which will be dated the date of issuance thereof, and the maturities and interest rates per annum are set forth in Appendix A hereto. The Refunding Bonds shall be subject to redemption as provided in the Measure AA Trust Agreement and as set forth in the Official Statement.

The proceeds of the Refunding Bonds will be used and applied by the Issuer in accordance with the provisions of the Measure AA Trust Agreement to: (i) refund a portion of the Issuer’s General Obligation Bonds (Election of 2004), 2013 Series A and a portion of the Issuer General Obligation Bonds (Election of 2004) 2015 Refunding Series D (the “Refunded Bonds”); and (ii) pay costs of issuance of the Refunding Bonds.

c) The Bonds are obligations of the Issuer payable from and secured solely by ad valorem taxes upon all property subject to taxation by the Issuer, without limitation as to rate or amount (except as to certain personal property, which is taxable at limited rates) levied in Alameda and Contra Costa Counties and the City and County of San Francisco.

d) In connection with the issuance of the Bonds, the Issuer will enter into a Continuing Disclosure Agreement, dated the date of delivery of the Bonds (the “Continuing Disclosure Agreement”) with U.S. Bank Trust Company, National Association, as dissemination agent, and an Escrow Agreement dated as of [May] 1, 2022 (the “Escrow Agreement”) between the Issuer and U.S. Bank Trust Company, National Association, as escrow agent (the “Escrow Agent”).

3. Public Offering. The Underwriters agree to make a bona fide public offering of all of the Bonds at prices not to exceed the public offering prices set forth on the inside cover of the Official Statement and Appendix A hereto and may subsequently change such offering prices without any requirement of prior notice. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the public offering prices stated on the inside cover of the Official Statement and Appendix A hereto. [The issue price for the Tax Exempt Bonds will be determined as set forth in Section 6 below.]

4. Delivery of Official Statement. The Issuer has heretofore delivered to the Underwriters a Preliminary Official Statement, dated _____, 2022 relating to the Bonds (together with the cover page and all appendices thereto, as amended or further supplemented, the “Preliminary Official Statement”), which has been prepared by the Issuer for use by the Underwriters in connection with the public offering and sale of the Bonds. The Issuer hereby represents and warrants that the Preliminary Official Statement was deemed final by the Issuer as of _____, 2022 except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, including redemption provisions and procedures, all as permitted to be excluded (the “Excluded Information”) by section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 (“Rule 15c2-12”) and hereby ratifies and approves the use and distribution by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds.

The Issuer shall deliver or cause to be delivered to the Underwriters, within seven (7) business days from the date hereof, copies of the Official Statement relating to the Bonds, dated the date of this Purchase Agreement, executed on behalf of and approved for distribution by the Issuer in the form of the Preliminary Official Statement, as amended or supplemented, to conform to the terms of this Purchase Agreement and to reflect the reoffering terms of the Bonds and with such other changes as shall have been consented to by the Issuer and the Underwriters (the “Official Statement”). The Issuer shall deliver the Official Statement in such quantities as the Representative may reasonably request in order to comply with paragraph (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the “MSRB”), and hereby confirms that it does not object to distribution of the Official Statement in electronic form. The Issuer represents that the governing body of the Issuer has reviewed and approved the information in the Official Statement and hereby authorizes and approves the distribution and use by the Underwriters of the Official Statement (including any supplements or amendments thereto) and the Issuer Documents (as defined in Section 5(a)), and the information contained in each of the foregoing, in connection with the public offering and sale of the Bonds.

The Representative hereby agrees to deliver a copy of the Official Statement to the MSRB through the Electronic Municipal Market Access (EMMA) website of the MSRB.

5. Representations, Warranties and Agreements of the Issuer. The Issuer hereby represents, warrants and agrees as follows:

- a) The Issuer is a public body corporate and politic, organized and existing under the laws of the State of California, including Sections 28500 to 29757, inclusive, of the Public Utilities Code of the State of California, with full right, power and authority to

execute, deliver and perform its obligations under the Bonds, the Measure RR Trust Agreement and the Measure AA Trust Agreement (together the “Trust Agreements”), the Continuing Disclosure Agreement, the Escrow Agreement, the tax certificate of the Issuer referenced in Section 9(d)(13) hereof, to be dated the Closing Date (as defined in Section 9 below) (the “Tax Certificate”), this Purchase Agreement (such documents being hereinafter collectively referred to as the “Issuer Documents”) and the Official Statement and to carry out and consummate the transactions on its part contemplated by 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 all necessary action to be taken by it for: (i) the adoption of the Resolutions and the issuance, sale and delivery of the Bonds; (ii) the approval and the execution and delivery of, and the performance by the Issuer of its obligations in the Issuer Documents; (iii) the approval, distribution and use of the Preliminary Official Statement and the approval, execution, distribution and use of the Official Statement for use by the Underwriters in connection with the public offering of the Bonds; and (iv) the consummation by the Issuer of all other transactions contemplated by the Official Statement and the Issuer Documents;

c) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would adversely affect the approval or adoption, as applicable, of the Resolutions, the Issuer Documents, the issuance of the Bonds or the due performance by the Issuer of its obligations under the Issuer Documents have been duly obtained;

d) This Purchase Agreement has been duly authorized, executed and delivered by and will constitute a legal, valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights;

e) The other Issuer Documents, when duly executed and delivered, will constitute legal, valid and binding obligations of the Issuer, enforceable in, accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights;

f) The Bonds, when issued, delivered and paid for, in accordance with the Resolutions and this Purchase Agreement, will have been duly authorized, executed, issued and delivered by the Issuer and will constitute the valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights; upon the issuance, authentication and delivery of the Bonds as aforesaid, the Trust Agreements, will provide,

for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge of and lien it purports to create as set forth in the Resolutions;

g) The issuance and delivery of the Bonds and execution and delivery of the other Issuer Documents, and the adoption of the Resolutions, and compliance with the provisions on the Issuer's part contained herein and therein, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, lease, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or to which any of its property or assets are otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Issuer to be pledged to secure the Bonds or under the terms of any such law, regulation, judgment, decree, loan agreement, lease, indenture, bond, note resolution, agreement or other instrument, except as provided by the Issuer Documents or the Resolutions;

h) The Issuer is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any loan agreement, lease, 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 is otherwise subject that would have a material and adverse impact upon the Issuer, and no event which would have a material and adverse effect upon the financial condition of the Issuer has occurred and is continuing which constitutes or, with the passage of time or the giving of notice or both, would constitute a default or an event of default by the Issuer under any such instrument;

i) The Issuer Documents and the Resolutions conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement; and the proceeds of the sale of the Bonds will be applied generally as described in the Preliminary Official Statement and in the Official Statement;

j) The Preliminary Official Statement, as of its date and as of the date hereof, except for the Excluded Information, did not and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

k) Except to the extent disclosed in the Preliminary Official Statement and the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Issuer, threatened against the Issuer: (i) affecting the existence of the Issuer or the titles of its officers to their respective offices; (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds; (iii) in any way contesting or affecting the validity or enforceability of the Issuer Documents; (iv) contesting the exclusion from gross income of interest on the Tax-Exempt Bonds for

federal income tax purposes; (v) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto; or (vi) contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Resolutions or the execution and delivery of the Issuer Documents, nor, to the best knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Issuer Documents;

l) The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Representative may reasonably request in order to: (i) (A) 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 (B) determine the eligibility of the Bonds for investment under the laws of such states and jurisdictions; and (ii) to continue such qualification in effect so long as required for distribution of the Bonds (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriters immediately of receipt by the Issuer of any written notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

m) The Official Statement will not contain any untrue statement of a material fact or omit 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;

n) If between the date hereof and the date which is 25 days after the End of the Underwriting Period (as defined in Section 7 herein) for the Bonds, an event occurs which would cause the information contained in the Official Statement (excluding therefrom information relating to The Depository Trust Company (“DTC”) and the book-entry system and the information under the caption “UNDERWRITING”), as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the Issuer will notify the Underwriters, and, if in the opinion of the Underwriters, the Issuer or their respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer will forthwith prepare and furnish to the Underwriters (at the expense of the Issuer) a reasonable number of copies of such amendment or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriters) which will amend or supplement the Official Statement so that it 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 are made, not misleading. For the purposes of this subsection, between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, the Issuer will furnish such information with respect to itself as the Underwriters may from time to time reasonably request;

o) Except as described in the Official Statement, the Issuer has not failed during the previous five (5) years to comply in any material respect with any previous undertakings in a written continuing disclosure certificate or agreement under Rule 15c2-12;

p) The financial statements of, and other financial information regarding the Issuer in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of the Issuer as of the dates and for the periods therein set forth. The financial statements of the Issuer have been prepared in accordance with generally accepted accounting principles consistently applied, and, except as noted in the Preliminary Official Statement and in the Official Statement, the other historical financial information set forth in the Preliminary Official Statement and in the Official Statement has been presented on a basis consistent with that of the Issuer's audited financial statements included in the Preliminary Official Statement and in the Official Statement;

q) The Issuer has no current intention to, and will not, prior to the Closing Date, offer or issue bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, except in the ordinary course of business, without prior notice to the Representative;

r) The Issuer is not presently, and as a result of the sale of the Bonds will not be, in violation of any debt limitation, appropriation limitation or any similar restrictive provision of the California Constitution or statutes;

s) The Issuer has the legal authority to apply and will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in, and subject to all of the terms and provisions of the applicable Resolutions and Issuer Documents, including for payment or reimbursement of Issuer expenses incurred in connection the negotiation, marketing, issuance and delivery of the Bonds to the extent required by Section 10 (Expenses) herein, and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest evidenced by the Tax-Exempt Bonds; and

t) Any certificate signed by any official of the Issuer authorized to do so in connection with the transactions described in this Purchase Agreement shall be deemed a representation and warranty by the Issuer to the Underwriters as to the statements made therein.

6. Issue Price. Notwithstanding any provision of this Purchase Agreement to the contrary, the Underwriters and Issuer agree to the following provisions related to the issue price of the Tax-Exempt Bonds:

(a) For purposes of this section, the following definitions apply:

(1) “*Public*” means any person other than an underwriter or a related party to an underwriter.

(2) “*Underwriter*” means (A) any person that agrees pursuant to a written contract with the Issuer, as accepted and agreed to by its Controller/Treasurer, (or with the lead underwriter for the Tax-Exempt Bonds to form an underwriting syndicate) to participate in the initial sale of the Tax-Exempt Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Tax-Exempt Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Tax-Exempt Bonds to the Public).

(3) “*Related Party*” means a purchaser of any of the Tax-Exempt Bonds who, along with the underwriter, are both subject, directly or indirectly, to: (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another); (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another); or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(4) “*Sale Date*” means the date of execution of this Purchase Agreement by all parties.

(b) The Representative, on behalf of the Underwriters, agrees to assist the Issuer in establishing the issue price of the Tax-Exempt Bonds and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the Public of the Tax-Exempt Bonds.

(c) The Issuer will treat the first price at which 10% of each maturity of the Tax-Exempt Bonds (the “10% test”) is sold to the Public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Representative shall report to the Issuer the price or prices at which the Underwriters have sold to the Public each maturity of the Tax-Exempt Bonds. For purposes of this Section 6, if Tax-Exempt Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Tax-Exempt Bonds.

(d) The Representative confirms that the Underwriters have offered the Tax-Exempt Bonds to the Public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields set forth in Appendix B attached hereto. Appendix B sets forth the maturities of

the Tax-Exempt Bonds for which the 10% test has been satisfied as of the date of this Purchase Agreement (the “General Rules Maturities”) and the prices at which the Underwriters have sold such General Rules Maturities. Appendix B also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Tax-Exempt Bonds for which the 10% test has not been satisfied and for which the Issuer and the Representative, on behalf of the Underwriters, agree that 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 Tax-Exempt Bonds, the Underwriters will neither offer nor sell unsold Tax-Exempt Bonds of that maturity to any person at a price that is higher than the initial offering price to the Public during the period starting on the sale date and ending on the earlier of the following:

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

The Representative shall advise the Issuer promptly after the close of the fifth (5th) business day after the Sale Date whether the Underwriters have sold 10% of that maturity of the Tax-Exempt Bonds to the Public at a price that is no higher than the initial offering price to the Public.

(e) The Representative confirms that:

(1) any agreement among Underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Tax-Exempt Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to:

(A)(i) report the prices at which it sells to the Public the unsold Tax-Exempt Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the Tax-Exempt Bonds of that maturity or all Tax-Exempt Bonds of that maturity have been sold to the Public, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (ii) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires;

(B) promptly notify the Representative of any sales of Tax-Exempt Bonds that, to its knowledge, are made to a purchaser who is a related party to an

underwriter participating in the initial sale of the Tax-Exempt Bonds to the Public; and

(C) 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.

(2) any agreement among Underwriters relating to the initial sale of the Tax-Exempt Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Tax-Exempt Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Tax-Exempt Bonds of each maturity allotted to it until it is notified by the Representative or the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Tax-Exempt Bonds of that maturity have been sold to the Public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

(f) The Issuer acknowledges that, in making the representations set forth in this Section 6, the Representative will rely on: (i) the agreement of each Underwriter to comply with the requirements for establishing the issue price of the Tax-Exempt Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires; (ii) in the event a selling group has been created in connection with the initial sale of the Tax-Exempt Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires; and (iii) in the event that an Underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Tax-Exempt Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the 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 hold-the-offering-price rule 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 establishing issue price of the Tax-Exempt Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, to the Tax-Exempt Bonds.

(g) The Underwriters acknowledge that sales of any Tax-Exempt Bonds to any person that is a Related Party to an Underwriter participating in the initial sale of the Tax-Exempt Bonds to the Public shall not constitute sales to the Public for purposes of this Section 6.

7. **End of Underwriting Period.** The term “End of the Underwriting Period” referred to in this Purchase Agreement shall mean the later of (i) the Closing Date or (ii) when the Underwriters no longer retain an unsold balance of the Bonds; provided that unless the Issuer has been otherwise notified in writing by the Representative, on or prior to the Closing Date, of unsold balances, the Closing Date will be assumed to be the End of the Underwriting Period.

8. **Closing.** At 8:00 a.m., California time, on _____, 2022 or at such earlier or later time or date as shall be mutually agreed upon by the Issuer and the Representative (such time and date being herein referred to as the “Closing Date”), the Issuer will, subject to the terms and conditions hereof, deliver the Bonds to or for the account of the Representative in definitive form, duly executed, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof. Delivery and payment as aforesaid of the Bonds shall be made through DTC and delivery of all other documents shall be through the on-line deal room of Orrick, Herrington & Sutcliffe LLP in San Francisco, California (“Bond Counsel”), or in such other manner or such other place as shall have been mutually agreed upon by the Issuer and the Representative, except that the Bonds shall be delivered through the FAST facilities of DTC, or in such other manner or at such other place as shall have been mutually agreed upon by the Issuer and the Representative, in fully registered, book-entry eligible form (which may be typewritten) and registered in the name of Cede & Co., as nominee of DTC.

9. **Closing Conditions to the Obligations of the Underwriters.** The Underwriters have entered into this Purchase Agreement in reliance upon the representations and warranties of the Issuer contained herein, and the representations and warranties of the Issuer to be contained in the documents and instruments to be delivered on the Closing Date. Accordingly, the Underwriters’ obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be subject, at the option of the Underwriters, to the accuracy in all respects of the representations and warranties of the Issuer contained herein as of the date hereof and as of the Closing Date, to the accuracy in all respects of the statements of the officers and other officials of the Issuer made in any certificate or other document furnished pursuant to the provisions hereof, to the performance by the Issuer of its obligations to be performed hereunder and under the Issuer Documents at or prior to the Closing Date, and also shall be subject to the following additional conditions:

(a) The Underwriters shall receive, prior to the Closing Date and at least in sufficient time to accompany any orders or confirmations that request payment from any customer, copies of the Official Statement, in such reasonable quantity as the Underwriters shall have requested;

(b) On the Closing Date, the Issuer Documents shall have been duly authorized, executed and delivered by the respective parties thereto and shall be in full force and effect, and the Official Statement shall have been duly authorized, executed and delivered by the Issuer, all in substantially the forms heretofore submitted to the Underwriters, with only such changes as shall have been agreed to in writing by the Underwriters; and there shall be in full force and effect the Resolutions which are in the form and manner as, in the opinion of Bond Counsel, shall be necessary or appropriate to authorize the transactions contemplated hereby;

(c) The Underwriters shall have the right to terminate or, subject to agreement by the Issuer, delay without liability, by notification to Issuer, the Underwriters' obligations hereunder to purchase, to accept delivery of and to pay for the Bonds if after execution hereof and prior to the Closing Date, in the reasonable judgment of the Representative, any of the following events shall occur:

(1) the market price or marketability of the Bonds, or the ability of the Underwriters to enforce contracts for the sale of the Bonds, shall be materially adversely affected by any of the following events:

(i)(A) Legislation enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to alter, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Tax-Exempt Bonds, or the interest evidenced by the Tax-Exempt Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated herein or (B) legislation introduced or enacted, or a decision rendered as to matters of State law, or any order, ruling or regulation issued or proposed by or on behalf of the State by an official, agency or department thereof, with the purpose or effect of, directly or indirectly, imposing California personal income taxation upon such interest as would be received by the owners of the Tax-Exempt Bonds;

(ii) There shall have occurred: (A) any new outbreak of hostilities (including, without limitation, an act of terrorism); (B) the escalation of hostilities existing prior to the date hereof; (C) any other extraordinary event, material national or international calamity or crisis or resurgence thereof, or any material adverse change in the financial, political or economic conditions affecting the United States, the State of California or the Issuer; (D) a downgrade of the sovereign debt rating of the United States by any major credit rating agency or payment default on United States Treasury obligations; or (E) a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against any state of the United States or any city, county, or other political subdivision located in the United States having a population of over 1,000,000;

(iii) A general suspension of trading in securities on the New York Stock Exchange or any other major securities exchange, the establishment of minimum or maximum prices on any such national securities exchange, the establishment of material

restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, or any material increase of restrictions now in force (including, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters);

(iv) Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, or any comparable securities of the Issuer, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended (the “Securities Act”), or that the Trust Agreements are not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”);

(v) There shall have occurred any downgrading or published negative credit watch or similar published information, from a rating agency that at the date hereof has published a rating on any of the Issuer’s general obligation bonds (or has been asked to furnish a rating on the Bonds), which action reflects a change or possible change, in the ratings accorded any such obligations of the Issuer (including any rating to be accorded the Bonds); and

(vi) There shall have occurred since the date of this Purchase Agreement any materially adverse change in the operations, affairs or financial condition of the Issuer, except for changes the Official Statement discloses are expected to occur;

(2) Any event occurring, circumstance existing or information becoming known which, in the reasonable judgment of the Underwriters, makes untrue or incorrect in any material respect any statement or information contained in the Official Statement, or has the effect of causing the Official Statement to contain any untrue statement of a material fact, or omits to state a material fact required to be stated therein 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 (i) the Issuer refuses to permit the Official Statement to be supplemented to supply such statement or information in a manner satisfactory to the Underwriters or (ii) the effect of the Official Statement as so supplemented is, in the judgment of the Underwriters, to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale at the contemplated offering prices (or yields) of the Bonds;

(3) A general banking moratorium shall have been declared by federal, State of New York or State of California authorities having jurisdiction and shall be in force;

(4) A material disruption in securities settlement, payment or clearance services shall have occurred which the Underwriters determine would be reasonably likely to adversely affect the timely payment or delivery of the Bonds; and

(5) A decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws as of the Closing Date, including the Securities Act, the Securities Exchange Act of 1934, as amended, and the Trust Indenture Act.

(d) On or prior to the Closing Date, the Underwriters shall have received a copy of each of the following documents:

(1) One copy of each of the Issuer Documents (except the Bonds), each duly executed and delivered by the respective parties thereto;

(2) The approving opinion, dated the Closing Date and addressed to the Issuer, of Bond Counsel in substantially the form attached to the Preliminary Official Statement as Appendix G, and letters of such counsel in the customary form, dated the Closing Date and addressed to the Underwriters and the Trustee, respectively, to the effect that such opinion may be relied upon by the Underwriters and the Trustee to the same extent as if such opinion were addressed to them;

(3) The supplemental opinion, dated the Closing Date and addressed to the Underwriters, of Bond Counsel, substantially in the form attached hereto as Appendix C;

(4) The opinion of counsel to the Trustee, dated the Closing Date and addressed to the Underwriters, the Issuer and Bond Counsel, in a form acceptable to Underwriters' Counsel (defined herein) and Bond Counsel;

(5) The opinion of counsel to the Issuer, dated the Closing Date and addressed to the Underwriters, substantially in the form attached hereto as Appendix D;

(6) The opinion, dated the Closing Date and addressed to the Underwriters, of Curls Bartling P.C., Oakland, California, counsel for the Underwriters ("Underwriters' Counsel") to the effect that: (i) the Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Trust Agreements are exempt from qualification under the Trust Indenture Act of 1939, as amended; (ii) while Underwriters' Counsel has not undertaken to verify the accuracy, completeness or fairness of, or independently verified the information contained in the Official Statement, Underwriters' Counsel has participated in conferences prior to the date of the Official Statement, during which conferences the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed and that, based upon the information made available to Underwriters' Counsel in the course of its participation in such conferences, and review of the documents referred to above and the letters, certificates and opinions of counsel described in this Purchase Agreement, no information has come to the attention of Underwriters' Counsel which caused Underwriters' Counsel to believe that the

Preliminary Official Statement as of its date and as of the date hereof (excluding any information permitted to be omitted pursuant to Rule 15c2-12 and excluding therefrom the financial statements or other financial or statistical data or forecasts and the information concerning DTC and the book-entry only system, as to all of which no opinion is expressed), and the Official Statement as of its date and as of the Closing Date (excluding therefrom the financial statements or other financial or statistical data or forecasts and the information concerning DTC and the book-entry only system, as to all of which no opinion is expressed), contained or contains an untrue statement of material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (iii) assuming the due authorization and adoption of the Continuing Disclosure Agreement by the Issuer and the enforceability thereof, the Continuing Disclosure Agreement satisfies clause (b)(5)(i) of Rule 15c2-12 of the Securities Exchange Act, which requires an undertaking for the benefit of the holders, including beneficial owners, of the Bonds to provide annual updates of certain financial information and certain event notices to the MSRB at the times and in the manner required by such Rule 15c2-12;

(7) A certificate or certificates, dated the Closing Date signed by a duly authorized official of the Issuer, in form and substance satisfactory to the Underwriters, to the effect that: (i) the representations and warranties of the Issuer contained in this Purchase Agreement are true and correct on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) except as disclosed in the Preliminary Official Statement and the Official Statement, no litigation is pending or, to the best of such official's knowledge, threatened against the Issuer (a) to prohibit, restrain or enjoin the sale or delivery of the Bonds; (b) in any way contesting or affecting the validity of the Issuer Documents to which the Issuer is a party; or (c) in any way contesting the existence or powers of the Issuer; and (iii) no event affecting the Issuer has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing Date any statement or information contained in the Official Statement relating to the Issuer (excluding therefrom information relating to DTC and the book-entry system, and the information under the caption "UNDERWRITING,") or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein relating to the Issuer not misleading;

(8) A certificate of U.S. Bank Trust Company, National Association as the Trustee, the Escrow Agent and dissemination agent, dated the Closing Date, signed by a duly authorized official of the Trustee, satisfactory in form and substance to the Underwriters, to the effect that: (i) it is duly organized and existing under and by virtue of the laws of the United States of America, having the full power and qualified to enter into and perform its duties under the Trust Agreements, the Escrow Agreement and the Continuing Disclosure Agreement; (ii) the execution and delivery of the Trust Agreements, the Escrow Agreement and the Continuing Disclosure Agreement and compliance therewith, will not conflict with or constitute a breach by it of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or is otherwise subject; and (iii) it has not been served with any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public

board or body, nor is any such action, to the best of such official's knowledge after reasonable investigation, threatened against it, affecting its existence, the titles of its officers to their respective offices, or contesting or affecting the validity or enforceability of the Trust Agreements, the Escrow Agreement or the Continuing Disclosure Agreement, or contesting its power or authority to enter into, adopt or perform its obligations under the foregoing, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Trust Agreements, the Escrow Agreement or the Continuing Disclosure Agreement;

(9) A certified copy of the general resolution of by-laws of the Trustee authorizing the execution and delivery of the Trust Agreements;

(10) The Preliminary Official Statement, a certificate pursuant to Rule 15c2-12 related to the Preliminary Official Statement signed on behalf of the Issuer by authorized representatives thereof, and the Official Statement, executed on behalf of the Issuer by authorized representatives thereof;

(11) A certified copy of the Resolutions authorizing the execution and delivery of the Issuer Documents, the Official Statement and the issuance of the Bonds;

(12) A copy of the Blanket Letter of Representation to DTC relating to the Issuer;

(13) Tax Certificate of the Issuer in form and substance acceptable to Bond Counsel and the Underwriters, setting forth, among other things, the use of proceeds of the Tax-Exempt Bonds, and sufficient facts, estimates and circumstances (including covenants of and by the Issuer) in existence on the Closing Date, to support the conclusion that (i) it is not expected that the proceeds of the Tax-Exempt Bonds will be used in a manner that would cause the Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations, temporary regulations and proposed regulations promulgated with respect thereto, and (ii) to the best knowledge of the Issuer, there are no other facts, estimates, or circumstances that would materially affect such expectations;

(14) The Blue Sky Memorandum with respect to the Bonds prepared by Underwriters' Counsel;

(15) A verification report relating to the Refunded Bonds of _____, as verification agent, addressed to the Representative, in form and substance acceptable to Bond Counsel and Underwriters' Counsel;

(16) Evidence satisfactory to the Representative that [Fitch Ratings], has assigned a rating of "_____" to the Bonds and Moody's Investors Service has assigned a rating of "Aaa" to the Bonds, and that all such ratings are in full force and effect as of the Closing Date; and

(17) Such additional legal opinions, certificates, proceedings and other documents as the Underwriters, Underwriters' Counsel or Bond Counsel may reasonably

request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the representations of the Issuer herein and of the statements and information contained in the Official Statement, and the due performance or satisfaction by the Trustee and the Issuer at or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied by any of them in connection with the transactions contemplated hereby and by the other Issuer Documents.

All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Purchase Agreement shall be in the form set forth as attached hereto, or reasonably satisfactory in legal form and effect to the Representative.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in the form and substance set forth as attached hereto, or such other form and substance as may be satisfactory to the Representative.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Agreement, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriters nor the Issuer shall be under any further obligation hereunder. Thereafter, no party hereto shall have any further rights against any other party hereunder, except that each party shall pay their respective expenses as set forth in Section 10 (Expenses).

10. Expenses.

(a) The Underwriters shall be under no obligation to pay, and the Issuer shall pay all expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to: (i) the cost of preparation and printing of the Bonds, the Preliminary Official Statement, the Official Statement and any amendment or supplement thereto; (ii) the fees and disbursements of Bond Counsel and Disclosure Counsel; (iii) the fees and disbursements of any municipal advisor to the Issuer, including Sperry Capital Inc.; (iv) the fees and disbursements of the Trustee, the Escrow Agent, verification agent and any engineers, accountants, or other experts, consultants or advisers retained by the Issuer, if any; and (v) all fees and expenses in connection with obtaining ratings on the Bonds, including all necessary travel, dining, and related expenses incurred on behalf of Issuer personnel. The Issuer shall also pay for any expenses upon issuance of the Bonds (included in the expense component of the Underwriters' discount) incurred by the Underwriters which are incidental to the negotiation, marketing, issuance and delivery of the Bonds, including, but not limited to, internet roadshow (if any), and meals, transportation, and lodging, if any, incurred by or on behalf of the Issuer and its representatives or employees, and any other miscellaneous closing costs. In the event that the Underwriters incur or advance the cost of any expense for which the Issuer is responsible hereunder, the Issuer shall reimburse the Underwriters at or prior to the Closing Date; if on the Closing Date, reimbursement may be included in the expense component of the Underwriters' discount.

(b) The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

(c) Except as provided for above, the Underwriters shall pay (from the expense component of the Underwriters' discount): (i) the cost of preparation and printing of this Purchase Agreement and the Blue Sky Memorandum; (ii) certain advertising expenses in connection with the public offering of the Bonds; (iii) fees and expenses of Underwriters' Counsel; (iv) regulatory fees (e.g. California Debt and Investment Advisory Commission); and (v) all other expenses incurred by them in connection with the public offering of the Bonds. Notwithstanding that the fees of the California Debt and Investment Advisory Commission are solely the legal obligation of the Underwriters, the Issuer agrees to reimburse the Underwriters for such fees.

(d) If the Underwriters or the Issuer shall bring an action to enforce any part of the Purchase Agreement against the other, each party shall bear its attorneys' fees and costs incurred in connection with such action.

11. Notices. Any notice or other communication to be given to the parties to this Purchase Agreement may be given by delivering the same in writing to the respective party at the following address:

Underwriters: Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, 36th Floor
San Francisco, CA 94104
Attention: Erica Gonzalez, Managing Director

Issuer: San Francisco Bay Area Rapid Transit District
2150 Webster Street, 10th Floor
Oakland, California 94612
Attention: Interim Controller/Treasurer

12. Parties in Interest. This Purchase Agreement is made solely for the benefit of the Issuer and the Underwriters (including the successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the Issuer's representations, warranties and agreements contained in this Purchase Agreement shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds pursuant to this Purchase Agreement; and (iii) any termination of this Purchase Agreement.

13. Business Day. For purposes of this Purchase Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

14. Effectiveness. This Purchase Agreement shall become effective upon the execution of the acceptance herein by a duly authorized officer of the Issuer and shall be valid and enforceable at the time of such acceptance.

15. Governing Law. This Purchase Agreement shall be construed in accordance with the laws of the State of California.

16. Severability. If any provision of this Purchase Agreement shall be held to be invalid, illegal or unenforceable in any respect, then such provision shall be deemed severable from the remaining provisions contained in this Purchase Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Purchase Agreement.

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

18. Counterparts. This Purchase Agreement may be executed in one or more counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document. This Purchase Agreement may be executed by the exchange of faxed executed copies, certified electronic signatures, or copies delivered by electronic mail in Adobe PDF or similar format, and any signature transmitted by such means for the purpose of executing this Purchase Agreement shall be deemed an original signature for purposes of this Purchase Agreement.

19. Entire Agreement. This Purchase Agreement, including the exhibits and appendices attached hereto, constitute the entire agreement between the parties hereto with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties regarding the transaction contemplated by this Purchase Agreement and the process leading thereto. This Purchase Agreement shall only be amended, supplemented or modified in a writing signed by both of the parties hereto.

[Remainder of Page Intentionally Left Blank]

If you agree with the foregoing, please sign the enclosed counterpart of this Purchase Agreement and return it to the Underwriters. This Purchase Agreement shall become a binding agreement between you and the Underwriters when at least the counterpart of this Purchase Agreement shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED,
as Representative of the Underwriters**

By: _____
Name: Erica Gonzalez, Managing Director

ACCEPTANCE:

ACCEPTED at _____ a.m./p.m. California time, this _____ day of _____ 2022.

**SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT**

By: _____
Name: Chris Gan, Interim Controller/Treasurer

[Signature page of Bond Purchase Agreement]

LIST OF UNDERWRITERS

Stifel, Nicolaus & Company, Incorporated

Barclays Capital Inc.
Citigroup

J.P. Morgan Securities LLC
Siebert Williams Shank & Co., LLC

MATURITY SCHEDULES

\$ _____
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016)
2022 SERIES D-1 BONDS (GREEN BONDS)

\$ _____ Serial Bonds

Maturity <u>Date</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	Yield	CUSIP
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\$ _____ % Term Bond due August 1, 20__; Yield _____%; CUSIP _____

\$ _____
**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016)
2022 SERIES D-2 BONDS (FEDERALLY TAXABLE)
(GREEN BONDS)**

Maturity <u>Date</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
---------------------------------	------------------------------------	---------------------------------	---------------------	---------------------

\$ _____
**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
 GENERAL OBLIGATION BONDS (ELECTION OF 2004),
 2022 REFUNDING SERIES H (FEDERALLY TAXABLE)
 (GREEN BONDS)**

\$ _____ Serial Bonds

Maturity <u>Date</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
---------------------------------	------------------------------------	---------------------------------	---------------------	---------------------

\$ _____ % Term Bond due August 1, 20__; Yield _____ %; CUSIP _____

Redemption Provisions

The 2022D Bonds

Optional Redemption.

The 2022D-2 Bonds shall not be subject to redemption prior to their stated maturity date.

The 2022D-1 Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturity dates. The 2022D-1 Bonds maturing on and after August 1, 20__ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part, on any date on or after August 1, 20__ at the principal amount of the 2022D-1 Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium. If less than all of the 2022D-1 Bonds are called for redemption, the 2022D-1 Bonds shall be redeemed in such maturities as is directed by the District, and if less than all of the 2022D-1 Bonds of any given maturity are called for redemption, the portions of 2022D-1 Bonds of a given maturity to be redeemed shall be determined by lot.

Mandatory Redemption.

The 2022D-1 Term Bond maturing on August 1, _____, is also subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

**Mandatory
Sinking Fund
Payment Date
(August 1)**

**Mandatory
Sinking Fund
Payment Amount**

_____†

\$ _____

† Final Maturity

[Remainder of Page Intentionally Left Blank]

The 2022D-1 Term Bond maturing on August 1, _____, is also subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

**Mandatory
Sinking Fund
Payment Date
(August 1)**

**Mandatory
Sinking Fund
Payment Amount**

_____	\$ _____
_____	_____
_____†	_____
_____	_____

_____† Final Maturity

The principal amount of each mandatory sinking fund payment of any maturity shall be reduced as specified by the District, in \$5,000 increments, by the amount of any 2022D-1 Bonds of that maturity optionally redeemed prior to the mandatory sinking fund payment date.

The Refunding Bonds

Optional Redemption. The Refunding Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturity dates.

The Refunding Bonds maturing on and after August 1, 20__ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part, on any date on or after August 1, 20__ at the principal amount of the Refunding Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium. If less than all of the Refunding Bonds are called for redemption, the Refunding Bonds shall be redeemed in such maturities as is directed by the District, and if less than all of the Refunding Bonds of any given maturity are called for redemption, the Trustee shall select the Refunding Bonds or any given portion thereof to be redeemed from the Refunding Bonds Outstanding or such given portion thereof not previously called for redemption, among the owners on a pro rata pass through distribution of principal basis (subject to \$5,000 denominations). If the Refunding Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of the Refunding Bonds, if less than all of the Refunding Bonds of a maturity are called for prior redemption, the particular Refunding Bonds or portions thereof to be redeemed shall be selected on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Refunding Bonds are held in book-entry form, the selection for redemption of such Refunding Bonds shall be made in accordance with the operational arrangements of DTC then in effect.

Mandatory Redemption. The Refunding Term Bond maturing on August 1, _____, is also subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

**Mandatory
Sinking Fund
Payment Date
(August 1)**

**Mandatory
Sinking Fund
Payment Amount**

_____†

\$ _____

† Final Maturity

The principal amount of each mandatory sinking fund payment of any maturity shall be reduced on a pro rata basis, in \$5,000 increments, by the amount of any Refunding Bonds of that maturity optionally redeemed prior to the mandatory sinking fund payment date.

[Remainder of Page Intentionally Left Blank]

FORM OF ISSUE PRICE CERTIFICATE

\$ _____
**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
 GENERAL OBLIGATION BONDS
 (ELECTION OF 2016),
 2022 SERIES D-1 (GREEN BONDS)**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (the “Representative”), on behalf of itself and on behalf of the other underwriters named in the list attached as Schedule 1 to the Bond Purchase Agreement, dated _____, 2022 relating to the above-captioned obligations (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the Bonds/General Rule Maturities.*** As of the date of this Certificate, for each Maturity of the Bonds/General Rule Maturities, the first single price at which 10% of such Maturity was sold to the Public is the respective price listed in Schedule A attached hereto.

2. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Bonds where issue price was established under Treasury Regulations § 1.148-1(f)(2)(i), as shown in Schedule A hereto as the “*General Rule Maturities*.”

(b) ***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 or CUSIP identification numbers, are treated as separate maturities.

(c) ***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.

(d) ***Related Party*** means any entity if an Underwriter and the entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) *Sale Date* means the date of execution of a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2022.

(f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the San Francisco Bay Area Rapid Transit (the “Issuer”), as accepted and agreed by its Controller/Treasurer, (or with the lead underwriter(s) for the Bonds to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a 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, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick Herrington & Sutcliffe LLP, as bond counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

Dated: _____, 2022

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED,**

as Representative of the Underwriters

By: _____

Name: _____

Title: _____

**SCHEDULE A
TO ISSUE PRICE CERTIFICATE
GENERAL RULE MATURITIES**

\$ _____
**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
 GENERAL OBLIGATION BONDS
 (ELECTION OF 2016)
 2022 SERIES D-1 BONDS (GREEN BONDS)**

\$ _____ **SERIAL BONDS**

Maturity <u>Date</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
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\$ _____ % Term Bond due August 1, 20__; Yield _____ %; CUSIP _____

\$ _____ % Term Bond due August 1, 20__; Yield _____ %; CUSIP _____

Form of Supplemental Opinion

[Closing Date]

Stifel, Nicolaus & Company, Incorporated,
and the Underwriters listed in Schedule I
San Francisco, California

<p>San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016) 2022 Series D-1 (Green Bonds)</p>	<p>San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016) 2022 Series D-2 (Federally Taxable) (Green Bonds)</p>
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San Francisco Bay Area Rapid Transit District
General Obligation Bonds (Election of 2004),
2022 Refunding Series H (Federally Taxable)
(Green Bonds)

(Supplemental Opinion)

Ladies and Gentlemen:

This letter is addressed to you as underwriters (the “Underwriters”) identified in Schedule I attached hereto, pursuant to Section 9(d)(3) of the Bond Purchase Agreement, dated _____, 2022 (the “Purchase Agreement”), between you and the San Francisco Bay Area Rapid Transit District (the “District”), providing for the purchase of \$ _____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds) (the “2022D-1 Bonds”) and \$ _____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-2 (Federally Taxable) (Green Bonds) (the “2022D-2 Bonds” and, together with the 2022D-1 Bonds, the “2022D Bonds”) and \$ _____ aggregate principal amount of San Francisco Bay Area Rapid Transit District, General Obligation Bonds (Election 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds) (the “Refunding Bonds” and together with the 2022D Bonds, the “Bonds”).

The 2022D Bonds represent part of an issue, in the aggregate principal amount of \$3.5 billion, authorized at an election held in the District on November 8, 2016 and issued under and pursuant to the provisions of Article 4.5 of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California and other applicable law. The 2022D Bonds are issued under and pursuant to a resolution of the Board of Directors of the District adopted on [April 28, 2022] (the “2022D Resolution”), and in accordance with the terms of a Trust Agreement (Measure RR), dated

as of June 1, 2017, as supplemented and amended, including by a Third Supplemental Trust Agreement (Measure RR), dated as of [May] 1, 2022 (collectively, the “Measure RR Trust Agreement”), each by and between the District and U.S. Bank Trust Company, National Association, as successor trustee to U.S. Bank National Association (the “Trustee”).

The Refunding Bonds are issued under and pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California and other applicable law. The Refunding Bonds are issued under and pursuant to a resolution of the Board of Directors of the District adopted on [April 28], 2022 (the “Refunding Resolution” and, together with the 2022D Resolution, the “Resolutions”), and in accordance with the terms of a Trust Agreement (Measure AA), dated as of June 1, 2017 as supplemented and amended, including by a Second Supplemental Trust Agreement (Measure AA), dated as of [May] 1, 2022 (collectively, the “Measure AA Trust Agreement,” and together with the Measure RR Trust Agreement, the “Trust Agreements”), between the District and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the respective Trust Agreements or, if not defined in the Trust Agreements, in the Purchase Agreement.

We have delivered our final legal opinion (the “Bond Opinion”) as bond counsel to the District concerning the validity of the Bonds and certain other matters, dated the date hereof and addressed to the District. You may rely on such opinion as though the same were addressed to you.

In connection with our role as bond counsel to the District, we have reviewed the Purchase Agreement, the Trust Agreements, the Tax Certificate, the Escrow Agreement, the preliminary official statement of the District, dated _____, 2022, with respect to the Bonds (the “Preliminary Official Statement”), the official statement of the District, dated _____, 2022, with respect to the Bonds (the “Official Statement”) opinions of counsel to the District and the Trustee, certificates of the District, the Trustee and others and such other documents, opinions and matters to the extent we deemed necessary to render the opinions and conclusions set forth herein.

The opinions and conclusions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions or conclusions may be affected by actions taken or omitted or events occurring after the original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken, or omitted, or events do occur or any other matters come to our attention after the original delivery of the Bonds on the date hereof. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinions referred to in the third paragraph hereof. We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Resolutions, the Trust Agreements, the Escrow Agreement, Tax Certificate, and the Purchase Agreement and their enforceability may be subject to bankruptcy, insolvency, reorganization, receivership, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal

remedies against public transit districts in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or to have the effect of a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions and conclusions:

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

2. The Purchase Agreement has been duly executed and delivered by, and constitutes a valid and binding obligation of, the District.

3. The statements contained in the Official Statement under the captions “THE 2022 BONDS” (excluding “Purpose and Application of Proceeds” and “Book-Entry-Only System”), “SECURITY AND SOURCE OF PAYMENT FOR THE 2022 BONDS - General,” “TAX MATTERS,” and APPENDIX H – “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENTS,” as of its date and as of the date hereof, excluding any material that may be treated as included under such captions by cross-reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Bonds, the Trust Agreements or set out the content of our Bond Opinion are accurate in all material respects.

4. We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or (except as explicitly stated in paragraph 3 above) in the Official Statement, and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. In our capacity as bond counsel to the District in connection with issuance of the Bonds, we participated in conferences with your representatives, your counsel, Sperry Capital Inc., as municipal advisor to the District, representatives of the District and others, during which the contents of the Preliminary Official Statement or the Official Statement and related matters were discussed. Based on our participation in the above-mentioned conferences (which, with respect to the Preliminary Official Statement, did not extend beyond the date of the Purchase Agreement, and with respect to the Official Statement, did not extend beyond its date), and in reliance thereon, on oral and written statements and representations of the District and others and on the records, documents, certificates, opinions and matters herein mentioned, subject to the limitations on our role as bond counsel to the District, we advise you as a matter of fact and not opinion that (a) no facts had come to the attention of the attorneys in our firm rendering legal services with respect to the Preliminary Official Statement which caused us to believe as of the date of the Purchase Agreement, based on the documents, drafts and facts in existence and reviewed as of that date, the Preliminary Official Statement contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except any information marked as preliminary or subject to change, any information permitted to be omitted by Securities and Exchange Commission Rule 15c2-12 or otherwise left blank and any other differences with the information in the Official

Statement), and (b) no facts had come to the attention of the attorneys in our firm rendering legal service with respect to the Official Statement which caused us to believe as of the date of the Official Statement and as of the date hereof that the Official Statement contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, we expressly exclude from the scope of this paragraph and express no opinion or conclusion with respect to both the Preliminary Official Statement and the Official Statement, about any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any management discussion and analysis, any statements about compliance with prior continuing disclosure undertakings, or any information about book-entry, DTC, Cede & Co., ratings, rating agencies, municipal advisor, Underwriters, Underwriting and the information contained in Appendices B, C, D and E included or referred to therein or omitted therefrom. No responsibility is undertaken or conclusion expressed with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Preliminary Official Statement or the Official Statement.

This letter is furnished by us as bond counsel to the District. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter. We disclaim any obligation to update this letter. This letter is delivered to you as Underwriters of the Bonds, is solely for your benefit as such Underwriters in connection with the original delivery of the Bonds on the date hereof, and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

LIST OF UNDERWRITERS

Stifel, Nicolaus & Company, Incorporated

Barclays Capital Inc.

Citigroup

J.P. Morgan Securities LLC

Siebert Williams Shank & Co., LLC

Form of District Counsel Opinion

[Closing Date]

Stifel, Nicolaus & Company, Incorporated,
as Representative of the Underwriters
San Francisco, California

Orrick Herrington & Sutcliffe, LLP
San Francisco, California

**SAN FRANCISCO BAY AREA
RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016),
2022 SERIES D-1
(GREEN BONDS)**

**SAN FRANCISCO BAY AREA
RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016),
2022 SERIES D-2 (FEDERALLY TAXABLE)
(GREEN BONDS)**

**SAN FRANCISCO BAY AREA
RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS (ELECTION OF 2004),
2022 REFUNDING SERIES H (FEDERALLY TAXABLE)
(GREEN BONDS)**

Ladies and Gentlemen:

This opinion is furnished in connection with the issuance by the San Francisco Bay Area Rapid Transit District (the “District”) of \$_____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds) (the “2022D-1 Bonds”) and \$_____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-2 (Federally Taxable) (Green Bonds) (the “2022D-2 Bonds” and, together with the 2022D-1 Bonds, the “2022D Bonds”) and \$_____ aggregate principal amount of San Francisco Bay Area Rapid Transit District, General Obligation Bonds (Election 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds) (the “Refunding Bonds” and together with the 2022D Bonds, the “Bonds”).

The 2022D Bonds represent part of an issue, in the aggregate principal amount of \$3.5 billion, authorized at an election held in the District on November 8, 2016, and are being issued under and pursuant to the provisions of Article 4.5 of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53506 and other applicable

law. The 2022D Bonds are issued under and pursuant to a resolution of the Board of Directors of the District adopted on [April 28, 2022] (the “2022D Resolution”), and in accordance with the terms of a Trust Agreement (Measure RR), dated as of June 1, 2017, as supplemented and amended, including by a Third Supplemental Trust Agreement (Measure RR), dated as of [May] 1, 2022 (collectively, the “Measure RR Trust Agreement”), each by and between the District and U.S. Bank Trust Company, National Association, as successor trustee to U.S. Bank National Association (the “Trustee”).

The Refunding Bonds are being issued under and pursuant to Articles 9 and 11 of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California (collectively with Article 4.5 of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California, the “Act”) and other applicable law. The Refunding Bonds are issued under and pursuant to a resolution of the Board of Directors of the District adopted on [April 28], 2022 (the “Refunding Resolution” and, together with the 2022D Resolution, the “Resolutions”), and in accordance with the terms of a Trust Agreement (Measure AA), dated as of June 1, 2017 as supplemented and amended, including by a Second Supplemental Trust Agreement (Measure AA), dated as of [May] 1, 2022 (collectively, the “Measure AA Trust Agreement” and together, with the Measure RR Trust Agreement, the “Trust Agreements”), between the District and the Trustee.

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the respective Trust Agreements or, if not defined in the Trust Agreements, in the hereinafter defined Bond Purchase Agreement.

In my capacity as general counsel to the District, I have examined the Resolutions, the Bonds, the Trust Agreements, the Continuing Disclosure Agreement, dated the date hereof (the “Continuing Disclosure Agreement”), between the District and U.S. Bank Trust Company, National Association, as dissemination agent, the Escrow Agreement, dated as of [May] 1, 2022 (the “Escrow Agreement”), between the District and U.S. Bank Trust Company, National Association, as escrow agent, the Bond Purchase Agreement, dated _____, 2022 (the “Bond Purchase Agreement”), between the District and Stifel, Nicolaus & Company, Incorporated, acting on behalf of itself and as representative of the underwriters (the “Underwriters”) identified in Schedule I attached hereto, as Underwriters of the Bonds, and the Tax Certificate, dated the date hereof (the “Tax Certificate”), delivered by the District, the Act, certifications of the District and others as to certain factual matters, and such other documents, opinions and matters as I deemed necessary to render the opinions set forth herein.

In reviewing the documents and matters referred to above, I have assumed the genuineness of all signatures (other than signatures of officials of the District) thereto, and I have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified therein. In addition, I call attention to the fact that the rights and obligations under the Bonds, the Trust Agreements, the Continuing Disclosure Agreement, the Escrow Agreement, the Tax Certificate and the Bond Purchase Agreement (hereinafter collectively referred to as the “District Documents”) and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public transit districts in the State of California.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, I am of the following opinions:

1. The District is a public transit district duly organized and validly existing under the laws of the State of California, and has all requisite power and authority thereunder: (a) to adopt the Resolution and to enter into and perform its covenants and agreements under the Bonds and the District Documents; (b) to approve and authorize the use and distribution of the Preliminary Official Statement, dated _____, 2022 (as supplemented and amended, the “Preliminary Official Statement”) and the Official Statement, dated _____, 2022 (the “Official Statement”); (c) to issue the Bonds; and (d) to cause the *ad valorem* taxes to be levied and collected to pay the Bonds in the manner provided by law.

2. The Resolutions were duly adopted at a meeting of the Board of Directors of the District which was called and held pursuant to law and with all required notice and in accordance with all applicable open meetings laws and at which a quorum was present and acting at the time of the adoption of such Resolutions. The Resolutions have not been modified, amended or rescinded since the date of its adoption, and the Resolutions are in full force and effect on the date hereof.

3. The Bonds have been duly authorized, executed and delivered by the District and constitute the legal, valid and binding obligations of the District enforceable in accordance with their terms.

4. The District Documents have been duly authorized, executed and delivered by the District, and, assuming due authorization, execution and delivery by the other parties thereto, constitute the legal, valid and binding obligations of the District enforceable in accordance with their respective terms.

5. No authorization, approval, consent or other order of the State of California or any other governmental authority or agency within the State of California having jurisdiction over the District is required for the valid authorization, execution, delivery and the performance by the District of the District Documents to which the District is a party, or the Official Statement or for the adoption of the Resolutions which has not been obtained.

6. The statements contained under the captions “THE 2022 BONDS – Authority for Issuance,” “SECURITY AND SOURCE OF PAYMENT FOR THE 2022 BONDS,” “ABSENCE OF MATERIAL LITIGATION,” and in APPENDIX A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION” in the Preliminary Official Statement, as of its date and as of the date of the Bond Purchase Agreement (excluding any information permitted to be omitted pursuant to Rule 15c2-12), and in the Official Statement as of its date and as of the Closing Date, are true and correct and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided that no opinion is expressed with respect to any financial, demographic or statistical information or data contained therein.

7. To the best of my knowledge after diligent inquiry, there is no litigation, proceeding, action, suit or investigation at law or in equity before or by any court, regulatory agency, governmental authority or body, pending or threatened against the District (i) challenging the creation, organization or existence of the District or the titles of its officers to their respective offices, or (ii) seeking to restrain or enjoin the issuance or payment of the Bonds, or (iii) in any way contesting or affecting the validity of the Bonds or the District Documents or contesting the authority of the District to enter into or perform its obligations under any of the District Documents, or (iv) under which a determination adverse to the District would have a material adverse impact upon the transactions contemplated by the District Documents, the financial condition of the District or the ability of the District to maintain and operate the System, or (v) which affects the right or ability of the District to levy and collect or cause to be levied and collected the *ad valorem* taxes securing the Bonds, or (vi) contesting the completeness, accuracy or use of the Official Statement or asserting that the Official Statement contains an untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statement therein, in the light of the circumstances under which they were made, not misleading.

8. Based upon the information provided to me in the course of my participation in the preparation of the Preliminary Official Statement and the Official Statement and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Preliminary Official Statement and the Official Statement, I have no reason to believe that the Preliminary Official Statement (except for the information permitted to be omitted pursuant to Rule 15c2-12) as of the date of the Preliminary Official Statement and as of the date of the Bond Purchase Agreement or the Official Statement as of its date and as of the date hereof 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.

9. The District has consented to the use of the Preliminary Official Statement in connection with the sale of the Bonds and has approved the Official Statement and authorized its distribution.

10. The adoption of the Resolutions and the execution and delivery by the District of the Bonds and the District Documents, and compliance with the provisions thereof, do not in any material respect conflict with or constitute on the part of the District a breach or default under any agreement or other instrument to which the District is a party (and of which such counsel is aware after reasonable investigation), or by which it is bound (and of which such counsel is aware after reasonable investigation), or, any existing law, regulation, court order or consent decree to which the District is subject (and of which such counsel is aware after reasonable investigation) (except that no opinion is expressed by such counsel with respect to federal securities laws or any federal, state or local tax law).

I express no opinion as to any matter other than as expressly set forth above. Without limiting the generality of the foregoing, I specifically express no opinion as to the status of the Bonds or the interest thereon or the District Documents under any federal securities laws or any state securities or "Blue Sky" law or any federal, state or local tax law. Further, I express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including

any remedy deemed to constitute a penalty), choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the District Documents and I express no opinion on the laws of any jurisdiction other than the State of California and the United States of America.

This opinion is delivered to each of the addressees listed above and is solely for their benefit and is not to be used, circulated, quoted, or otherwise referred to or relied upon by any other person or for any other purpose; provided, however, that this opinion may be included in the transcript of closing documents prepared in connection with this financing.

Very truly yours,

Matthew Burrows, Esq.
General Counsel

LIST OF UNDERWRITERS

Stifel, Nicolaus & Company, Incorporated

Barclays Capital Inc.

Citigroup

J.P. Morgan Securities LLC

Siebert Williams Shank & Co., LLC

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered by the San Francisco Bay Area Rapid Transit District (the “Issuer”) and U.S. Bank Trust Company, National Association, as dissemination agent (the “Dissemination Agent”), in connection with the issuance of \$_____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds) and 2022 Series D-2 (Federally Taxable) (Green Bonds) (together, the “2022D Bonds”), and \$_____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds) (the “2022H Bonds” and, together with the 2022D Bonds, the “2022 Bonds”). The 2022D Bonds are being issued pursuant to Resolution No. [____], adopted by the Board of Directors of the Issuer on April 28, 2022, and according to the terms and in the manner set forth in the Trust Agreement (Measure RR), dated as of June 1, 2017, as supplemented by the First Supplemental Trust Agreement (Measure RR), dated as of August 1, 2019, as further supplemented by the Second Supplemental Trust Agreement (Measure RR), dated as of August 1, 2020, and as further supplemented by the Third Supplemental Trust Agreement (Measure RR), dated as of May 1, 2022 (as supplemented, the “Measure RR Trust Agreement”), each between the Issuer and U.S. Bank Trust Company, National Association, as Trustee (the “Trustee”). The 2022H Bonds are being issued pursuant to Resolution No. [____], adopted by the Board of Directors of the Issuer on April 28, 2022, and according to the terms and in the manner set forth in the Trust Agreement (Measure AA), dated as of June 1, 2017, as supplemented by the First Supplemental Trust Agreement (Measure AA), dated as of August 1, 2019, and as further supplemented by the Second Supplemental Trust Agreement (Measure AA), dated as of May 1, 2022 (as supplemented, the “Measure AA Trust Agreement” and, together with the Measure RR Trust Agreement, the “Trust Agreement”), each between the Issuer and the Trustee. The Issuer and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and the Dissemination Agent for the benefit of the Holders and the Beneficial Owners (as hereinafter defined) of the 2022 Bonds and in order to assist the Participating Underwriters (as hereinafter defined) in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the applicable Trust Agreement, which apply to any capitalized term used in this Disclosure Agreement and not otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any 2022 Bonds (including persons holding 2022 Bonds through nominees, depositories or other intermediaries).

“Disclosure Representative” shall mean the Controller/Treasurer or Interim Controller/Treasurer of the Issuer or their designee, or such other officer or employee of the Issuer as the Controller/Treasurer or Interim Controller/Treasurer of the Issuer shall designate in writing to the Trustee and the Dissemination Agent from time to time.

“Dissemination Agent” shall mean U.S. Bank Trust Company, National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 5(a)(10) and 5(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Holder” shall mean the person in whose name any 2022 Bond shall be registered.

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

“MSRB” shall mean the Municipal Securities Rulemaking Board 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 Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Participating Underwriter” shall mean any of the original underwriters of the 2022 Bonds required to comply with the Rule in connection with offering of the 2022 Bonds.

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

“SEC” shall mean the Securities and Exchange Commission or any successor agency thereto.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than eight (8) months after the end of the Issuer’s fiscal year (presently June 30), commencing with the Annual Report for the fiscal year of the Issuer ending June 30, 2022, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Each Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may include by reference other information as

provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. Neither the Trustee nor the Dissemination Agent shall have any duties or responsibilities with respect to the contents of the Annual Report. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Issuer shall provide the Annual Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer to determine if the Issuer is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice, in electronic format, to the MSRB, such notice to be in substantially the form attached as Exhibit A.

(d) If the Annual Report is delivered to the Dissemination Agent for filing, the Dissemination Agent shall file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided.

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

(a) The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer'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 Official Statement, dated _____, 2022, relating to the 2022 Bonds (the "Official Statement"), and the audited financial statements shall be filed in the same manner as the Annual Report when such audited financial statements become available.

(b) An update (as of the most recently ended fiscal year of the Issuer) for the table set forth in the Official Statement under the caption "Debt Service Schedules" and an update for the tables entitled "San Francisco Bay Area Rapid Transit District Assessed Valuation" and "San Francisco Bay Area Rapid Transit District Secured Tax Charges and Delinquencies," each set forth in the Official Statement under the caption "Security and Source of Payment for the 2022 Bonds."

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been filed with the MSRB or the SEC. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 2022 Bonds not later than ten business days after the occurrence of the event:

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 or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event 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 the Issuer, any of which reflect financial difficulties.

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.

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 2022 Bonds, if material, not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the 2022 Bonds or other material events affecting the tax status of the 2022 Bonds;

2. Modifications to rights of bond holders;
3. Optional, unscheduled or contingent bond calls;
4. Release, substitution, or sale of property securing repayment of the 2022 Bonds;
5. Non-payment related defaults;
6. 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;
7. Appointment of a successor or additional trustee or the change of name of a trustee; or
8. Incurrence of a Financial Obligation of the Issuer, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders.

(c) The Issuer shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3, as provided in Section 3(b).

(d) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the Issuer shall determine if such event would be material under applicable federal securities laws.

(e) If the Issuer learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the Issuer shall within ten business days of the occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected 2022 Bonds pursuant to the applicable Trust Agreement.

(f) The Issuer intends to comply with respect to the Listed Events described in Section 5(a)(10) and Section 5(b)(8), and the definition of “Financial Obligation” in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Commission in its Release No. 34-83885 dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.

SECTION 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The obligations of the Issuer and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2022 Bonds. If such termination occurs prior to the final maturity of the 2022 Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing thirty (30) days written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the form or content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Issuer, provided the Dissemination Agent shall not be obligated to enter into any such amendment that modifies or increases its duties or obligations hereunder), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 2022 Bonds, or the type of business conducted;

(b) This Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2022 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the 2022 Bonds in the same manner as provided in the applicable Trust Agreement for amendments to the applicable Trust Agreement with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the 2022 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e), and (ii) the Annual

Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

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

SECTION 11. Default. In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee, at the written request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding 2022 Bonds, shall, 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, fees and expenses of its attorneys, or any Owner or Beneficial Owner of the 2022 Bonds, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the applicable Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article VIII of the applicable Trust Agreement is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the applicable Trust Agreement and the Trustee and the Dissemination Agent shall be entitled to the protections, limitations from liability and indemnities afforded the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer agrees to indemnify and save the Dissemination Agent and the Trustee and their officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their 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 Trustee's or the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the Issuer for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The obligations of the Issuer under this Section shall survive resignation or removal of the Trustee or the Dissemination Agent and payment of the

2022 Bonds. The Dissemination Agent has no power to enforce performance on the part of the Issuer under this Disclosure Agreement.

The Dissemination Agent agrees to accept and act upon instructions or directions pursuant to this Disclosure Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Dissemination Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Dissemination Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Dissemination Agent acts upon such instructions, the Dissemination Agent's understanding of such instructions shall be deemed controlling. The Dissemination Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Dissemination Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer agrees: (i) to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Dissemination Agent, including without limitation the risk of the Dissemination Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Dissemination Agent and that there may be more secure methods of transmitting instructions than the method(s) selected by the Issuer; and (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

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

- (i) If to the Issuer:
San Francisco Bay Area Rapid Transit District
2150 Webster Street
Oakland, California 94612
Attention: Interim Controller/Treasurer
Telephone: (510) 464-6070
Fax: (510) 464-6011
- (ii) If to the Dissemination Agent:
U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Global Corporate Trust
Telephone: (415) 677-3596
Fax: (415) 677-3769

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent. Notices may also be given by electronic means.

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the 2022 Bonds, and shall create no rights in any other person or entity.

SECTION 15. Governing Law. This Disclosure Agreement shall be governed under the laws of the State of California.

SECTION 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: _____, 2022.

SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT

By _____
Interim Controller/Treasurer

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Dissemination Agent

By _____
Authorized Officer

Exhibit A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF
FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: San Francisco Bay Area Rapid Transit District
Name of Bond Issue: San Francisco Bay Area Rapid Transit District
General Obligation Bonds (Election of 2016), 2022
Series D-1 (Green Bonds)
San Francisco Bay Area Rapid Transit District
General Obligation Bonds (Election of 2016), 2022
Series D-2 (Federally Taxable) (Green Bonds)
San Francisco Bay Area Rapid Transit District
General Obligation Bonds (Election of 2004), 2022
Refunding Series H (Federally Taxable)
(Green Bonds)

Date of Issuance of Bonds: _____, 2022

NOTICE IS HEREBY GIVEN that the San Francisco Bay Area Rapid Transit District (the “Issuer”) has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Agreement, dated _____, 2022, between the Issuer and U.S. Bank Trust Company, National Association, as dissemination agent. [The Issuer anticipates that the Annual Report will be filed by _____.]

Dated: _____

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Dissemination Agent on behalf of the San
Francisco Bay Area Rapid Transit District

cc: Issuer

PRELIMINARY OFFICIAL STATEMENT DATED MAY [], 2022

NEW ISSUE – BOOK ENTRY ONLY

RATINGS:

Moody's: Aaa

[Fitch: []]

See "Ratings" herein.

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2022D-1 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the 2022D-1 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the 2022 Bonds is exempt from State of California personal income taxes. Bond Counsel further observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2022 Bonds. See "TAX MATTERS."



**§[2022 PAR]*
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS**



**§[2022D-1 PAR]*
(ELECTION OF 2016),
2022 SERIES D-1
(GREEN BONDS)**

**§[2022D-2 PAR]*
(ELECTION OF 2016),
2022 SERIES D-2
(FEDERALLY TAXABLE)
(GREEN BONDS)**

**§[2022H PAR]*
(ELECTION OF 2004),
2022 REFUNDING SERIES H
(FEDERALLY TAXABLE)
(GREEN BONDS)**

Dated: Date of Delivery

Due: As shown on inside cover

The San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds) (the "2022D-1 Bonds") and 2022 Series D-2 (Federally Taxable) (Green Bonds) (the "2022D-2 Bonds" and, together with the 2022D-1 Bonds, the "2022D Bonds") are being issued to finance specific acquisition, construction and improvement projects for District facilities approved by the voters and to pay the costs of issuance of the 2022D Bonds. The San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds) (the "2022H Bonds" and, together with the 2022D Bonds, the "2022 Bonds") are being issued to refund certain outstanding general obligation bonds of the District and to pay the costs of issuance of the 2022H Bonds. The 2022D-2 Bonds and the 2022H Bonds shall collectively be known as the "Taxable Bonds." The 2022 Bonds are deliverable in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of the 2022 Bonds will be made in principal amounts of \$5,000 and integral multiples thereof and will be in book-entry form only. Purchasers of the 2022 Bonds will not receive bonds representing their beneficial ownership in the 2022 Bonds but will receive a credit balance on the books of their respective DTC Direct Participants or DTC Indirect Participants. The 2022 Bonds will not be transferable or exchangeable except for transfer to another nominee of DTC or as otherwise described herein.

Principal on the 2022 Bonds is payable in the amounts and on the dates set forth on the inside cover. Interest on the 2022D-1 Bonds and the 2022H Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2022, and interest on the 2022D-2 Bonds is paid on the maturity date thereof. The principal of the 2022 Bonds is payable by U.S. Bank Trust Company, National Association, as trustee, to Cede & Co., the registered owner of the 2022 Bonds, and such interest and principal payments are to be disbursed to the beneficial owners of the 2022 Bonds through their respective DTC Direct Participants or DTC Indirect Participants.

The 2022 Bonds are general obligations of the San Francisco Bay Area Rapid Transit District (the "District"), payable from and secured by *ad valorem* taxes to be levied upon all property subject to taxation by the District, without limitation as to rate or amount (except for certain personal property which is taxable at limited rates) levied in Alameda and Contra Costa Counties and the City and County of San Francisco, as more fully described herein. No other monies of the District other than certain proceeds of the 2022 Bonds are pledged to the payment of the 2022 Bonds.

The 2022D-1 Bonds and the 2022H Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

This cover page contains certain information for reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The 2022 Bonds are offered when, as and if issued by the District and received by the Underwriters, subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the District. Certain legal matters will be passed upon for the Underwriters by their counsel, Curls Bartling P.C., and for the District by its General Counsel, Matthew Burrows, Esq., and by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the District. The 2022 Bonds in book-entry-only form are expected to be delivered through the facilities of DTC on or about May [], 2022.

Stifel

Barclays

Siebert Williams
Shank & Co., LLC

Citigroup

J.P. Morgan

Dated: _____, 2022

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. 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 the Bonds in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULES

\$[2022D-1 PAR]*
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016), 2022 SERIES D-1 BONDS (GREEN BONDS)

\$[]* SERIAL BONDS

Maturity Date* (August 1)	Principal Amount*	Interest Rate	Yield	CUSIP (Base: 797661)*	ISIN (Base: US797661)*	Common Code‡
	\$					

\$ _____ * _____ % Term Bond due August 1, 20 ____; Yield _____ %; CUSIP† 797661 ____; ISIN† ____; Common Code‡ ____

\$ _____ * _____ % Term Bond due August 1, 20 ____; Yield _____ %; CUSIP† 797661 ____; ISIN† ____; Common Code‡ ____

\$[2022D-2 PAR]*
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016), 2022 SERIES D-2 BONDS (FEDERALLY TAXABLE) (GREEN BONDS)

Maturity Date* (1 _____)	Principal Amount*	Interest Rate	Yield	CUSIP (Base: 797661)*	ISIN (Base: US797661)*	Common Code‡
	\$					

* Preliminary, subject to change.

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‡ The Common Code is provided herein by Euroclear Bank S.A./N.V. Neither the District nor the Underwriters are responsible for the selection or use of this Common Code and no representation is made as to their correctness on the 2022 Bonds.

\$[2022H PAR]*
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2004), 2022 REFUNDING SERIES H BONDS
(FEDERALLY TAXABLE) (GREEN BONDS)

\$[_____] * SERIAL BONDS

<u>Maturity</u> <u>Date*</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount*</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP (Base:</u> <u>797661)†</u>	<u>ISIN (Base:</u> <u>US797661)†</u>	<u>Common</u> <u>Code‡</u>
	\$					

\$ _____ * _____ % Term Bond due August 1, 20__*; Yield _____%; CUSIP† 797661____; ISIN† ____; Common Code‡ ____

* Preliminary, subject to change.

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‡ The Common Code is provided herein by Euroclear Bank S.A./N.V. Neither the District nor the Underwriters are responsible for the selection or use of this Common Code and no representation is made as to their correctness on the 2022 Bonds.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

**2150 Webster Street, 10th Floor
Oakland, California 94612**

BOARD OF DIRECTORS

Rebecca Saltzman <i>President</i>	Janice Li <i>Vice President</i>	Debora Allen <i>Director</i>
Elizabeth Ames <i>Director</i>	Bevan Dufty <i>Director</i>	Mark Foley <i>Director</i>
John McPartland <i>Director</i>	Robert Raburn <i>Director</i>	Lateefah Simon <i>Director</i>

PRINCIPAL OFFICERS

Robert Powers – *General Manager*
Christopher Gan – *Interim Controller/Treasurer*
Shane Edwards – *Interim Assistant General Manager, Operations*
Pamela Herhold – *Assistant General Manager, Performance and Budget*

GENERAL COUNSEL

Matthew Burrows, Esq.

TRUSTEE AND ESCROW AGENT

U.S. Bank Trust Company, National Association
San Francisco, California

BOND AND DISCLOSURE COUNSEL

Orrick, Herrington & Sutcliffe LLP
San Francisco, California

MUNICIPAL ADVISOR

Sperry Capital Inc.
Sausalito, California

ESCROW VERIFICATION

Causey Demgen & Moore P.C.
Denver, Colorado

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This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any offer or solicitation or sale of the 2022 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the San Francisco Bay Area Rapid Transit District (the “District”) or the underwriters identified on the cover page of this Official Statement (the “Underwriters”) to give any information or to make any representation other than that contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized. Neither the delivery of this Official Statement nor the sale of any of the 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 not to be construed as a contract with the purchasers of the 2022 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts. All summaries of statutes and documents are made subject to the provisions of such statutes and documents, respectively, and do not purport to be complete statements of any or all of such provisions.

The information set forth herein has been obtained from sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. 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. No representation, warranty or guarantee is made by the Municipal Advisor as to the accuracy or completeness of any information in this Official Statement, including, without limitation, the information contained in the appendices hereto, and nothing contained in this Official Statement is or shall be relied upon as a promise or representation by the Municipal Advisor.

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 2022 Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained therein, and have not been registered or qualified under the securities laws of any state.

The District maintains a website. 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 specifically indicated otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement and should not be relied upon in making investment decisions with respect to the 2022 Bonds.

IN CONNECTION WITH THE OFFERING OF THE 2022 BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2022 BONDS AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE 2022 BONDS TO CERTAIN SECURITIES DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENTS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

FORWARD-LOOKING STATEMENTS

This Official Statement, including the cover and inside cover page and all appendices hereto, contains forecasts, projections and estimates that are based on current expectations or assumptions. When included in this Official Statement, the words “expects,” “forecasts,” “projects,” “budgets,” “intends,” “anticipates,” “estimates,” “assumes” and analogous expressions are intended to identify forward-looking statements which speak only as of the date of this Official Statement. Any such statements inherently are subject to a variety of risks and uncertainties which could cause actual results to differ materially from those that have been projected. Such risks and uncertainties include, among others, changes in economic conditions, federal, state and local statutory and regulatory initiatives, litigation, seismic events, public health emergencies such as the COVID-19 pandemic and various other events, conditions and circumstances, many of which are beyond the control of the District. The inclusion in this Official Statement of such forecasts, projections and estimates should not be regarded as a representation by the District that such forecasts, projections and estimates will occur. Such forecasts, projections, budgets, and estimates are not intended as representations of fact or guarantees of results. The District disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the District’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES

REFERENCES IN THIS SECTION TO THE “ISSUER” MEAN THE SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT AND REFERENCES TO “BONDS” OR “SECURITIES” MEAN THE 2022 BONDS OFFERED HEREBY. **NEITHER THE ISSUER NOR THE UNDERWRITERS ASSUME ANY RESPONSIBILITY FOR THE CONTENTS OF THIS SECTION.**

MINIMUM UNIT SALES

THE BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE BOND OF \$5,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 30 UNITS (BEING 30 BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF \$150,000).

NOTICE TO PROSPECTIVE INVESTORS IN CANADA

THE BONDS MAY BE SOLD ONLY TO PURCHASERS PURCHASING, OR DEEMED TO BE PURCHASING, AS PRINCIPAL THAT ARE ACCREDITED INVESTORS, AS DEFINED IN NATIONAL INSTRUMENT 45-106 PROSPECTUS EXEMPTIONS OR SUBSECTION 73.3(1) OF THE SECURITIES ACT (ONTARIO), AND ARE PERMITTED CLIENTS, AS DEFINED IN NATIONAL INSTRUMENT 31-103 REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS. ANY RESALE OF THE BONDS MUST BE MADE IN ACCORDANCE WITH AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE PROSPECTUS REQUIREMENTS OF APPLICABLE SECURITIES LAWS.

SECURITIES LEGISLATION IN CERTAIN PROVINCES OR TERRITORIES OF CANADA MAY PROVIDE A PURCHASER WITH REMEDIES FOR RESCISSION OR DAMAGES IF THIS OFFICIAL STATEMENT (INCLUDING ANY AMENDMENT THERETO) CONTAINS A MISREPRESENTATION, PROVIDED THAT THE REMEDIES FOR RESCISSION OR DAMAGES ARE EXERCISED BY THE PURCHASER WITHIN THE TIME LIMIT PRESCRIBED BY THE SECURITIES LEGISLATION OF THE PURCHASER’S PROVINCE OR TERRITORY. THE PURCHASER SHOULD REFER TO ANY APPLICABLE PROVISIONS OF THE SECURITIES LEGISLATION OF THE PURCHASER’S PROVINCE OR TERRITORY FOR PARTICULARS OF THESE RIGHTS OR CONSULT WITH A LEGAL ADVISOR.

PURSUANT TO SECTION 3A.3 (OR, IN THE CASE OF SECURITIES ISSUED OR GUARANTEED BY THE GOVERNMENT OF A NON-CANADIAN JURISDICTION, SECTION 3A.4) OF NATIONAL INSTRUMENT 33-105 UNDERWRITING CONFLICTS (“NI 33-105”), THE UNDERWRITERS ARE NOT REQUIRED TO COMPLY WITH THE DISCLOSURE REQUIREMENTS OF NI 33-105 REGARDING UNDERWRITER CONFLICTS OF INTEREST IN CONNECTION WITH THIS OFFERING.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA (“EEA”) OR THE UNITED KINGDOM

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR THE UNITED KINGDOM. FOR THESE PURPOSES, A “RETAIL INVESTOR” MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, “MIFID II”); (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE “INSURANCE DISTRIBUTION DIRECTIVE”), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129 (THE “PROSPECTUS REGULATION”). CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO. 1286/2014 (AS AMENDED, THE “PRIIPS REGULATION”) FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA OR IN THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

THIS OFFICIAL STATEMENT IS NOT A PROSPECTUS FOR PURPOSES OF THE PROSPECTUS REGULATION. THIS OFFICIAL STATEMENT AND ANY OTHER OFFERING MATERIAL RELATING TO THE BONDS DESCRIBED HEREIN HAVE BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE BONDS TO ANY PERSON THAT IS LOCATED WITHIN A MEMBER STATE OF THE EEA OR THE UNITED KINGDOM WILL BE MADE PURSUANT TO AN EXEMPTION UNDER ARTICLE 1(4) OF THE PROSPECTUS REGULATION FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR OFFERS OF THE BONDS. ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE ANY OFFER IN THE EEA OR THE UNITED KINGDOM OF THE BONDS SHOULD ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE ISSUER OR ANY OF THE UNDERWRITERS TO PROVIDE A PROSPECTUS FOR SUCH OFFER. NEITHER THE ISSUER NOR THE UNDERWRITERS HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF BONDS THROUGH ANY FINANCIAL INTERMEDIARY, OTHER THAN OFFERS MADE BY THE UNDERWRITERS, WHICH CONSTITUTE THE FINAL PLACEMENT OF THE BONDS CONTEMPLATED IN THIS OFFICIAL STATEMENT.

THE OFFER OF ANY BONDS WHICH IS THE SUBJECT OF THE OFFERING CONTEMPLATED BY THIS OFFICIAL STATEMENT IS NOT BEING MADE AND WILL NOT BE MADE TO THE PUBLIC IN THE EEA OR THE UNITED KINGDOM, OTHER THAN: (A) TO ANY LEGAL ENTITY WHICH IS A “QUALIFIED INVESTOR” AS SUCH TERM IS DEFINED IN THE PROSPECTUS REGULATION; (B) TO FEWER THAN 150 NATURAL OR LEGAL PERSONS (OTHER THAN “QUALIFIED INVESTORS” AS SUCH TERM IS DEFINED IN THE PROSPECTUS REGULATION), SUBJECT TO OBTAINING THE PRIOR CONSENT OF THE RELEVANT UNDERWRITER OR THE ISSUER FOR ANY SUCH OFFER; OR (C) IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE

1(4) OF THE PROSPECTUS REGULATION; PROVIDED THAT NO SUCH OFFER OF THE BONDS SHALL REQUIRE THE ISSUER OR ANY UNDERWRITER TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS REGULATION OR A SUPPLEMENT TO A PROSPECTUS PURSUANT TO ARTICLE 23 OF THE PROSPECTUS REGULATION.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION AN “OFFER OF SECURITIES TO THE PUBLIC” IN RELATION TO THE BONDS IN ANY MEMBER STATE OF THE EEA OR THE UNITED KINGDOM MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE BONDS TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE THE BONDS OR SUBSCRIBE FOR THE BONDS.

EACH SUBSCRIBER FOR OR PURCHASER OF THE BONDS IN THE OFFERING LOCATED WITHIN A MEMBER STATE OF THE EEA OR THE UNITED KINGDOM WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A “QUALIFIED INVESTOR” AS DEFINED IN THE PROSPECTUS REGULATION. THE ISSUER AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

THE ISSUE AND DISTRIBUTION OF THIS OFFICIAL STATEMENT IS RESTRICTED BY LAW. THIS OFFICIAL STATEMENT IS NOT BEING DISTRIBUTED BY, NOR HAS IT BEEN APPROVED FOR THE PURPOSES OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE “FSMA”) AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN ACCORDANCE WITH THE PROVISIONS OF SECTION 85 OF THE FSMA. THIS OFFICIAL STATEMENT IS FOR DISTRIBUTION ONLY TO, AND IS DIRECTED SOLELY AT, PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM, (II) ARE INVESTMENT PROFESSIONALS, AS SUCH TERM IS DEFINED IN ARTICLE 19(5) OF THE FSMA (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE “FINANCIAL PROMOTION ORDER”), (III) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL PROMOTION ORDER, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FSMA) IN CONNECTION WITH THE ISSUE OR SALE OF ANY SECURITIES MAY OTHERWISE BE LAWFULLY COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”). THIS OFFICIAL STATEMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFICIAL STATEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS OFFICIAL STATEMENT OR ANY OF ITS CONTENTS.

NO PART OF THIS OFFICIAL STATEMENT SHOULD BE PUBLISHED, REPRODUCED, DISTRIBUTED OR OTHERWISE MADE AVAILABLE IN WHOLE OR IN PART TO ANY OTHER PERSON WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER. THE BONDS ARE NOT BEING OFFERED OR SOLD TO ANY PERSON IN THE UK EXCEPT IN CIRCUMSTANCES WHICH WILL NOT RESULT IN AN OFFER OF SECURITIES TO THE PUBLIC IN THE UK WITHIN THE MEANING OF PART VI OF THE FSMA.

POTENTIAL INVESTORS IN THE UK ARE ADVISED THAT ALL, OR MOST, OF THE PROTECTIONS AFFORDED BY THE UK REGULATORY SYSTEM WILL NOT APPLY TO AN INVESTMENT IN THE BONDS AND THAT COMPENSATION WILL NOT BE AVAILABLE UNDER THE UK FINANCIAL SERVICES COMPENSATION SCHEME.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

THIS OFFICIAL STATEMENT IS NOT INTENDED TO CONSTITUTE AN OFFER OR SOLICITATION TO PURCHASE OR INVEST IN THE BONDS. THE BONDS MAY NOT BE PUBLICLY OFFERED, SOLD OR ADVERTISED DIRECTLY OR INDIRECTLY, IN, INTO OR FROM SWITZERLAND WITHIN THE MEANING OF THE SWISS FINANCIAL SERVICES ACT (“FINSA”) AND NO APPLICATION HAS OR WILL BE MADE TO ADMIT THE BONDS TO TRADING ON ANY TRADING VENUE (EXCHANGE OR REGULATED TRADING FACILITY) IN SWITZERLAND. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE BONDS CONSTITUTES A PROSPECTUS OR A KEY INFORMATION DOCUMENT PURSUANT TO THE FINSA OR A LISTING PROSPECTUS WITHIN THE MEANING OF THE LISTING RULES OF THE SIX SWISS EXCHANGE LTD. OR ANY REGULATED TRADING FACILITY IN SWITZERLAND, AND NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE BONDS MAY BE PUBLICLY DISTRIBUTED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND.

ACCORDINGLY, THIS OFFICIAL STATEMENT IS COMMUNICATED IN OR FROM SWITZERLAND TO A LIMITED NUMBER OF SELECTED INVESTORS ONLY. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE OFFERING, NOR THE ISSUER, NOR THE BONDS HAVE BEEN OR WILL BE FILED WITH OR APPROVED BY ANY SWISS REGULATORY AUTHORITY. THE BONDS ARE NOT SUBJECT TO SUPERVISION BY ANY SWISS REGULATORY AUTHORITY. AN INVESTOR IN THE BONDS WILL NOT BENEFIT FROM PROTECTION OR SUPERVISION BY ANY SUCH AUTHORITY.

THE BONDS DO NOT CONSTITUTE COLLECTIVE INVESTMENTS WITHIN THE MEANING OF THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES (“CISA”). ACCORDINGLY, HOLDERS OF THE BONDS DO NOT BENEFIT FROM PROTECTION UNDER THE CISA OR FROM THE SUPERVISION OF THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY. INVESTORS ARE EXPOSED TO THE DEFAULT RISK OF THE ISSUER.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

THE CONTENTS OF THIS OFFICIAL STATEMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER OF THE BONDS. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFERING CONTEMPLATED IN THIS OFFICIAL STATEMENT. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS OFFICIAL STATEMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THIS OFFICIAL STATEMENT HAS NOT BEEN, AND WILL NOT BE, REGISTERED AS A PROSPECTUS (AS DEFINED IN THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CHAPTER 32 OF THE LAWS OF HONG KONG)) IN HONG KONG (THE “C(WUMP)O”) NOR HAS IT BEEN APPROVED BY THE SECURITIES AND FUTURES COMMISSION OF HONG KONG PURSUANT TO THE SECURITIES AND FUTURES ORDINANCE (CHAPTER 571 OF THE LAWS OF HONG KONG) (THE “SFO”). ACCORDINGLY, THE BONDS MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF THIS OFFICIAL STATEMENT OR ANY OTHER DOCUMENT, AND THIS OFFICIAL STATEMENT MUST NOT BE ISSUED, CIRCULATED OR DISTRIBUTED IN HONG KONG, OTHER THAN (A) TO ‘PROFESSIONAL INVESTORS’ AS DEFINED IN THE SFO AND ANY RULES AND REGULATIONS MADE UNDER THE SFO; OR (B) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THIS OFFICIAL STATEMENT OR ANY OTHER DOCUMENT BEING A “PROSPECTUS” AS DEFINED IN THE C(WUMP)O OR WHICH DO NOT CONSTITUTE AN OFFER OR INVITATION TO THE PUBLIC WITHIN THE MEANING OF THE C(WUMP)O. IN ADDITION, NO PERSON MAY ISSUE OR DISTRIBUTE OR HAVE IN ITS POSSESSION FOR THE PURPOSES OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, ANY ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE BONDS, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC OF HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO THE BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY (A) TO PERSONS OUTSIDE HONG KONG, AND (B) TO ‘PROFESSIONAL INVESTORS’ AS DEFINED IN THE SFO AND ANY RULES OR REGULATIONS MADE UNDER THE SFO.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (ACT NO. 25 OF 1948, AS AMENDED, THE “FIEA”). NEITHER THE BONDS NOR ANY INTEREST THEREIN MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN (AS DEFINED UNDER ITEM 5, PARAGRAPH 1, ARTICLE 6 OF THE FOREIGN EXCHANGE AND FOREIGN TRADE ACT (ACT NO. 228 OF 1949, AS AMENDED)), OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH, THE FIEA AND ANY OTHER APPLICABLE LAWS, REGULATIONS AND MINISTERIAL GUIDELINES OF JAPAN.

THE PRIMARY OFFERING OF THE BONDS AND THE SOLICITATION OF AN OFFER FOR ACQUISITION THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER PARAGRAPH 1, ARTICLE 4 OF THE FIEA. AS IT IS A PRIMARY OFFERING, IN JAPAN, THE BONDS MAY ONLY BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY TO, OR FOR THE BENEFIT OF CERTAIN QUALIFIED INSTITUTIONAL INVESTORS AS DEFINED IN THE FIEA (“QIIS”). A QII WHO PURCHASED OR OTHERWISE OBTAINED THE BONDS CANNOT RESELL OR OTHERWISE TRANSFER THE BONDS IN JAPAN TO ANY PERSON EXCEPT ANOTHER QII.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

THE OFFER OF THE BONDS HAS NOT BEEN AND WILL NOT BE REGISTERED OR FILED WITH, OR APPROVED BY, THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN AND/OR OTHER REGULATORY AUTHORITY OF TAIWAN PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS OF TAIWAN, AND THE BONDS, INCLUDING ANY COPY OF THIS OFFICIAL STATEMENT OR ANY OTHER DOCUMENTS RELATING TO THE BONDS, MAY NOT BE OFFERED, ISSUED, SOLD, DELIVERED OR DISTRIBUTED IN TAIWAN THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN THAT REQUIRES THE REGISTRATION OR FILING WITH OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN. THE BONDS MAY BE MADE AVAILABLE OUTSIDE TAIWAN FOR PURCHASE BY INVESTORS RESIDING IN TAIWAN (EITHER DIRECTLY OR THROUGH PROPERLY LICENSED TAIWAN INTERMEDIARIES), BUT MAY NOT BE OFFERED OR SOLD IN TAIWAN EXCEPT TO QUALIFIED INVESTORS VIA A TAIWAN LICENSED INTERMEDIARY. ANY SUBSCRIPTIONS OF BONDS SHALL ONLY BECOME EFFECTIVE UPON ACCEPTANCE BY THE ISSUER OR THE RELEVANT DEALER OUTSIDE TAIWAN AND SHALL BE DEEMED A CONTRACT ENTERED INTO IN THE JURISDICTION OF INCORPORATION OF THE ISSUER OR RELEVANT DEALER, AS THE CASE MAY BE, UNLESS OTHERWISE SPECIFIED IN THE SUBSCRIPTION DOCUMENTS RELATING TO THE BONDS SIGNED BY THE INVESTORS. TAIWAN INVESTORS WHO SUBSCRIBE AND PURCHASE THE BONDS SHALL COMPLY WITH ALL RELEVANT SECURITIES, TAX AND FOREIGN EXCHANGE LAWS AND REGULATIONS IN EFFECT IN TAIWAN.

CERTIFICATION AS CLIMATE BONDS

The Climate Bonds Initiative has provided the following paragraphs for inclusion in this Official Statement: The certification of the 2022 Bonds as Climate Bonds by the Climate Bonds Initiative is based solely on the Climate Bond Standard and does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the 2022 Bonds or any nominated project, including but not limited to the Official Statement, the transaction documents, the District or the management of the District.

The certification of the 2022 Bonds as Climate Bonds by the Climate Bonds Initiative was addressed solely to the Board of Directors of the District and is not a recommendation to any person to purchase, hold or sell the 2022 Bonds and such certification does not address the market price or suitability of the 2022 Bonds for a particular investor. The certification also does not address the merits of the decision by the District or any third party to participate in any nominated project and does not express and should not be deemed to be an expression of an opinion as to the District or any aspect of any nominated project (including but not limited to the financial viability of any nominated project) other than with respect to conformance with the Climate Bond Standard.

In issuing or monitoring, as applicable, the certification, the Climate Bonds Initiative has assumed and relied upon and will assume and rely upon the accuracy and completeness in all material respects of the information supplied or otherwise made available to the Climate Bonds Initiative. The Climate Bonds Initiative does not assume or accept any responsibility to any person for independently verifying (and it has not verified) such information or to undertake (and it has not undertaken) any independent evaluation of any nominated project or the District. In addition, the Climate Bonds Initiative does not assume any obligation to conduct (and it has not conducted) any physical inspection of any nominated project. The certification may only be used with the 2022 Bonds and may not be used for any other purpose without the Climate Bonds Initiative's prior written consent.

The certification does not and is not in any way intended to address the likelihood of timely payment of interest when due on the 2022 Bonds and/or the payment of principal at maturity or any other date.

The certification may be withdrawn at any time in the Climate Bonds Initiative's sole and absolute discretion and there can be no assurance that such certification will not be withdrawn.

OFFICIAL STATEMENT

§[2022 PAR]* SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT GENERAL OBLIGATION BONDS

**§[2022D-1 PAR]*
(ELECTION OF 2016),
2022 SERIES D-1
(GREEN BONDS)**

**§[2022D-2 PAR]*
(ELECTION OF 2016),
2022 SERIES D-2
(FEDERALLY TAXABLE)
(GREEN BONDS)**

**§[2022H PAR]*
(ELECTION OF 2004),
2022 REFUNDING SERIES H
(FEDERALLY TAXABLE)
(GREEN BONDS)**

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to set forth certain information in connection with the issuance by the San Francisco Bay Area Rapid Transit District (the “District” or “BART”) of §[2022D-1 PAR]* aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds) (the “2022D-1 Bonds”), §[2022D-2 PAR]* aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-2 (Federally Taxable) (Green Bonds) (the “2022D-2 Bonds” and, together with the 2022D-1 Bonds, the “2022D Bonds”), and §[2022H PAR]* aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds) (the “2022H Bonds” and, together with the 2022D Bonds, the “2022 Bonds”). The 2022D-2 Bonds and the 2022H Bonds shall collectively be known as the “Taxable Bonds.”

The District was created in 1957 pursuant to the laws of the State of California (the “State”) to provide rapid transit service in the San Francisco Bay Area. The District is governed by an elected board of directors consisting of nine members, and is composed of all of the area in the Counties of Alameda and Contra Costa and the City and County of San Francisco (herein referred to as the “Three BART Counties”). In addition, the District operates facilities on District-owned property within the County of San Mateo and on property within the County of Santa Clara to which BART has obtained an easement. The District also acquired the right to use additional right of way and station locations in connection with the extension of its rapid transit system (the “BART System”) to the San Francisco International Airport (“SFO”) located in the County of San Mateo. The Counties of San Mateo and Santa Clara, however, are not part of the District’s tax base. The first phase of the extension of the BART System into the County of Santa Clara was completed in Fiscal Year 2019-20, as service to the Milpitas and Berryessa/North San José stations began on June 13, 2020. The District’s transit system extends over 130 miles and is the major transit provider of transbay traffic between the East Bay and downtown San Francisco, averaging historically over 227,000 transbay passengers each weekday and over 120 million passengers annually before the COVID-19 pandemic. BART System ridership has been seriously impacted by the COVID-19 pandemic that triggered shelter-in-place orders throughout the BART System and resulted in sharp ridership declines compared to customary ridership levels. Ridership as of March 2022 remained approximately 66% below March 2019 levels. For additional information concerning the District, see Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION.” For information relating to the COVID-19 pandemic, see “INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak” and Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – THE BART SYSTEM – Ridership” and “– Adopted Budget for Fiscal Year 2021-22 and Preliminary Budget for Fiscal Year 2022-23.” For information relating to economic conditions within the Three BART Counties and the State, see Appendix D – “THE ECONOMY OF THE THREE BART COUNTIES.”

* Preliminary, subject to change.

The 2022 Bonds are not payable from BART operating funds but represent general obligations of the District and will be payable solely from *ad valorem* taxes to be levied without limitation as to rate or amount upon all property subject to taxation within the Three BART Counties (except certain personal property which is taxable at limited rates). The estimated aggregate assessed value of property in the Three BART Counties for the fiscal year ending June 30, 2022 (“Fiscal Year 2021-22”) is \$889.8 billion.

U.S. Bank Trust Company, National Association will serve as trustee (the “Trustee”) for the 2022D Bonds pursuant to a Trust Agreement (Measure RR), dated as of June 1, 2017 between the District and the Trustee, as supplemented, including by a Third Supplemental Trust Agreement (Measure RR), dated as of May 1, 2022 between the District and the Trustee (as supplemented, the “Measure RR Trust Agreement”). All capitalized terms used and not otherwise defined herein relating to the 2022D Bonds shall have the meanings assigned to such terms in the Measure RR Trust Agreement.

The Trustee will serve as trustee for the 2022H Bonds pursuant to a Trust Agreement (Measure AA), dated as of June 1, 2017 between the District and the Trustee, as supplemented, including by a Second Supplemental Trust Agreement (Measure AA), dated as of May 1, 2022 between the District and the Trustee (as supplemented, the “Measure AA Trust Agreement” and, together with the Measure RR Trust Agreement, the “Trust Agreements”). All capitalized terms used and not otherwise defined herein relating to the 2022H Bonds shall have the meanings assigned to such terms in the Measure AA Trust Agreement.

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to the entire contents of this Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein, a full review of which should be made by potential investors. All descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. Copies of the Measure AA Trust Agreement and the Measure RR Trust Agreement are available upon request to the Interim Controller/Treasurer of the District. The offering of the 2022 Bonds is made only by means of this entire Official Statement and is subject in all respects to the information contained herein.

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PLAN OF FINANCE

Measure RR

The 2022D Bonds are part of a \$3.5 billion authorization approved at an election held on November 8, 2016, by over two-thirds of the qualified voters of the District voting on a ballot measure (“Measure RR”) titled “BART Safety, Reliability and Traffic Relief” which asked,

“To keep BART safe; prevent accidents/breakdowns/delays; relieve overcrowding; reduce traffic congestion/pollution; and improve earthquake safety and access for seniors/disabled by replacing and upgrading 90 miles of severely worn tracks; tunnels damaged by water intrusion; 44-year-old train control systems; and other deteriorating infrastructure, shall the Bay Area Rapid Transit District issue \$3.5 billion of bonds for acquisition or improvement of real property subject to independent oversight and annual audits?”

Measure RR was placed on the ballot to fund a portion of the System Renewal Program, introduced by BART in 2016 to address critical infrastructure needs (the “System Renewal Program”). See Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – BART FINANCINGS AND CAPITAL PROGRAMS – System Renewal Program and System Reinvestment Program.” The table below lists the Bonds the District has previously issued under Measure RR. Upon issuance of the 2022D Bonds, the District will have \$[1,440,000,000]* in remaining voter-approved authorization for future issuances under Measure RR.

Measure RR Bonds

Issue	Date of Issuance	Original Principal Amount	Amount Outstanding
2017 Series A-1 (Green Bonds)	June 1, 2017	\$271,600,000	\$252,155,000
2017 Series A-2 (Federally Taxable) (Green Bonds)	June 1, 2017	28,400,000	-
2019 Series B-1 (Green Bonds)	August 14, 2019	313,205,000	302,500,000
2019 Series B-2 (Federally Taxable) (Green Bonds)	August 14, 2019	46,795,000	-
2020 Series C-1 (Green Bonds)	August 27, 2020	625,005,000	625,005,000
2020 Series C-2 (Federally Taxable) (Green Bonds)	August 27, 2020	74,995,000	-
Total		\$1,360,000,000	\$1,179,660,000

The 2022D Bonds are being issued pursuant to the Measure RR authorization to finance projects approved by Measure RR. In light of reduced ridership on the BART System due to the COVID-19 pandemic, the District is accelerating its Measure RR projects, and is issuing the 2022D Bonds to provide funding for such projects. See Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – THE BART SYSTEM – Ridership.”

Premium received by the District is required to be applied to debt service. In order to more efficiently utilize the [net] original issue premium on the District’s 2022D-1 Bonds, the District is issuing the 2022D-2 Bonds.

* Preliminary, subject to change.

Measure AA

The 2022H Bonds are being issued to refund \$[_____] * principal amount of the San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2013 Series C (the “2013C Bonds” and, the portion thereof being refunded, the “Prior 2013C Bonds”) and \$[_____] * principal amount of the San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2015 Refunding Series D (the “2015D Bonds” and, the portion thereof being refunded, the “Prior 2015D Bonds”). The Prior 2013C Bonds and the Prior 2015D Bonds are herein referred to collectively as the “Prior Bonds.” The Prior Bonds are part of a \$980 million authorization approved at an election held on November 2, 2004, by at least two-thirds of the qualified voters of the District voting on a ballot measure (“Measure AA”), titled “BART Earthquake Safety Bond” which asked,

“To protect public safety and keep Bay Area traffic moving in the aftermath of an earthquake or other disaster, shall BART, the San Francisco Bay Area Rapid Transit District, be authorized to issue bonds not to exceed \$980 million dollars to make earthquake safety improvements to BART facilities in Contra Costa, San Francisco and Alameda Counties, including strengthening tunnels, bridges, overhead tracks and underwater Transbay Tube, and establish an independent citizens’ oversight committee to verify bond revenues are spent as promised?”

Measure AA was placed on the ballot to fund a portion of the Earthquake Safety Program, adopted by BART in 2004 (the “Earthquake Safety Program”). See Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – BART FINANCINGS AND CAPITAL PROGRAMS – Earthquake Safety Program.” The tables below list the Bonds the District has previously issued under Measure AA (collectively, the “Measure AA Bonds”).

New Money Measure AA Bonds

Issue	Date of Issuance	Original Principal Amount	Amount Outstanding
2005 Series A	May 26, 2005	\$100,000,000	-
2007 Series B	August 2, 2007	400,000,000	-
2013 Series C	November 21, 2013	240,000,000	\$73,490,000
2019 Series F-1 (Green Bonds)	August 14, 2019	205,100,000	205,100,000
2019 Series F-2 (Federally Taxable) (Green Bonds)	August 14, 2019	34,900,000	-
Total		\$980,000,000	\$278,590,000

Refunding Measure AA Bonds

Issue	Refunded Bonds	Date of Issuance	Original Principal Amount	Amount Outstanding
2015 Refunding Series D	2005 Series A (all) and 2007 Series B (portion)	September 24, 2015	\$276,805,000	\$264,155,000
2017 Refunding Series E (Green Bonds)	2007 Series B (portion)	June 1, 2017	84,735,000	68,935,000
2019 Refunding Series G (Federally Taxable) (Green Bonds)	2013 Series C (portion)	August 14, 2019	43,500,000	43,500,000
Total			\$405,040,000	\$376,590,000

* Preliminary, subject to change.

The moneys required to refund the Prior Bonds will be derived from the net proceeds of the 2022H Bonds and other available funds. The Prior 2013C Bonds will be redeemed on August 1, 2023 and the Prior 2015D Bonds will be redeemed on August 1, 2025. Pursuant to the Escrow Agreement to be entered into between the District and U.S. Bank Trust Company, National Association, as escrow agent for the Prior Bonds (the “Escrow Agent”), such moneys will be deposited in the escrow fund established for the Prior Bonds (the “Escrow Fund”) and held in cash or applied to purchase direct obligations of the United States of America or obligations for which the faith and credit of the United States are pledged (the “Government Securities”) to the respective redemption dates. The Government Securities will be purchased and held by the Escrow Agent in the Escrow Fund in an amount sufficient to redeem the Prior Bonds to be refunded on their respective redemption date, at a redemption price equal to the principal amount of the Prior Bonds to be redeemed, plus interest thereon to their respective redemption date. See “VERIFICATION OF MATHEMATICAL ACCURACY.”

The 2013C Bonds to be redeemed or defeased upon issuance of the 2022H Bonds are set forth below.*

**San Francisco Bay Area Rapid Transit District
General Obligation Bonds (Election of 2004), 2013 Series C
Redemption Date: August 1, 2023
Redemption Price: 100%**

Maturity Date (August 1)	Interest Rate	Principal Amount	CUSIP [†] (797661)
	%	\$	
[[‡]] Total		\$	

The 2013C Bonds that will not be defeased upon issuance of the 2022H Bonds consist of the unrefunded 2013C Bonds set forth below.*

Unrefunded 2013C Bonds

Maturity Date (August 1)	Interest Rate	Principal Amount	CUSIP [†] (797661)
	%	\$	
[[‡]] Total		\$	

* Preliminary, subject to change.

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[‡] [Term Bond.]

The 2015D Bonds to be redeemed or defeased upon issuance of the 2022H Bonds are set forth below.*

**San Francisco Bay Area Rapid Transit District
General Obligation Bonds (Election of 2004), 2015 Refunding Series D
Redemption Date: August 1, 2025
Redemption Price: 100%**

Maturity Date (August 1)	Interest Rate	Principal Amount	CUSIP [†] (797661)
	%	\$	
Total		\$	

The 2015D Bonds that will not be defeased upon issuance of the 2022H Bonds consist of the unrefunded 2015D Bonds set forth below.*

Unrefunded 2015D Bonds

Maturity Date (August 1)	Interest Rate	Principal Amount	CUSIP [†] (797661)
	%	\$	
Total		\$	

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* Preliminary, subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright © 2022 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers are provided for convenience only and neither the District nor the Underwriters takes any responsibility for the accuracy thereof.

ESTIMATED SOURCES AND USES OF FUNDS*

The proceeds of the sale of the 2022 Bonds are expected to be applied as follows:

	<u>2022D Bonds</u>	<u>2022H Bonds</u>
<u>Sources of Funds</u>		
Principal Amount		
[Net] Original Issue Premium		
[Excess Debt Service Deposits]		
Total Sources		
<u>Uses of Funds</u>		
Project Fund		
Escrow Deposit for Prior Bonds		
Costs of Issuance [†]		
Interest and Sinking Fund [‡]		
Total Uses		

[†] Includes Underwriters' discount, rating agency fees, trustee fees, trustee counsel fees, escrow agent fees, verification agent fees, climate bond certification fees, printing costs, Bond and Disclosure Counsel and Municipal Advisor fees and expenses, and other miscellaneous expenses. For details regarding the Underwriters' discount, see "UNDERWRITING."

[‡] [To be applied to pay debt service on the 2022D-2 Bonds at maturity on [_____], and a portion of interest due on the 2022D-1 Bonds through [August 1, 2022].]

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* Preliminary, subject to change.

DESIGNATION AS GREEN BONDS / CLIMATE BOND CERTIFIED

The information set forth below concerning (1) the Climate Bonds Initiative (the “Climate Bonds Initiative”) and the process for obtaining Climate Bond Certification (the “Climate Bond Certification”), and (2) First Environment, Inc. (“First Environment”) in its role as a verifier with respect to the Climate Bond Certification, all as more fully described below, has been extracted from materials provided by the Climate Bonds Initiative and First Environment, respectively, for such purposes, and none of such information is guaranteed as to accuracy or completeness or is to be construed as a representation by the District or the Underwriters. Additional information relating to the Climate Bonds Initiative, the Climate Bond Standard, the Certification Process (defined herein) and the process for obtaining Climate Bond Certification can be found at www.climatebonds.net. The link in the preceding sentence is included for reference only and the information contained therein is not incorporated by reference in this Official Statement.

Designation as Green Bonds. BART is committed to advancing regional sustainability by providing safe, affordable, equitable, and environmentally-friendly transit to move people to jobs, recreation, and services. BART maintains a Sustainability Policy and a Sustainability Action Plan. These plans, among other sustainability-related information and an annual sustainability report, are available at www.bart.gov/sustainability. In addition, BART maintains a Green Bond Framework which sets forth how BART proposes to use the proceeds of its Bonds that are designated as green bonds for the financing or refinancing of eligible projects in the BART System in a manner consistent with BART’s sustainability practices. BART’s Green Bond Framework is available at <https://www.bart.gov/about/financials>. BART is issuing the 2022 Bonds as Green Bonds based on the environmentally sustainable elements of the projects being undertaken. BART’s Green Bonds designation is designed to track the “Green Bond Principles” promulgated by the International Capital Market Association (“ICMA”), updated most recently in June 2021. By reference to the ICMA’s “Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals” (June 2020), BART’s Green Bonds aim to further several of the United Nations Sustainable Development Goals. Specifically, the projects discussed herein primarily aim to address goals 8 (Decent Work and Economic Growth), 9 (Industry, Innovation and Infrastructure) and 11 (Sustainable Cities and Communities).

The terms “Climate Bond Certified” and “green bonds” are neither defined in, nor related to the Resolutions (defined below), and their use herein is for identification purposes only and is not intended to provide or imply that a holder of the 2022 Bonds is entitled to any additional security other than as provided in the Resolutions and the Trust Agreements. The District has no continuing legal obligation to maintain the Climate Bond Certification of the 2022 Bonds.

The Climate Bonds Initiative and Climate Bond Certification. Green Bonds, also known as Climate Bonds, were popularized in 2008 as a method for raising capital for climate-friendly projects across the globe. In 2021, \$517.4 billion in Climate Bonds were issued worldwide, according to the Climate Bonds Initiative, an international nongovernmental, nonprofit organization dedicated to stimulating investment in projects and assets supporting environmental sustainability. The District has requested, and the Climate Bonds Standard Board has approved, the labeling of the 2022 Bonds as “Climate Bond Certified” based on the Climate Bonds Standard Verification Statement provided by First Environment. First Environment’s factual findings assessed that eligible projects included in Measure RR and Measure AA conform to the Climate Bonds – Low Carbon Land Transport Standard.

The District applied to the Climate Bonds Initiative under the Climate Bonds Standard & Certification Scheme (the “Certification Process”) to obtain (i) a programmatic certification that the District’s projects under Measure RR and Measure AA are consistent with the Low Carbon Land Transport Standard; and (ii) a designation of the 2022 Bonds as “Climate Bond Certified.” The Certification Process is a voluntary verification initiative which allows the District to demonstrate to the investor market, the users of the District’s

transportation system, and other stakeholders that the 2022 Bonds meet international standards for climate integrity, management of proceeds and transparency. The Certification Process provides a scientific framework for determining which projects and assets are consistent with a low carbon and climate resilient economy and, therefore, eligible for inclusion in a Certified Climate Bond. The Certification Process relating to the 2022 Bonds includes pre-issuance and post-issuance requirements.

The pre-issuance requirements are designed to ensure that the District has established appropriate internal processes and controls prior to issuance of the 2022 Bonds, and that these internal processes and controls are sufficient to enable conformance with the Certification Process after the 2022 Bonds have been issued and bond proceeds are expended.

Use of Proceeds. The 2022 Bonds are being issued to (a) finance certain projects under Measure RR that assist the District in providing mass transit services primarily using an electrified railway that provides a low-carbon alternative to automobile travel, and (b) refinance a portion of the District’s substantial investment in projects under Measure AA to enhance resiliency measures and reduce the susceptibility of BART’s assets to earthquakes. See “PLAN OF FINANCE” and Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – BART FINANCINGS AND CAPITAL PROGRAMS – System Renewal Program and System Reinvestment Program” and “– Earthquake Safety Program”. BART’s broader sustainability statistics and highlights include the following estimates:

- (i) 363,611,135 passenger miles traveled in calendar year 2021;
- (ii) 78,541 average weekday exits in calendar year 2021;
- (iii) 15-mile average trip length in calendar year 2021;
- (iv) 15,448 gallons of gasoline saved from all riders for one typical weekday in calendar year 2021;
- (v) 301,493 pounds of carbon dioxide equivalent emissions avoided from automobiles otherwise used by riders for one typical weekday;
- (vi) 944,721,770 megajoules of traction energy in calendar year 2021;
- (vii) The vast majority of BART trains are 100% electric, except for trains on BART’s Antioch Extension (“eBART”), which was commissioned in May 2018 and relies on renewable diesel as a propulsion fuel;
- (viii) In calendar year 2021, 100% of electric traction power was greenhouse gas-free, sourced from hydroelectric, wind facilities and photovoltaic solar facilities;
- (ix) In 2021, BART was recognized by the U.S. Environmental Protection Agency’s Green Power Partnership, featured as number 58 in its “National Top 100” of public and private organizations demonstrating leadership in clean energy procurement;
- (x) Since 1993, BART’s Transit-Oriented Development Program has built approximately 3,251 residential units, including 901 affordable units, and 643,690 square feet of office and commercial space. The MacArthur Transit Village, which includes 877 high-density residential units, approximately 35,000 square feet of commercial space, and a 481-space BART parking garage, was completed in calendar year 2020;

- (xi) In Fiscal Year 2019-20, BART and Valley Transportation Authority opened the Milpitas and Berryessa/North San José stations for passenger service. The Berryessa/North San José station was awarded the Envision Platinum Award by The Institute for Sustainable Infrastructure’s awards program;
- (xii) In calendar year 2020, BART began participating in the Metropolitan Transportation Commission’s new means-based fare program called Clipper START. The 18-month pilot program provides discounts to riders between ages 19 and 64 with household incomes no more than twice the federal poverty rate; and
- (xiii) BART is currently undertaking the replacement of its legacy fleet of rail cars with its new Fleet of the Future rail cars, which are designed to be at least 7% more energy efficient and have features such as LED lighting, improved regenerative braking, and lightweight exteriors. As of April 1, 2022, the District has received 307 new Fleet of the Future rail cars. See Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – BART FINANCINGS AND CAPITAL PROGRAMS – Rail Vehicle Replacement Program.”

No representation is made as to the suitability of any 2022 Bonds to fulfill environmental and/or sustainability criteria required by prospective investors. Each potential purchaser of 2022 Bonds should determine for itself the relevance of the information contained or referred to herein or in the Resolutions regarding the use of proceeds and its purchase of 2022 Bonds should be based upon such investigation as it deems necessary. See INVESTMENT CONSIDERATIONS – Green Bonds Suitability.”

Project Evaluation and Selection. As described in “PLAN OF FINANCE”, BART developed its Capital Programs in response to systemwide operational and resiliency needs. Both Measure RR and Measure AA were approved by over two-thirds of the voters on the respective measures. Measure RR was placed on the ballot to fund a portion of the System Renewal Program, introduced by BART in 2016 to address critical infrastructure needs. Measure AA was placed on the ballot to fund a portion of the Earthquake Safety Program, adopted by BART in 2004.

Management of Proceeds. Proceeds of the 2022D Bonds will be deposited into the Project Fund and may be invested in any investments permitted by the District’s investment policy or in Investment Securities as such term is defined in the Measure RR Trust Agreement. See “THE 2022 BONDS – Purpose and Application of Proceeds”.

Green Bond Reporting. As required by the Certification Process, the District will provide an annual post-issuance verification of compliance to the Climate Bonds Initiative, as well as an annual statement with respect to the Measure RR and Measure AA programs certifying, to the best of its knowledge, the District’s conformance with the certification requirements of the Climate Bonds Standard. The District will also provide an annual report to bondholders of the 2022 Bonds regarding the projects financed by proceeds of the 2022 Bonds and may voluntarily, but is not obligated to, file such report on EMMA (as defined herein).

THE 2022 BONDS

Purpose and Application of Proceeds

The 2022D Bonds are being issued to finance improvements to BART facilities authorized under Measure RR and the System Renewal Program (the “Project”). See Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – BART FINANCINGS AND CAPITAL PROGRAMS – System Renewal Program and System Reinvestment Program.”

Proceeds will be applied to (i) finance the Project, (ii) pay a portion of debt service on the 2022D Bonds through [August 1, 2022], including the debt service in full on the 2022D-2 Bonds, and (iii) pay costs of issuance of the 2022D Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS.” Proceeds of the 2022D Bonds deposited into the Project Fund may be invested in any investments permitted by the District’s investment policy or in Investment Securities as such term is defined in the Measure RR Trust Agreement. See Appendix H – “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENTS” herein. Other funds held by the Trustee will be invested by the Trustee at the direction of the District in Investment Securities as such term is defined in the Measure RR Trust Agreement.

The 2022H Bonds are being issued to (i) refund the Prior Bonds and (ii) pay costs of issuance of the 2022H Bonds. Proceeds of the 2022H Bonds to refund the Prior Bonds will be deposited in the Escrow Fund. See “PLAN OF FINANCE” above.

Authority for Issuance

The 2022D Bonds are authorized pursuant to the provisions of Part 2 of Division 10 of the Public Utilities Code of the State of California, commencing with Section 28500, and are being issued pursuant to Article 4.5 of Chapter 3 of Division 2 of Title 5 of the California Government Code (the “Government Code”), commencing with Section 53506 and other applicable law, and according to the terms and in the manner set forth in the Measure RR Trust Agreement, as authorized by Resolution No. [] adopted by the Board of Directors of the District on April 28, 2022 (the “2022D Resolution”).

The 2022H Bonds are being issued pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, the refunding bond provisions of the Government Code, to refund certain of the Measure AA Bonds issued pursuant to the provisions of Part 2 of Division 10 of the Public Utilities Code of the State of California, commencing with Section 28500, Article 4.5 of Chapter 3 of Division 2 of Title 5 of the Government Code, commencing with Section 53506 and other applicable law, and according to the terms and in the manner set forth in the Measure AA Trust Agreement, as authorized by Resolution No. [] adopted by the Board of Directors of the District on April 28, 2022 (the “2022H Resolution and, together with the 2022D Resolution, the “Resolutions”).

Description of the 2022 Bonds

The 2022 Bonds will be dated their date of delivery and will mature at the times and in the principal amounts as set forth on the inside cover page of the Official Statement. Interest on the 2022D-1 Bonds and the 2022H Bonds shall be payable on February 1 and August 1 of each year, commencing August 1, 2022. Interest on the 2022D-2 Bonds will be paid on the maturity date of such bonds. Interest on the 2022 Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

Book-Entry-Only System

The 2022 Bonds will be delivered in fully registered form only and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the 2022 Bonds. Beneficial ownership interests in the 2022 Bonds may be purchased by or through a DTC Direct Participant (as such term is defined in Appendix E – “CLEARING SYSTEMS”) in book-entry-only form in denominations of \$5,000 or any integral multiple thereof. See Appendix E – “CLEARING SYSTEMS.”

DTC will act as securities depository for the 2022 Bonds. See Appendix E – “CLEARING SYSTEMS – Book Entry-Only System.” Payments of interest on, principal of and premium, if any, on the 2022 Bonds will be made by the Trustee to DTC or its nominee, Cede & Co., as registered owner of the 2022 Bonds. Each such

payment to DTC or its nominee will be valid and effective to fully discharge all liability of the District or the Trustee with respect to the principal or redemption price of or interest on the 2022 Bonds to the extent of the sum or sums so paid.

The District and the Trustee cannot and do not give any assurances that (1) DTC will distribute payments of principal of, premium if any, and interest on the 2022 Bonds, or redemption or other notices, to participants (“Participants”) of the Clearing Systems (as such term is defined in Appendix E – “CLEARING SYSTEMS”); (2) Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the 2022 Bonds), or redemption or other notices, to the Beneficial Owners (as such term is defined in Appendix E – “CLEARING SYSTEMS”), or that they will do so on a timely basis; or (3) DTC or the other Clearing Systems will serve and act in the manner described in this Official Statement. So long as the 2022 Bonds are held in the book-entry-only system of DTC, the registered owner of the 2022 Bonds will be DTC, and not the beneficial owner.

Payments, Transfers and Exchanges Upon Abandonment of Book-Entry-Only System

The book-entry system for registration of the ownership of the 2022 Bonds in book-entry-only form may be discontinued at any time if: (1) DTC resigns as securities depository for the 2022 Bonds; or (2) the District determines that a continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interests of the District. In each of such events (unless the District appoints a successor securities depository), the 2022 Bonds shall be delivered in such denominations and registered in the names of such persons as are requested in a certificate of the District, but without any liability on the part of the District or the Trustee for the accuracy of such designation. Whenever DTC requests the District and the Trustee to do so, the District and the Trustee shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of or to print bonds evidencing the 2022 Bonds. Thereafter, all 2022 Bonds are transferable or exchangeable as described in the Trust Agreements.

In the event that the book-entry-only system is no longer used with respect to the 2022 Bonds, payment of interest on the 2022D-1 Bonds and the 2022H Bonds will be made on each interest payment date to the person whose name appears on the bond registration books of the Trustee as the registered owner of the 2022D-1 Bonds and the 2022H Bonds, respectively, as of the close of business on the fifteenth day of the month prior to such interest payment date, whether or not such day is a Business Day (the “Record Date”). Payment of the interest on any 2022D-1 Bond or 2022H Bond will be made by check or draft mailed by first class mail to the registered owner of such 2022D-1 Bond or 2022H Bond at such owner’s address as it appears on the bond registration books of the Trustee or at such address as such owner may have filed with the Trustee for that purpose; or, upon the written request of the registered owner of 2022D-1 Bonds or 2022H Bonds aggregating not less than \$1,000,000 in principal amount, given no later than the Record Date preceding the applicable interest payment date, by wire transfer in immediately available funds to an account maintained in the United States at such wire address as such owner shall specify in its written notice. Principal of, and premium, if any, on the 2022 Bonds, and interest on the 2022D-2 Bonds, will be payable on the maturity date thereof or the date such 2022D-1 Bond or 2022H Bond is called for redemption, in lawful money of the United States of America to the registered owner thereof, upon surrender thereof at the principal corporate trust office of the Trustee or at such other location as the Trustee may designate. The 2022 Bonds will be in the form of fully registered 2022 Bonds and will be issued in denominations of \$5,000 or any integral multiple thereof.

Redemption Provisions*

Optional Redemption. The 2022D-2 Bonds are not subject to redemption prior to their stated maturity date. The 2022D-1 Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturity dates. The 2022D-1 Bonds maturing on and after August 1, 20__ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part, on any date on or after August 1, 20__ at the principal amount of the 2022D-1 Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium. If less than all of the 2022D-1 Bonds are called for redemption, the 2022D-1 Bonds shall be redeemed in such maturities as is directed by the District, and if less than all of the 2022D-1 Bonds of any given maturity are called for redemption, the portions of 2022D-1 Bonds of a given maturity to be redeemed shall be determined by lot.

The 2022H Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturity dates. The 2022H Bonds maturing on and after August 1, 20__ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part, on any date on or after August 1, 20__ at the principal amount of such 2022H Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium. If less than all of the 2022H Bonds are called for redemption, the 2022H Bonds shall be redeemed in such maturities as is directed by the District.

Make-Whole Redemption. The 2022H Bonds may be redeemed in whole or in part at the election of the District on any date before August 1, 20__, from any moneys that may be provided for such purpose, at a redemption price for such 2022H Bonds to be redeemed determined by a Reference Treasury Dealer appointed by the District (the “Designated Investment Banker”) equal to the greater of (i) 100% of the principal amount of such 2022H Bonds to be redeemed, or (ii) an amount equal to the sum of the present values of the remaining scheduled payments of principal and interest on each of such 2022H Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2022H Bonds are to be redeemed, discounted to the date on which such 2022H Bonds are to be redeemed on a semi-annual compounding basis, assuming a 360-day year consisting of twelve 30-day months, at the applicable Treasury Rate plus five (5) basis points for 2022H Bonds maturing through 2025, plus ten (10) basis points for 2022H Bonds maturing in 2026, 2027, and 2028, and plus fifteen (15) basis points for 2022H Bonds maturing in or after 2029, plus in each case accrued and unpaid interest on the 2022H Bonds to be redeemed on the redemption date.

“Comparable Treasury Issue” means, with respect to any redemption date for a particular 2022H Bond, the U.S. Treasury security or securities selected by the Designated Investment Banker that has or have an actual maturity closest to (one equal to or one earlier and one later than) the remaining average life of the 2022H Bonds to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of such 2022H Bonds to be redeemed.

“Comparable Treasury Price” means, with respect to any redemption date for a particular 2022H Bond, the average of five Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or if the Designated Investment Banker obtains fewer than five Reference Treasury Dealer Quotations, the average of all such quotations.

“Designated Investment Banker” means a Reference Treasury Dealer appointed by the District.

* Preliminary, subject to change.

“Reference Treasury Dealer” means each of five firms, specified by the District from time to time, that are primary U.S. Treasury securities dealers in the City of New York (each, a “Primary Treasury Dealer”); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the District will substitute another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date for a particular 2022H Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue or Comparable Treasury Issues, as applicable (expressed in each case as a percentage of its principal amount), quoted in writing to the District and the Trustee by such Reference Treasury Dealer at 3:30 p.m. (New York City time) on the Valuation Date.

“Treasury Rate” means, with respect to any redemption date for particular 2022H Bonds, the rate per annum, expressed as a percentage of the principal amount, equal to the actual or interpolated rate based on (a) the most recent yield data for the Comparable Treasury Issue, as applicable, from the Federal Reserve Statistical Release H.15 Daily Update (or any comparable or successor publication) reported, as of 11:00 a.m. New York City time, on the Valuation Date; or (b) if the yield described in (a) above is not reported as of such date and time or the yield reported as of such date and time is not ascertainable, the semi-annual equivalent yield to maturity of the Comparable Treasury Issue or Comparable Treasury Issues on the valuation date, assuming that such Comparable Treasury Issue or Comparable Treasury Issues are purchased on the redemption date for a price equal to the applicable Comparable Treasury Price, as calculated by the Designated Investment Banker.

“U.S. Treasury” means any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged.

“Valuation Date” means a date, as determined by the District, after consultation with the Designated Investment Banker, that is no earlier than 45 days prior to the redemption date.

Mandatory Redemption. The 2022D-1 Term Bond maturing on August 1, 20__, is also subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

**Mandatory
Sinking Fund
Payment Date
(August 1)**

**Mandatory
Sinking Fund
Payment Amount**

†

† Final Maturity

The 2022D-1 Term Bond maturing on August 1, 20__, is also subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

**Mandatory
Sinking Fund
Payment Date
(August 1)**

**Mandatory
Sinking Fund
Payment Amount**

†

† Final Maturity

The principal amount of each mandatory sinking fund payment of any maturity shall be reduced as specified by the District, in \$5,000 increments, by the amount of any 2022D-1 Bonds of that maturity optionally redeemed prior to the mandatory sinking fund payment date.

The 2022H Term Bond maturing on August 1, 20__, is also subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

**Mandatory
Sinking Fund
Payment Date
(August 1)**

**Mandatory
Sinking Fund
Payment Amount**

†

† Final Maturity

The principal amount of each mandatory sinking fund payment of any maturity shall be reduced as specified by the District, in \$5,000 increments, by the amount of any 2022H Bonds of that maturity optionally redeemed prior to the mandatory sinking fund payment date.

Selection of Redemption. If less than all of the 2022D-1 Bonds are called for redemption, such 2022D-1 Bonds shall be redeemed in such maturities as is directed by the District. Whenever less than all of the 2022D-1 Bonds of any one maturity are designated for redemption, the Trustee shall select the 2022D-1 Bonds to be redeemed by lot in any manner deemed fair by the Trustee. For purposes of such selection, each 2022D-1 Bond shall be deemed to consist of individual 2022D-1 Bonds of \$5,000 denominations each, which may be separately redeemed.

If less than all of the 2022H Bonds of a single maturity are called for optional redemption, the Trustee shall select the 2022H Bonds or any given portion thereof to be redeemed from the 2022H Bonds Outstanding or such given portion thereof not previously called for redemption, among the owners on a *pro rata* pass through distribution of principal basis (subject to \$5,000 denominations). If the 2022H Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of the 2022H Bonds, if less than all of the 2022H Bonds of a maturity are called for prior redemption, the particular 2022H Bonds or portions thereof to be redeemed shall be selected on a *pro rata* pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the 2022H Bonds are held in book-entry form, the selection for redemption of such 2022H Bonds shall be made in accordance with the operational arrangements of DTC then in effect. It is the District's intent that redemption allocations made by DTC be made on a *pro rata* pass-through distribution of principal basis as described above. However, the District can provide no assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of 2022H Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the 2022H Bonds on a *pro rata* pass-through distribution of principal basis as discussed above, then the 2022H Bonds will be selected for redemption randomly, in accordance with DTC procedures, by lot. The District can provide no assurance how DTC and other parties allocate redemption payments.

Notice and Effect of Redemption. Notice of any redemption of any 2022 Bonds shall be given by the Trustee upon written request of the District by first class mail to the registered owners of any 2022 Bonds designated for redemption at least twenty (20) but not more than sixty (60) days prior to the redemption date. Each notice of redemption shall contain all of the following information: (i) the date of such notice; (ii) the name of the 2022 Bonds and the date of issue of the 2022 Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity of the 2022 Bonds to be redeemed; (vi) (if less than all of the 2022 Bonds of any maturity are to be redeemed) the distinctive numbers of the 2022 Bonds of each maturity to be redeemed; (vii) (in the case of 2022 Bonds redeemed in part only) the respective portions of the principal amount of the 2022 Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of 2022 Bonds to be redeemed; (ix) a statement that such 2022 Bonds must be surrendered by the Owners (as such term is defined in Appendix H – “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENTS”) at the principal corporate trust office of the Trustee, or at such other place or places designated by the Trustee; and (x) notice that further interest on such 2022 Bonds will not accrue from and after the designated redemption date. A certificate of the Trustee or the District that notice of redemption has been given to Owners and to the appropriate securities depositories and as may be further required in the Continuing Disclosure Agreement shall be conclusive as against all parties. The actual receipt by the Owner of any Bond or by any securities depository or any other party of notice of redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, shall not affect the validity of the proceedings for the redemption of such 2022 Bonds or the cessation of interest on the date fixed for redemption. When notice of redemption has been given substantially as provided for in the applicable Trust Agreement, and when the redemption price of the 2022 Bonds called for redemption is set aside as provided in the applicable Trust Agreement, the 2022 Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such 2022 Bonds at the place specified in the notice of redemption, such 2022 Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such 2022 Bonds so called for redemption after such redemption date shall look for the payment of such 2022 Bonds and the redemption premium thereon, if any, only to the interest and sinking fund of the District (the “Interest and Sinking Fund”) or the escrow fund established for such purpose. All 2022 Bonds redeemed shall be cancelled forthwith by the Trustee and shall not be reissued.

Conditional Notice. Any notice of optional redemption delivered with respect to the 2022 Bonds may be conditioned on any fact or circumstance stated therein, and if such condition stated in the notice of redemption will not have been satisfied on or prior to the redemption date, said notice will be of no force and effect, the redemption will be cancelled, and the District will not be required to redeem the 2022 Bonds that were the subject of the notice. The Trustee will within a reasonable time thereafter give notice of such cancellation to the persons and in the manner in which notice of redemption was originally given, that such condition or conditions were not met and that the redemption was cancelled. The actual receipt by the Owner of any 2022 Bond of notice of such cancellation will not be a condition precedent to cancellation, and failure to receive such notice or any defect in such notice will not affect the validity of the cancellation.

Right to Rescind Notice of Redemption. The District may rescind any optional redemption and notice thereof for any reason on any date on or prior to the date fixed for optional redemption by causing written notice of the rescission to be given to the registered owners of the 2022 Bonds so called for redemption. In addition, any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the Interest and Sinking Fund established pursuant to the applicable Trust Agreement or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the 2022 Bonds called for redemption. Any notice of rescission shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the registered owner of any 2022 Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Defeasance

If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the registered owners of all outstanding 2022 Bonds all of the principal, interest and premium, if any, represented by 2022 Bonds at the times and in the manner provided in the applicable Trust Agreement and in the 2022 Bonds, or as provided pursuant to the provisions of the applicable Trust Agreement described in the following paragraph, or as otherwise provided by law consistent with the applicable Trust Agreement, then such registered owners shall cease to be entitled to the obligation of the District to levy taxes for payment of the 2022 Bonds as described in the applicable Trust Agreement, and such obligation and all agreements and covenants of the District to such registered owners under the applicable Trust Agreement and under the 2022 Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal of and premium, if any, and interest on the 2022 Bonds, but only out of monies or securities on deposit in the Interest and Sinking Fund or otherwise held in trust for such payment.

Pursuant to each Trust Agreement, the District may pay and discharge any or all of the 2022 Bonds by depositing in trust with the Trustee (or an escrow agent) at or before maturity, lawful money of the United States of America or non-callable Investment Securities described in clauses (i), (ii) or (vi) of the definition thereof, in an amount which, together with the interest to accrue thereon, will be fully sufficient to pay and discharge the indebtedness on such 2022 Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates. See Appendix H – “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENTS” herein.

DEBT SERVICE SCHEDULES

The following table sets forth annual debt service on the 2022D Bonds together with the annual debt service of the prior series of bonds issued pursuant to Measure RR:

Year Ending August 1	Outstanding Measure RR Bonds Debt Service	2022D Bonds ⁽¹⁾		Total 2022D Bonds Debt Service	Aggregate Measure RR Bonds Debt Service
		Principal	Interest		
2022	\$54,626,500.00			(2)	(2)
2023	54,626,350.00				
2024	64,185,250.00				
2025	64,184,500.00				
2026	64,180,500.00				
2027	64,185,750.00				
2028	64,182,000.00				
2029	64,186,750.00				
2030	64,181,500.00				
2031	64,181,500.00				
2032	64,186,650.00				
2033	64,185,700.00				
2034	64,186,500.00				
2035	64,185,250.00				
2036	64,185,650.00				
2037	64,181,300.00				
2038	64,181,300.00				
2039	72,043,400.00				
2040	72,044,900.00				
2041	72,042,050.00				
2042	72,043,800.00				
2043	72,043,600.00				
2044	72,045,000.00				
2045	72,046,100.00				
2046	72,042,600.00				
2047	72,044,050.00				
2048	72,043,550.00				
2049	72,045,650.00				
2050	72,043,350.00				
Total⁽¹⁾	\$1,936,541,000.00				

⁽¹⁾ Totals may reflect rounding.

⁽²⁾ Includes debt service to be paid from a portion of proceeds of the 2022D Bonds through [August 1, 2022].

The following table sets forth annual debt service on the 2022H Bonds together with the annual debt service of the prior series of bonds issued pursuant to Measure AA, as well as the annual debt service of the District's bonds issued pursuant to Measure RR and the combined annual debt service of the District's bonds issued pursuant to Measure AA and Measure RR:

Year Ending August 1	Outstanding Measure AA Bonds Debt Service ⁽²⁾	2022H Bonds ⁽¹⁾		Total 2022H Bonds Debt Service	Aggregate Measure AA Bonds Debt Service	Aggregate Measure RR Bonds Debt Service	Aggregate GO Bonds Debt Service
		Principal	Interest				
2022	\$54,655,593.66			(3)	(3)	(4)	(3)(4)
2023	54,655,343.66						
2024	54,656,843.66						
2025	54,655,293.66						
2026	54,657,643.66						
2027	54,655,593.66						
2028	54,656,093.66						
2029	54,654,343.66						
2030	54,656,101.86						
2031	54,658,065.76						
2032	54,653,762.76						
2033	54,652,833.86						
2034	54,655,660.26						
2035	54,656,544.76						
2036	54,653,452.50						
2037	54,656,946.50						
2038	54,656,950.00						
2039	-						
2040	-						
2041	-						
2042	-						
2043	-						
2044	-						
2045	-						
2046	-						
2047	-						
2048	-						
2049	-						
2050	-						
Total⁽¹⁾	\$929,147,067.54						

(1) Totals may reflect rounding.

(2) Includes debt service of bonds to be redeemed or defeased upon issuance of the 2022H Bonds.

(3) Includes debt service to be paid from a portion of proceeds of the 2022H Bonds through [August 1, 2022].

(4) Includes debt service to be paid from a portion of proceeds of the 2022D Bonds through [August 1, 2022].

SECURITY AND SOURCE OF PAYMENT FOR THE 2022 BONDS

General

In order to provide sufficient funds for repayment of principal and interest when due on the 2022 Bonds, the District is empowered and is obligated to annually levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to all other taxes levied upon property within the District. Such taxes, when collected and received by the respective BART county collecting such taxes on behalf of the District, will be deposited in the applicable Interest and Sinking Fund for the bonds authorized by Measure RR, including the 2022D Bonds, and for the bonds authorized by Measure AA, including the 2022H Bonds.

The District, in the Measure RR Trust Agreement and the Measure AA Trust Agreement, pledges all revenues from the property taxes collected from the levy for the payment of the 2022D Bonds and 2022H Bonds, respectively, and amounts on deposit in the respective Interest and Sinking Fund to the payment of the principal or redemption price of, and interest on, such Bonds. Each Trust Agreement provides that the pledge will be valid and binding from the date of such Trust Agreement for the benefit of the owners of the related Bonds and successors thereto. The property taxes and amounts held in such Interest and Sinking Fund will be immediately subject to this pledge, and the pledge will constitute a lien and security interest which will immediately attach to the property taxes and amounts held in such Interest and Sinking Fund to secure the payment of the related Bonds and will be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. “Bonds” for purpose of the pledge contained in each Trust Agreement means all bonds of the District heretofore or hereafter issued pursuant to the applicable voter-approved Measure RR or Measure AA of the District, including the 2022D Bonds and the 2022H Bonds, respectively.

California Government Code Section 53515 (enacted by California Senate Bill 222 (2015), effective January 1, 2016), provides that general obligation bonds are secured by a statutory lien on the *ad valorem* taxes levied and collected to pay principal and interest thereon. For more information, see “INVESTMENT CONSIDERATIONS – Limitation on Remedies” herein.

Property Taxation System

Local property taxation is the responsibility of the District and various officers of each of the Three BART Counties. In each county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding Bonds in each year, the District computes the rate of tax necessary to pay such debt service and transmits that information to each county auditor-controller. Each county auditor-controller prepares the tax rolls, and presents those rolls (including rates of tax for all taxing jurisdictions in the county) to the county board of supervisors for approval. Each county treasurer-tax collector prepares and mails bills to taxpayers and collects the taxes. The treasurer-tax collectors of Alameda County, Contra Costa County and the City and County of San Francisco transmit the tax revenues collected to pay the District’s outstanding general obligation bonds directly to the Trustee. The State Board of Equalization also assesses certain special classes of property, as described later in this section.

Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the Three BART Counties. The District levies taxes through the combination of its own actions and the actions of county officers as described above for payment of voter-approved bonds. The District receives an additional allocation of property taxes for general operating purposes which constitute a part of each county’s general 1% levy. These taxes are deposited in the District’s

general fund, are used by the District for operations, and are not pledged to or available as security for the Bonds.

Assessed Valuation of Property Within the Three BART Counties

As required by the law of the State, the District utilizes the services of each of the Three BART Counties for the assessment and collection of *ad valorem* taxes on property, as discussed above. Such District taxes are collected at the same time and on the same tax rolls as are county, school district, and other special district taxes. The Three BART Counties have each adopted, subject to certain limitations, an Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (each, a “Teeter Plan”), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code, as described under “—Tax Rates, Collections and Delinquencies” and “—Teeter Plans” below.

Under Proposition 13, an amendment adopted in 1978 which added Article XIII A to the California Constitution (“Article XIII A”), the county assessor’s valuation of real property is established as shown on the Fiscal Year 1975-76 tax bill, or, thereafter, as the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. Assessed value of property not otherwise adjusted may be increased annually to reflect inflation at a rate not to exceed 2% per year, or reduced to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or in the event of declining property value caused by substantial damage, destruction, market forces or other factors. As a result of these rules, real property that has been owned by the same taxpayer for many years can have an assessed value that is much lower than that of similar properties more recently sold, and that may be lower than its own market value. Likewise, changes in ownership of property and reassessment of such property to market value commonly will lead to increases in aggregate assessed value even when the rate of inflation or consumer price index would not permit the full 2% increase on any property that has not changed ownership, such as in Fiscal Year 2021-22.

Proposition 13 has had the effect of stabilizing assessed valuation such that it does not fluctuate as significantly as the market value of property, but instead gradually changes as longer owned residential properties are transferred and reassessed upon such transfer. Residences newly constructed or acquired prior to a downturn in the housing market may substantially decrease in assessed value. Other factors which may affect the value of property and cause it to decline are substantial damage, destruction, or inflation. See “CONSTITUTIONAL LIMITATIONS” and “INVESTMENT CONSIDERATIONS” below.

State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions. State law also exempts from taxation \$7,000 of the full cash value of an owner-occupied dwelling provided that the owner files for such exemption.

The greater the assessed value of taxable property in the Three BART Counties, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the District’s Bonds.

The following table shows a recent history of the assessed valuation of property in the Three BART Counties (“Fiscal Year” refers to fiscal years of July 1 through the following June 30 of the years indicated). Since *ad valorem* assessed value is determined as of January 1, the Fiscal Year 2021-22 assessed valuation data presented below is the first data reflecting any impact of the COVID-19 pandemic.

San Francisco Bay Area Rapid Transit District
Assessed Valuation
(Fiscal Years Ending June 30)

<u>Fiscal Year</u>	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>	<u>% Change</u>
<u>City and County of San Francisco Portion</u>					
2007-08	\$120,790,890,780	\$145,235,265	\$7,721,465,207	\$128,657,591,252	8.50%
2008-09	130,824,730,768	79,163,963	9,061,373,546	139,965,268,277	8.79
2009-10	139,453,860,923	50,879,439	10,405,985,652	149,910,726,014	7.11
2010-11	146,680,168,492	43,565,042	9,446,789,960	156,170,523,494	4.18
2011-12	147,612,367,616	41,527,475	9,249,419,572	156,903,314,663	0.47
2012-13	153,348,031,902	46,515,990	9,764,668,943	163,159,216,835	3.99
2013-14	160,650,767,471	35,943,747	9,867,122,786	170,553,834,004	4.53
2014-15	169,001,854,462	32,843,747	10,734,859,006	179,769,557,215	5.40
2015-16	180,311,079,707	250,473,678	11,784,296,408	192,345,849,793	7.00
2016-17	195,319,718,011	242,464,205	13,750,364,838	209,312,547,054	8.82
2017-18	217,167,706,689	456,895,690	14,017,474,513	231,642,076,892	10.67
2018-19	241,800,535,728	453,925,863	14,410,415,905	256,664,877,496	10.80
2019-20	261,018,657,481	437,144,893	17,009,940,509	278,465,742,883	8.49
2020-21	280,818,331,421	433,728,865	17,524,316,683	298,776,376,969	7.29
2021-22	291,894,672,529	440,718,111	16,771,714,976	309,107,105,616	3.46
<u>Alameda County Portion</u>					
2007-08	\$181,740,424,095	\$98,093,459	\$10,462,574,321	\$192,301,091,875	7.96%
2008-09	190,471,878,466	94,381,821	10,984,359,699	201,550,619,986	4.81
2009-10	184,783,512,536	98,948,510	11,426,546,149	196,309,007,195	-2.60
2010-11	181,685,580,407	97,581,171	11,448,265,391	193,231,426,969	-1.57
2011-12	181,858,450,818	71,523,308	11,273,954,399	193,203,928,525	-0.01
2012-13	185,782,114,251	261,640,769	11,629,397,550	197,673,152,570	2.31
2013-14	195,515,528,517	969,629,855	11,531,178,412	208,016,336,784	5.23
2014-15	208,003,389,831	770,033,506	11,695,232,865	220,468,656,202	5.99
2015-16	224,219,586,188	758,810,176	12,564,441,697	237,542,838,061	7.74
2016-17	240,518,829,251	726,989,170	12,841,386,839	254,087,205,260	6.96
2017-18	257,329,548,075	597,814,349	13,101,928,319	271,029,290,743	6.67
2018-19	275,571,099,438	560,652,352	13,666,895,652	289,798,647,442	6.93
2019-20	294,758,415,232	543,751,013	15,049,638,027	310,351,804,272	7.09
2020-21	314,647,881,380	525,605,390	16,286,416,056	331,459,902,826	6.80
2021-22	329,589,202,788	556,267,619	16,472,724,533	346,618,194,940	4.57
<u>Contra Costa County Portion</u>					
2007-08	\$152,007,562,168	\$558,065,472	\$4,608,828,033	\$157,174,455,673	8.80%
2008-09	151,955,031,630	576,695,232	4,997,996,781	157,529,723,643	0.23
2009-10	140,354,485,948	557,056,345	5,288,096,603	146,199,638,896	-7.19
2010-11	135,669,128,300	560,296,728	5,037,631,621	141,267,056,649	-3.37
2011-12	134,765,284,339	539,960,865	5,240,695,911	140,545,941,115	-0.51
2012-13	135,755,672,418	590,750,775	5,454,953,657	141,801,376,850	0.89
2013-14	140,680,879,833	986,316,033	5,404,238,387	147,071,434,253	3.72
2014-15	153,890,877,314	1,093,614,055	5,485,371,422	160,469,862,791	9.11
2015-16	166,143,700,424	989,438,611	5,238,343,881	172,371,482,916	7.42
2016-17	176,545,464,148	969,779,069	5,145,073,152	182,660,316,369	5.97
2017-18	186,998,751,975	732,963,837	5,198,546,983	192,930,262,795	5.62
2018-19	198,900,921,175	660,996,279	5,490,387,706	205,052,305,160	6.28
2019-20	209,515,810,794	622,389,632	5,712,374,229	215,850,574,655	5.27
2020-21	219,762,711,807	566,730,999	5,955,036,112	226,284,478,918	4.83
2021-22	227,244,068,352	559,297,728	6,252,916,047	234,056,282,127	3.43
<u>Total</u>					
2007-08	\$454,538,877,043	\$801,394,196	\$22,792,867,561	\$478,133,138,800	8.38%
2008-09	473,251,640,864	750,241,016	25,043,730,026	499,045,611,906	4.37
2009-10	464,591,859,407	706,884,294	27,120,628,404	492,419,372,105	-1.33
2010-11	464,034,877,199	701,442,941	25,932,686,972	490,669,007,112	-0.36
2011-12	464,236,102,773	653,011,648	25,764,069,882	490,653,184,303	0.00
2012-13	474,885,818,571	898,907,534	26,849,020,150	502,633,746,255	2.44
2013-14	496,847,175,821	1,991,889,635	26,802,539,585	525,641,605,041	4.58
2014-15	530,896,121,607	1,896,491,308	27,915,463,293	560,708,076,208	6.67
2015-16	570,674,366,319	1,998,722,465	29,587,081,986	602,260,170,770	7.41
2016-17	612,384,011,410	1,939,232,444	31,736,824,829	646,060,068,683	7.27
2017-18	661,496,006,739	1,787,673,876	32,317,949,815	695,601,630,430	7.67
2018-19	716,272,556,341	1,675,574,494	33,567,699,263	751,515,830,098	8.04
2019-20	765,292,883,507	1,603,285,538	37,771,952,765	804,668,121,810	7.07
2020-21	815,228,924,608	1,526,065,254	39,765,768,851	856,520,758,713	6.44
2021-22	848,727,943,669	1,556,283,458	39,497,355,556	889,781,582,683	3.88

Source: California Municipal Statistics, Inc.

Based upon information provided by California Municipal Statistics, Inc., the assessed value of taxable property within the Three BART Counties is approximately \$889.8 billion in Fiscal Year 2021-22. Assessed value increased in Fiscal Year 2021-22 from Fiscal Year 2020-21 by approximately \$33.3 billion, or 3.88%. Assessed values could decline or rise due to factors beyond the District's control, including taxpayer appeal, general economic conditions, or earthquakes, tsunamis, wildfires, or other natural or manmade disasters. The assessed value has grown by approximately 86.1% over the last fifteen years, with a fifteen-year compound annual growth rate of approximately 4.83%. See "CONSTITUTIONAL LIMITATIONS" and "INVESTMENT CONSIDERATIONS," below, and Appendix D – "THE ECONOMY OF THE THREE BART COUNTIES."

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The following table gives the distribution of taxable property in the Three BART Counties by location.

**San Francisco Bay Area Rapid Transit District
2021-22 Assessed Valuation by Jurisdiction**

<u>Jurisdiction:</u>	<u>Assessed Valuation in District</u>	<u>% of District</u>	<u>Assessed Valuation of Jurisdiction</u>	<u>% of Jurisdiction in District</u>
City of Alameda	\$16,159,217,360	1.82%	\$16,159,217,360	100%
City of Albany	3,211,160,812	0.36	\$3,211,160,812	100%
City of Antioch	12,630,598,773	1.42	\$12,630,598,773	100%
City of Berkeley	23,356,392,552	2.62	\$23,356,392,552	100%
City of Brentwood	11,780,652,084	1.32	\$11,780,652,084	100%
City of Clayton	2,534,342,670	0.28	\$2,534,342,670	100%
City of Concord	19,511,536,431	2.19	\$19,511,536,431	100%
Town of Danville	15,084,893,191	1.70	\$15,084,893,191	100%
City of Dublin	19,982,039,274	2.25	\$19,982,039,274	100%
City of El Cerrito	5,127,378,194	0.58	\$5,127,378,194	100%
City of Emeryville	6,678,459,058	0.75	\$6,678,459,058	100%
City of Fremont	60,839,717,646	6.84	\$60,839,717,646	100%
City of Hayward	26,135,678,970	2.94	\$26,135,678,970	100%
City of Hercules	4,310,186,035	0.48	\$4,310,186,035	100%
City of Lafayette	9,747,859,703	1.10	\$9,747,859,703	100%
City of Livermore	22,172,608,303	2.49	\$22,172,608,303	100%
City of Martinez	6,847,997,720	0.77	\$6,847,997,720	100%
Town of Moraga	4,909,797,685	0.55	\$4,909,797,685	100%
City of Newark	11,864,436,268	1.33	\$11,864,436,268	100%
City of Oakland	74,099,351,478	8.33	\$74,099,351,478	100%
City of Oakley	5,435,979,062	0.61	\$5,435,979,062	100%
City of Orinda	8,165,502,472	0.92	\$8,165,502,472	100%
City of Piedmont	5,188,998,740	0.58	\$5,188,998,740	100%
City of Pinole	2,869,093,197	0.32	\$2,869,093,197	100%
City of Pittsburg	8,453,333,169	0.95	\$8,453,333,169	100%
City of Pleasant Hill	7,307,680,754	0.82	\$7,307,680,754	100%
City of Pleasanton	27,198,047,478	3.06	\$27,198,047,478	100%
City of Richmond	16,488,274,761	1.85	\$16,488,274,761	100%
City of San Francisco	309,107,105,616	34.74	\$309,107,105,616	100%
City of San Leandro	15,407,010,447	1.73	\$15,407,010,447	100%
City of San Pablo	2,198,392,340	0.25	\$2,198,392,340	100%
City of San Ramon	24,951,070,604	2.80	\$24,951,070,604	100%
City of Union City	11,793,463,954	1.33	\$11,793,463,954	100%
City of Walnut Creek	21,679,192,799	2.44	\$21,679,192,799	100%
Unincorporated Alameda County	22,531,612,600	2.53	\$22,531,612,600	100%
Unincorporated Contra Costa County	<u>44,022,520,483</u>	<u>4.95</u>	<u>\$44,022,520,483</u>	<u>100%</u>
Total District	\$889,781,582,683	100.00%		
<u>Summary by County:</u>				
Alameda County	\$346,618,194,940	38.96%	346,618,194,940	100%
Contra Costa County	234,056,282,127	26.30	234,056,282,127	100%
San Francisco City and County	<u>309,107,105,616</u>	<u>34.74</u>	309,107,105,616	100%
Total	\$889,781,582,683	100.00%		

Source: California Municipal Statistics, Inc.

The following table shows the per parcel assessed valuation for single family homes by property value in the Three BART Counties for Fiscal Year 2021-22, including the median and average assessed value per parcel.

Per Parcel 2021-22 Assessed Valuation of Single Family Homes

	No. of Parcels	2021-22 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	694,503	\$427,937,033,928	\$616,177	\$481,308

2021-22 Assessed Valuation	No. of Parcels ⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$99,999	56,854	8.186%	8.186%	\$ 3,917,299,997	0.915%	0.915%
\$100,000 - \$199,999	71,353	10.274	18.460	10,670,216,221	2.493	3.409
\$200,000 - \$299,999	77,977	11.228	29.688	19,589,550,620	4.578	7.986
\$300,000 - \$399,999	79,694	11.475	41.163	27,885,710,498	6.516	14.503
\$400,000 - \$499,999	74,831	10.775	51.938	33,617,097,533	7.856	22.358
\$500,000 - \$599,999	64,222	9.247	61.185	35,216,538,367	8.229	30.588
\$600,000 - \$699,999	52,867	7.612	68.797	34,265,910,168	8.007	38.595
\$700,000 - \$799,999	43,621	6.281	75.078	32,636,477,564	7.626	46.221
\$800,000 - \$899,999	35,547	5.118	80.196	30,157,046,899	7.047	53.269
\$900,000 - \$999,999	28,696	4.132	84.328	27,206,730,110	6.358	59.626
\$1,000,000 - \$1,099,999	21,329	3.071	87.399	22,331,276,173	5.218	64.845
\$1,100,000 - \$1,199,999	16,195	2.332	89.731	18,576,027,529	4.341	69.185
\$1,200,000 - \$1,299,999	13,255	1.909	91.640	16,529,011,441	3.862	73.048
\$1,300,000 - \$1,399,999	10,882	1.567	93.207	14,666,344,739	3.427	76.475
\$1,400,000 - \$1,499,999	8,455	1.217	94.424	12,238,945,830	2.860	79.335
\$1,500,000 - \$1,599,999	6,899	0.993	95.417	10,669,551,371	2.493	81.828
\$1,600,000 - \$1,699,999	5,306	0.764	96.181	8,737,785,296	2.042	83.870
\$1,700,000 - \$1,799,999	4,227	0.609	96.790	7,384,019,823	1.725	85.596
\$1,800,000 - \$1,899,999	3,405	0.490	97.280	6,287,212,341	1.469	87.065
\$1,900,000 - \$1,999,999	2,796	0.403	97.683	5,442,810,564	1.272	88.337
\$2,000,000 and greater	16,092	2.317	100.000	49,911,470,844	11.663	100.000
	694,503	100.000%		\$427,937,033,928	100.000%	

⁽¹⁾ Improved single family residential parcels. Excludes condominiums and parcels with multiple family units
Source: California Municipal Statistics, Inc.

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The following table shows the local secured assessed valuation and number of parcels by land use category for property in the Three BART Counties for Fiscal Year 2021-22.

**San Francisco Bay Area Rapid Transit District
Assessed Valuation and Parcels by Land Use**

	2021-22 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural/Rural	\$ 4,141,143,024	0.49%	5,851	0.56%
Commercial/Office	147,916,412,746	17.40	29,014	2.78
Vacant Commercial	2,551,462,418	0.30	2,163	0.21
Industrial	55,093,814,440	6.48	11,276	1.08
Vacant Industrial	2,289,233,431	0.27	2,422	0.23
Power Plants/Utility Roll	1,556,283,458	0.18	115	0.01
Recreational	2,678,517,559	0.32	2,363	0.23
Government/Social/Institutional	2,505,997,936	0.29	24,015	2.30
Miscellaneous	974,912,876	0.11	2,117	0.20
Subtotal Non-Residential	\$219,707,777,888	25.84%	79,336	7.60%
Residential:				
Single Family Residence	\$427,937,033,928	50.33%	694,503	66.51%
Condominium/Townhouse	92,745,933,492	10.91	153,299	14.68
Mobile Home	183,525,848	0.02	4,178	0.40
2-4 Residential Units	38,577,681,384	4.54	55,839	5.35
5+ Residential Units/Apartments	61,472,413,807	7.23	23,067	2.21
Timeshare Units	148,661,667	0.02	5,417	0.52
Vacant Residential	6,491,665,097	0.76	24,169	2.31
Subtotal Residential	\$627,556,915,223	73.81%	960,472	91.99%
Unclassified Vacant Parcels	\$3,019,534,016	0.36%	4,333	0.41%
Total	\$850,284,227,127	100.00%	1,044,141	100.00%

⁽¹⁾ Total secured assessed valuation, excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

Tax Rates, Collections and Delinquencies

Ad valorem taxes are levied for each Fiscal Year on taxable real and personal property on the tax rolls as of the preceding January 1. Real property which changes ownership or is newly constructed is revalued at the time the change occurs or the construction is completed and the current year's tax rate is applied to the reassessed value for the remainder of the tax year. The annual tax rate is limited to the 1% general county levy of the full cash value, plus the amount necessary to pay all obligations legally payable from *ad valorem* taxes in the current year, including the 2022 Bonds. The rate of tax necessary to pay fixed debt service on the 2022 Bonds in a given year will depend on the assessed value of taxable property in that year. Economic and other factors beyond the District's control, such as a general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, fire, flood, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the Three BART Counties and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the 2022 Bonds.

For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on the assessment roll. The "secured roll" is that part of the assessment roll

containing State-assessed property and real property secured by a lien which is sufficient, in the opinion of the applicable County Assessor if relating to property in Alameda County or Contra Costa County, or in the opinion of the Assessor-Recorder if relating to property in the City and County of San Francisco, to secure payment of the taxes. All other taxable property is assessed on the “unsecured roll” which generally comprises all property not attached to land, such as personal property or business equipment not otherwise exempt from taxation. State law requires that the assessment roll be finalized by August 20 of each year. Secured property assessed by the State Board of Equalization is commonly identified for taxation purposes as “utility” property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each Fiscal Year, and become delinquent on December 10 and April 10, respectively. A penalty of ten percent (10%) attaches immediately to all delinquent payments. Properties on the secured roll with respect to which taxes are delinquent become tax defaulted on or about June 30 of the Fiscal Year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five (5) years or more, the property is deeded to the State and then may be sold at public auction by the applicable County Treasurer-Tax Collector if relating to property in Alameda County or Contra Costa County and by the Assessor-Recorder if relating to property in the City and County of San Francisco.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent on August 31. A ten percent (10%) penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5 p.m. on October 31, an additional penalty of 1.5% attaches on the first day of each month until paid. Each of the Three BART Counties has four ways of collecting delinquent unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a judgment, such judgment to be filed in the office of the County Clerk-Recorder if relating to property in Alameda County or Contra Costa County, and to be filed in the office of the Assessor-Recorder if relating to property in the City and County of San Francisco, specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) recording a certificate of delinquency in the office of the County Clerk-Recorder if relating to property in Alameda County or Contra Costa County, and to be filed in the office of the Assessor-Recorder in the City and County of San Francisco if relating to property in the City and County of San Francisco in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the taxpayer.

Property owners have a right to appeal the county assessor’s valuation of their real property. See “INVESTMENT CONSIDERATIONS – Reassessments and Appeals of Assessed Values.”

Generally, once an installment of property tax becomes delinquent, penalties are assessed commencing on the applicable delinquency date until the delinquent installment(s) and all assessed penalties are paid. In the event of foreclosure and sale of property by a mortgage lender, all past due property taxes, penalties, and interest are required to be paid before such property is transferred to a purchaser or new owner.

Property tax delinquencies may be impacted by economic and other factors beyond the District’s control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the COVID-19 pandemic or other pandemic or natural or manmade disaster, such as earthquake, drought, flood, tsunami, fire, or toxic dumping. It is not possible for the District to make any representation regarding the extent to which an economic recession or depression, stemming from the effects of the COVID-19 pandemic or otherwise, could impact the ability or willingness of property owners within the Three BART Counties to pay property taxes in the future. See “– Largest Taxpayers in the Three BART Counties” below. For more information on the impact of the COVID-19 pandemic, see “INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak” and

Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – THE BART SYSTEM – Ridership” and “– Adopted Budget for Fiscal Year 2021-22 and Preliminary Budget for Fiscal Year 2022-23.”

The District cannot predict the extent of delinquencies and delayed tax collections, or the resulting impact on the District’s financial condition or operations. However, each of the Three BART Counties has adopted a Teeter Plan, and two of the Three BART Counties, Contra Costa County and the City and County of San Francisco, distribute to the District the amount levied instead of the amount actually collected. Alameda County does not apply the Teeter Plan to the payment of District general obligation bonds. Taxes levied to pay the 2022 Bonds in the City and County of San Francisco and Contra Costa County are included in their respective Teeter Plans. See “– Teeter Plans.” To address the potential delinquency risk, the District includes an estimated increase in the tax rate, historically in the 3-5 percent range, depending on current economic conditions, and determines the tax rate solely on the secured assessed value of property.

Pursuant to Section 4985.2 of the State Revenue and Taxation Code, the tax collector of each county may cancel any penalty, costs or other charges resulting from tax delinquency upon a finding that the late payment is due to reasonable cause and circumstances beyond the taxpayer’s control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect, provided the property taxes are paid within four fiscal years of such taxes coming due.

On May 6, 2020, the Governor signed Executive Order N-61-20, which suspended provisions of the State Revenue and Taxation Code requiring collection of interest, penalties, and costs through May 6, 2021, for certain property taxes that were not subject to impounds and were not delinquent prior to March 4, 2020, upon satisfaction of certain conditions set forth in such order. Such order formally expired on June 30, 2021. The District does not believe the order materially reduced the payments received by the District in Fiscal Year 2019-20 or 2020-21.

During the COVID-19 pandemic, the United States Centers for Disease Control and Prevention (the “CDC”), the State, the Three BART Counties and cities within the Three BART Counties instituted eviction moratoriums preventing landlords from evicting tenants who were unable to pay rent for qualifying reasons. In August 2021, the United States Supreme Court struck down the CDC’s eviction moratorium. On March 31, 2022, the State Legislature enacted Assembly Bill No. 2179 (“AB 2179”), which extended the State’s eviction moratorium to June 30, 2022 for certain tenants with pending applications for rental assistance through the State’s COVID-19 rent relief program. AB 2179 also altered eviction moratoriums previously adopted by local governments within the State. The eviction moratorium in Contra Costa County previously expired, and the eviction moratorium in the City and County of San Francisco was eliminated by the operation of AB 2179. The eviction moratorium in Alameda County is currently in effect, and certain local entities including Alameda County and the cities of Oakland and Fremont currently maintain emergency rental assistance programs for qualifying tenants which may partially offset the impacts of the eviction moratorium. The District is unable to predict the extent to which the end of the eviction moratoriums will cause increases in delinquency rates in the Three BART Counties, or other adverse effects on the local economy.

The following table shows recent history of real property tax collections and delinquencies in the District.

**San Francisco Bay Area Rapid Transit District
Secured Tax Charges and Delinquencies**

Fiscal Year	Secured Tax Charge ⁽¹⁾	Amount Delinquent as of June 30 ⁽²⁾	% Delinquent as of June 30
<u>City and County of San Francisco</u>			
2008-09	\$1,593,133,350	\$36,662,160	2.30%
2009-10	1,691,156,025	38,793,839	2.29
2010-11	1,768,368,141	29,102,564	1.65
2011-12	1,810,103,262	25,476,315	1.41
2012-13	1,878,868,414	20,668,235	1.10
2013-14	2,018,013,991	19,020,178	0.94
2014-15	1,996,955,408	15,959,828	0.80
2015-16	2,146,646,004	14,089,301	0.66
2016-17	2,310,696,197	12,020,054	0.52
2017-18	2,556,736,908	14,820,215	0.58
2018-19	2,824,518,111	17,721,353	0.63
2019-20	3,320,760,894	27,706,207	0.83
2020-21	3,627,167,123	36,315,872	1.00
<u>Alameda County</u>			
2008-09	\$2,678,200,557	\$120,458,280	4.50%
2009-10	2,672,803,086	87,299,945	3.27
2010-11	2,622,091,573	66,671,453	2.54
2011-12	2,677,341,749	57,514,916	2.15
2012-13	2,728,535,736	42,358,154	1.55
2013-14	2,881,348,672	36,423,504	1.26
2014-15	3,061,123,272	34,486,942	1.13
2015-16	3,246,190,994	41,818,285	1.29
2016-17	3,464,296,368	40,054,443	1.16
2017-18	3,769,332,149	35,390,342	0.94
2018-19	4,064,040,849	38,260,609	0.94
2019-20	4,345,460,533	48,992,167	1.13
2020-21	4,632,185,031	49,059,108	1.06
<u>Contra Costa County</u>			
2008-09	\$2,023,534,994	\$81,981,494	4.05%
2009-10	1,942,410,318	53,621,790	2.76
2010-11	1,871,495,451	34,561,134	1.85
2011-12	1,914,539,235	54,091,753	2.83
2012-13	1,910,681,659	20,720,820	1.08
2013-14	2,018,861,039	19,163,615	0.95
2014-15	2,198,680,361	18,988,337	0.86
2015-16	2,323,318,942	18,134,715	0.78
2016-17	2,443,499,532	18,332,203	0.75
2017-18	2,589,121,926	17,384,044	0.67
2018-19	2,755,201,406	19,550,849	0.71
2019-20	2,938,626,804	25,884,618	0.88
2020-21	3,051,193,547	23,264,075	0.76
<u>Total Three BART Counties</u>			
2008-09	\$6,294,868,901	\$239,101,934	3.80%
2009-10	6,306,369,429	179,715,574	2.85
2010-11	6,261,955,165	130,335,151	2.08
2011-12	6,401,984,246	137,082,984	2.14
2012-13	6,518,085,809	83,747,209	1.28
2013-14	6,918,223,702	74,607,294	1.08
2014-15	7,256,759,041	69,435,107	0.96
2015-16	7,716,155,940	74,042,301	0.96
2016-17	8,218,492,097	70,406,700	0.86
2017-18	8,915,190,983	67,594,601	0.76
2018-19	9,643,760,366	75,532,811	0.78
2019-20	10,604,848,231	102,582,993	0.97
2020-21	11,310,545,701	108,639,055	0.96

⁽¹⁾ All taxes levied by the county.

⁽²⁾ Each of the Three BART Counties has adopted a Teeter Plan. The City and County of San Francisco and the County of Contra Costa include taxes to pay the 2022 Bonds in their respective Teeter Plans. The County of Alameda does not apply its Teeter Plan to collections of taxes for general obligation bonds, including the 2022 Bonds. See “—Teeter Plans” below.

Source: California Municipal Statistics, Inc.

Teeter Plans

The City and County of San Francisco, the County of Alameda and the County of Contra Costa each adopted a Teeter Plan, as provided for in Section 4701 *et. seq.* of the California Revenue and Taxation Code. Under each Teeter Plan, each participating local agency levying property taxes is credited the amount of uncollected taxes in the same manner as if the amount credited had been collected. In return, the City and County of San Francisco, the County of Alameda and the County of Contra Costa receive and retain delinquent payments, penalties and interest as collected, that otherwise would have been due to the local agency. Taxes to pay the 2022 Bonds collected in the City and County of San Francisco and the County of Contra Costa are included in their respective Teeter Plans. The County of Alameda does not apply its Teeter Plan to collections of taxes for general obligation bonds, including the 2022 Bonds.

Each Teeter Plan is to remain in effect unless the Board of Supervisors of the applicable County orders its discontinuance or unless, prior to the commencement of a County's fiscal year (which commences on July 1), the Board of Supervisors of such County receives a petition for its discontinuance joined in by resolutions duly adopted by the governing boards of at least two-thirds of the participating revenue districts in such County. The applicable Board of Supervisors may, after holding a public hearing on the matter, discontinue the Teeter Plan with respect to any tax levying agency in such County if the rate of secured tax delinquency in that agency in any year exceeds three percent (3%) of the total of all taxes and assessments levied on the secured rolls in that agency. See "—Tax Rates, Collections and Delinquencies" above.

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Largest Taxpayers in the Three BART Counties

The following table shows the largest secured taxpayers in the Three BART Counties. No secured taxpayer accounts for more than one percent of total assessed value, and the top twenty taxpayers in the Three BART Counties account for approximately 2.85% of total property taxes.

San Francisco Bay Area Rapid Transit District Largest Local Secured Taxpayers Fiscal Year 2021-22

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>County</u>	<u>2021-22 Assessed Valuation</u>	<u>% of Total⁽¹⁾</u>
1.	Chevron USA Inc.	Industrial – Refinery	Contra Costa	\$ 3,038,176,824	0.36%
2.	Tesla Inc.	Industrial	Alameda	2,530,150,203	0.30
3.	Transbay Tower LLC	Office Building	San Francisco	1,803,015,744	0.21
4.	GSW Arena LLC	Sports Arena	San Francisco	1,677,416,832	0.20
5.	Essex Portfolio	Apartments	Alameda/Contra Costa/San Francisco	1,601,001,885	0.19
6.	HWA 555 Owners LLC	Office Building	San Francisco	1,320,550,417	0.16
7.	Martinez Refining Company LLC	Industrial – Refinery	Contra Costa	1,227,276,739	0.14
8.	Elm Property Venture LLC	Office Building	San Francisco	1,035,700,281	0.12
9.	SHR St. Francis LLC	Hotel	San Francisco	1,024,296,959	0.12
10.	Park Tower Owner LLC	Office Building	San Francisco	1,012,003,901	0.12
11.	Ponte Gadea California LLC	Office Building	San Francisco	948,624,250	0.11
12.	Phillips 66 Company	Industrial – Refinery	Contra Costa	900,697,804	0.11
13.	Kilroy Realty LP / Kilroy Realty 303 LLC	Office Building	San Francisco	885,150,713	0.10
14.	PPF Paramount One Market Plaza	Office Building	San Francisco	877,380,832	0.10
15.	KRE Exchange Owner LLC	Office Building	San Francisco	801,576,851	0.09
16.	Parkmerced Owner LLC	Apartments	San Francisco	797,249,261	0.09
17.	SFDC 50 Fremont LLC	Office Building	San Francisco	753,333,971	0.09
18.	Market Center Owner LP	Office Building	San Francisco	729,566,620	0.09
19.	Emporium Mall LLC	Shopping Center	San Francisco	650,358,095	0.08
20.	BCP-CG 650 Property LLC	Office Building	San Francisco	608,973,358	0.07
				<u>\$24,222,501,540</u>	<u>2.85%</u>

⁽¹⁾ 2021-22 Total Secured Assessed Valuation: \$850,284,227,127
Source: California Municipal Statistics, Inc.

Several large companies in the San Francisco Bay Area have announced headquarters relocations in recent years, including Tesla Motors Inc. (“Tesla”), one of the District’s top twenty secured taxpayers. On December 1, 2021, Tesla relocated its corporate headquarters from Palo Alto, Santa Clara County, California to Austin, Texas. Although Tesla relocated its corporate headquarters, it continues to operate facilities in the San Francisco Bay Area and aims to maximize manufacturing output from its factory located in Fremont, Alameda County, California. The District cannot predict the impact of Tesla’s corporate headquarters relocation on the assessed valuation of its other property located within the Three BART Counties. See “INVESTMENT CONSIDERATIONS – Reassessments and Appeals of Assessed Values” below.

In light of the shelter-in-place orders and remote working arrangements established during the COVID-19 pandemic, owners of large commercial real estate buildings have filed appeals regarding the assessed value of their property, positing that such conditions have caused the value of their property to decrease. Several of the District’s twenty largest secured taxpayers have recently filed appeals seeking to reduce the assessed valuation of their property located within the Three BART Counties. The District cannot predict whether such appeals will be successful. See “INVESTMENT CONSIDERATIONS – Reassessments and Appeals of Assessed Values” below.

Taxation of State-Assessed Utility Property

Under the Constitution, the State Board of Equalization assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The State Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the State Board of Equalization is allocated by a formula to local jurisdictions in the county and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the State Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the State Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how those assets are assessed, and which local agencies benefit from the property taxes derived.

The District is unable to predict future transfers of State-assessed property in the Three BART Counties, the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State's methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the District.

Direct and Overlapping Debt Report

Contained within the District's boundaries are numerous overlapping local agencies. Set forth on the following page is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. and dated April 1, 2022. The Debt Report speaks only as of its date and is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representations in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations are not payable from revenues of the District nor are they necessarily obligations secured by land within the District. The Debt Report does not include any information concerning any obligations authorized but not yet issued by any public agencies whose boundaries overlap the boundaries of the District in whole or in part.

The Debt Report does not include any information concerning sales tax revenue bonds issued by the District or obligations of the District, other than general obligation bonds, issued for the benefit of the District. For information concerning such sales tax revenue bonds and other obligations of the District, see Appendix A – "SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – BART FINANCINGS AND CAPITAL PROGRAMS."

The first column in the table set forth on the following page names each public agency which has outstanding debt as of the date of the Debt Report and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

San Francisco Bay Area Rapid Transit District **Schedule of Direct and Overlapping Bonded Debt**

2021-22 Assessed Valuation: \$889,781,582,683

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 4/1/22</u>
Bay Area Rapid Transit District	100. %	\$ 1,834,840,000⁽¹⁾
Alameda County	100.	183,745,000
City and County of San Francisco	100.	2,921,851,284
Community College Districts	0.395-100.	2,661,364,496
Oakland Unified School District	100.	1,112,170,000
San Francisco Unified School District	100.	969,800,000
West Contra Costa Unified School District	100.	1,244,985,065
Other Unified School Districts	1.624-100.	5,380,855,811
Union High School Districts	100.	287,579,470
Elementary School Districts	100.	334,531,652
City of Oakland	100.	637,540,000
Other Cities	100.	306,621,104
East Bay Regional Park District	100.	185,490,000
Healthcare Districts	100.	367,625,000
Recreation and Park Districts	100.	124,865,000
Community Facilities Districts	100.	1,268,863,162
1915 Act Bonds	100.	281,086,141
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$20,103,813,185
 <u>OVERLAPPING GENERAL FUND DEBT:</u>	 <u>% Applicable</u>	 <u>Debt 4/1/22</u>
Alameda County General Fund Obligations	100. %	\$ 754,565,000
Contra Costa County General Fund and Pension Obligation Bonds	100.	299,495,000
City and County of San Francisco General Fund Obligations	100.	1,485,887,053
Community College District General Fund and Pension Obligation Bonds	100.	128,004,633
Unified School District General Fund Obligations	100.	185,709,272
Other School District Certificates of Participation	100.	5,797,306
City of Fremont Certificates of Participation	100.	81,730,000
City of Oakland General Fund and Pension Obligation Bonds	100.	245,545,442
City of Richmond General Fund and Pension Obligation Bonds	100.	153,181,745
Other City General Fund Obligations	100.	644,422,575
Fire Protection Districts General Fund and Pension Obligation Bonds	100.	63,156,960
Special District General Fund Obligations	100.	33,460,000
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		\$4,080,954,986
Less: Supported obligations		88,977,588
TOTAL NET OVERLAPPING GENERAL FUND DEBT		\$3,991,977,398
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>		 \$2,042,495,113
 GROSS COMBINED TOTAL DEBT		 \$26,227,263,284⁽²⁾
NET COMBINED TOTAL DEBT		\$26,138,285,696

(1) Excludes issue to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2021-22 Assessed Valuation:

Direct Debt (\$1,834,840,000)	0.21%
Total Direct and Overlapping Tax and Assessment Debt	2.26%
Gross Combined Total Debt	2.95%
Net Combined Total Debt	2.94%

Ratio to Redevelopment Incremental Valuation (\$115,292,248,509):

Total Overlapping Tax Increment Debt	1.77%
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Source: California Municipal Statistics, Inc.

CONSTITUTIONAL LIMITATIONS

Limitations on Tax Revenues

California Constitutional provisions allow for amendments by voter approval of qualified initiative petitions as well as legislative proposals. Over the years, such amendments have limited state and local taxing and spending powers, such as Proposition 98 that required approximately 48% of State general fund revenues to be expended on education. The following highlights certain provisions affecting the District.

Article XIII A of the California Constitution. Article XIII A of the State Constitution, adopted and known as Proposition 13, was approved by the voters in June 1978. Section 1(a) of Article XIII A limits the maximum *ad valorem* tax on real property to one percent of “full cash value,” and provides that such tax shall be collected by the counties and apportioned according to State law. Section 1(b) of Article XIII A provides that the one-percent (1%) limitation does not apply to *ad valorem* taxes levied to pay interest and redemption charges on (i) indebtedness approved by the voters prior to July 1, 1978, or (ii) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast on the proposition, or (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. The *ad valorem* tax for payment of the District’s general obligation bonds including the 2022D Bonds under the 2016 Measure RR and the 2022H Bonds under the 2004 Measure AA election falls within the exception for bonds approved by a two-thirds vote.

Section 2 of Article XIII A of the California Constitution defines “full cash value” to mean the county assessor’s valuation of real property as shown on the Fiscal Year 1975-76 tax bill, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. Proposition 8 (“Proposition 8”), approved by California voters in November of 1978, subsequently amended Article XIII A to permit reduction of the full cash value base in the event of declining property values caused by damage, destruction or other factors, and provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value, and assessments may be appealed by taxpayers seeking a reduction as a result of economic and other factors. See “INVESTMENT CONSIDERATIONS – Reassessments and Appeals of Assessed Values.” The California Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently “recapture” such value (up to the pre-decline value of the property) at an annual rate higher than two percent (2%), depending on the assessor’s measure of the restoration of value of the damaged property. The California courts have upheld the constitutionality of this procedure. Legislation enacted by the State Legislature to implement Article XIII A provides that, notwithstanding any other law, local agencies may not levy any *ad valorem* property tax except the one percent (1%) base tax levied by each county and taxes to pay debt service on indebtedness approved by the voters as described above.

Proposition 19, which was approved by the voters of the State on November 3, 2020, allows eligible homeowners to transfer their tax assessments anywhere within the State and allows tax assessments to be transferred to a more expensive home with an upward adjustment; requires that inherited homes that are not used as principal residences, such as second homes or rentals, be reassessed at market value when transferred; and allocates additional revenue or net savings resulting from the ballot measure to wildfire agencies and counties. The District is unable to predict the effect such measure may have on tax assessments within the District.

Since its adoption, Article XIII A has been amended a number of times. These amendments have created exceptions to the requirement that property be reassessed when purchased, newly constructed or a change in ownership has occurred. These exceptions include certain transfers of real property between family members, certain purchases of replacement dwellings for persons over age 55 and by property owners whose original property has been destroyed in a declared disaster, and certain improvements to accommodate disabled persons and for seismic upgrades to property.

Both the California Supreme Court and the United States Supreme Court have upheld the validity of Article XIII A.

Article XIIC and Article XIID of the California Constitution. On November 5, 1996, California voters approved an initiative known as the Right to Vote on Taxes Act (“Proposition 218”). Proposition 218 added Articles XIIC and XIID to the California Constitution. Article XIIC requires majority voter approval for the imposition, extension or increase of general taxes and two-thirds voter approval for the imposition, extension or increase of special taxes by a local government, which is defined to include local or regional governmental agencies such as the District. Article XIIC also removes limitations on the initiative power with regard to reducing or repealing previously authorized local taxes. Proposition 26, approved by the voters of California on November 2, 2010, also amended Article XIIC to define “tax” to include in the two-thirds voter approval requirement local levies, charges or exactions previously considered fees with certain specified exemptions.

Article XIID addresses assessments and property-related fees and charges. Article XIID explicitly provides that nothing in Article XIIC or XIID shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees imposed by the District.

The interpretation and application of Proposition 218 and Proposition 26 will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determinations.

Expenditures and Appropriations

Article XIIB of the California Constitution. State and local government agencies in California are each subject to annual “appropriations limits” imposed by Article XIIB of the Constitution of the State of California (“Article XIIB”). Article XIIB prohibits government agencies and the State from spending “appropriations subject to limitation” in excess of the appropriations limit imposed. “Appropriations subject to limitation” are authorizations to spend “proceeds of taxes,” which include all tax revenues and investment earnings thereon, certain state subventions and certain other funds, including proceeds received by an entity of local government from regulatory licenses, user charges or other user fees to the extent that such proceeds exceed “the cost reasonably borne by that entity in providing the regulation, product, or service.” “Appropriations subject to limitation” under Article XIIB do not include appropriations required to comply with mandates of courts or of the Federal government, appropriations for qualified outlay projects (as defined by the Legislature), or appropriations for debt service on indebtedness existing prior to the passage of Article XIIB or thereafter authorized by the voters.

As amended at the June 5, 1990 election by Proposition 111, Article XIIB provides that, in general terms, the District’s appropriations limit is based on the limit for the prior year adjusted annually to reflect changes in cost of living, population and, when appropriate, transfer of financial responsibility of providing services from one governmental unit to another. Proposition 111 liberalized the aforementioned adjustment factors as compared to the original provisions of Article XIIB. If revenues from “proceeds of taxes” during any two consecutive Fiscal Years exceed the combined appropriations

limits for those two years, the excess must be returned by a revision of tax rate or fee schedules within the two subsequent Fiscal Years.

Section 7900 et seq. of the Government Code of the State of California defines certain terms used in Article XIII B and sets forth the methods for determining the appropriations limits for local jurisdictions. The District's appropriations limit for the Fiscal Year ending June 30, 2022 is \$674,576,014 and the "appropriations subject to the limitation" are \$435,815,380, or \$238,760,634 under the limit. It is not anticipated that the District will ever reach its appropriations limit. However, if it were ever to reach such limit, amounts appropriated to pay debt service on the Bonds are considered appropriations for capital outlay projects and therefore not subject to the limit.

Prohibitions on Diverting Local Revenues for State Purposes

Proposition 22, an initiative constitutional amendment adopted at the November 2010 election, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting redevelopment agency property tax increment to any other local government, including school districts, or from temporarily shifting property taxes from cities, counties and special districts to schools. This was intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. One effect of this amendment is to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education. Because Proposition 22 reduces the State's authority to use or shift certain revenue sources, fees and taxes for State general fund purposes, the State may have to take other actions to balance its budget in some years which could adversely affect State funding for transportation projects. One of the actions taken by the State Legislature was to dissolve redevelopment agencies, which was accomplished through the enactment of Assembly Bill No. 26 (First Extraordinary Session) in 2011 and Assembly Bill No. 1484 in 2012. The dissolution of redevelopment agencies by the State has had a modest positive impact on the District's finances related to the District's receipt of a portion of the 1% countywide general tax levy, which is used for general operating purposes.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C, Article XIII D, as well as Propositions 22, 26, 98, 111 and 218 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting District revenues or the District's ability to expend revenues.

One such proposed voter initiative, titled "The Taxpayer Protection and Government Accountability Act" would amend the State Constitution to impose heightened barriers for State and local governments to impose taxes and fees. Certain important provisions of the proposed ballot measure are discussed below, but the District does not make any representation that such summary is complete. With respect to State taxes, the proposed ballot measure would raise the voting threshold to approve new State taxes by requiring approval by both two-thirds of the State Legislature and a majority vote in a statewide election. With respect to local taxes, the proposed ballot measure would require that both general and special taxes are approved by a two-thirds vote of the applicable legislative body, and by a majority vote in a general election in most cases. Additionally, the proposed ballot measure would expand the definition of a tax to include charges imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the State of conferring the benefit or granting the privilege to the payor. The proposed ballot measure would also impose new requirements for State and local tax measures, including requirements that they identify the type, amount or rate, and the duration of the tax, and how the revenue collected from such tax may be used. With respect to State and local fees, the proposed ballot measure would require that certain

fees are both reasonable, and do not exceed the actual costs of the State or local governmental entity providing the service. The proposed ballot measure would also require that State or local governmental entities bear the burden to prove by clear and convincing evidence that its fee is not a tax. Furthermore, the proposed ballot measure would require that local exempt charges may only be imposed by the local government's governing body imposing such charge via an ordinance subject to referendum, and must be approved by two-thirds of the governing body. Finally, the proposed ballot measure includes a provision that any tax or fee imposed after October 1, 2021 not in accordance with its provisions is void 12 months after the effective date of the proposed ballot measure, unless subsequently reenacted in accordance with its terms.

Proponents of The Taxpayer Protection and Government Accountability Act submitted the proposed ballot measure to the State Attorney General on October 1, 2021, and certified on March 16, 2022 that at least 25% of the required signatures have been obtained. The District cannot predict whether The Taxpayer Protection and Government Accountability Act will qualify for statewide election, or be approved by a majority of voters casting a ballot in such election.

INVESTMENT CONSIDERATIONS

Economy of the Three BART Counties and the State

Until the outbreak of COVID-19, and the adverse economic impact of shelter-in-place orders instituted in the Three BART Counties in response to the outbreak, the economy of the Three BART Counties had enjoyed a period of robust development and expansion as evidenced by increases in sales tax revenues, employment rates, housing costs, assessed valuations, and total personal income. Since the onset of the COVID-19 pandemic, assessed valuations in the Three BART Counties have continued to increase. See "SECURITY AND SOURCE OF PAYMENT FOR THE 2022 BONDS – Assessed Valuation of Property Within the Three BART Counties." The District's financial condition is dependent upon the level of economic activity in the Three BART Counties and in the State generally.

For information relating to the COVID-19 pandemic, see "INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak" and Appendix A – "SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – THE BART SYSTEM – Ridership" and " – Adopted Budget for Fiscal Year 2021-22 and Preliminary Budget for Fiscal Year 2022-23." For information relating to economic conditions within the Three BART Counties and the State, see Appendix D – "THE ECONOMY OF THE THREE BART COUNTIES." The extent of the impact of the COVID-19 pandemic is not fully reflected in the various statistics presented in Appendix D, so the historical data presented in Appendix D should not be interpreted as a reflection of current or future economic conditions in the Three BART Counties or in the San Francisco Bay Area.

Risk of Earthquake and Tsunami

The District is located in a seismically active region. Active earthquake faults underlie both the District and the surrounding Bay Area, most notably the Hayward Fault and the San Andreas Fault (both located within the District). On August 24, 2014, an earthquake occurred in Napa, California. The tremor's epicenter was located approximately 3.7 miles northwest of American Canyon near the West Napa Fault and registered 6.0 on the Richter scale of earthquake intensity. The Napa earthquake caused fires, damaged buildings and roads, and injured approximately 200 people. The Napa earthquake was the largest earthquake in the San Francisco Bay Area since the 1989 Loma Prieta earthquake on the San Andreas Fault, which was centered about 60 miles south of San Francisco, and it caused fires and collapse of and structural damage to buildings, highways and bridges in the San Francisco Bay Area. Neither earthquake caused damage to BART facilities.

In March 2015, the Working Group on California Earthquake Probabilities (a collaborative effort

of the U.S. Geological Survey (the “U.S.G.S.”), the California Geological Survey, and the Southern California Earthquake Center) reported that there is a 72% chance that one or more quakes of magnitude 6.7 or larger will occur in the San Francisco Bay Area before the year 2045. In addition, the U.S.G.S. released a report in April 2017 entitled the HayWired Earthquake Scenario (last updated in 2021), which estimates that in the first six months following a magnitude 7.0 earthquake on the Hayward Fault, property damages, utility outages, and ripple effects through supply chains could result in approximately \$44 billion of gross State product losses. The report also estimates that business continuity practices and economic resilience measures could reduce business interruption losses by approximately 40%, to approximately \$25 billion. Such earthquakes may be very destructive. Property within the Three BART Counties could sustain extensive damage in a major earthquake, District facilities could be damaged, and a major earthquake could adversely affect the area’s economic activity, in addition to adversely affecting the assessed value of property in the Three BART Counties.

The Three BART Counties may also experience the effects of a tsunami following a major seismic or volcanic event on the west coast of the United States or in other areas in the Pacific Ocean or the Pacific rim. In 2013, the U.S.G.S. and California Geological Survey released a report entitled the SAFRR (Science Application for Risk Reduction) Tsunami Scenario, which estimates property damage and business interruption losses in California (without resilience efforts) of approximately \$6 billion (in 2010 dollars) from a magnitude 9.1 earthquake offshore of the Alaskan peninsula. The study estimates wave heights in excess of six feet at the Golden Gate, which is predicted to cause flooding and damage to ports and other properties in the San Francisco Bay Area. In 2011, a magnitude 9.1 earthquake in Honshu, Japan caused tsunami damage in the San Francisco Bay Area, including to the Santa Cruz Harbor and the Berkeley Marina. Additionally, in January 2022, an underwater volcanic eruption offshore of Tonga triggered a tsunami that resulted in relatively minor flooding and damage to the San Francisco Bay Area. Neither event caused damage to BART facilities.

Climate Change

Hazards relating to climate change include sea level rise, flooding, heat wave, drought, wildfire and severe storm and wind, all of which may have adverse effects on economic activity and assessed valuation of properties located within the Three BART Counties. Any such events, if unmitigated, may also have major impacts to BART stations, trackway, traction power, train control and maintenance yard/shops, as well as wayside facilities. The impacts may directly impact patron safety, cause service disruptions and require prolonged recovery.

In recent years, portions of the State have experienced wildfires that have burned millions of acres and destroyed thousands of homes and structures. Property damage due to wildfire could result in a significant decrease in the assessed valuation of property in the Three BART Counties. It is not possible for the District to make any representation regarding the extent to which wildfires could cause reduced economic activity within the San Francisco Bay Area or the extent to which wildfires may impact the value of taxable property within the Three BART Counties. The District also faces some limited risks associated with the impact of wildfire on its portfolio of power supply resources and the transmission of electricity to the District. See Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – THE BART SYSTEM – Power Supply.”

BART is responding to climate change impacts by developing adaptation strategies and strengthening its infrastructure against such hazards. BART has analyzed the risks of sea level rise and concluded that damage resulting from storm surges and sea level rise could result in up to approximately \$650 million in damage without local and regional adaptation work, but that much of the damage could be mitigated by adaptation work valued at an estimated \$70 million.

Current efforts to mitigate the effects of climate change include water intrusion mitigation,

earthquake safety, erosion control, storm drainage treatment, power redundancy, and fire suppression. BART is also working with regional partners in the San Francisco Bay Area to plan for regional adaptation needs. No assurance can be given that such measures will be sufficient to protect against all impacts of climate change.

Infectious Disease Outbreak

The District's operations and financial results may be adversely impacted by the outbreak of an infectious disease, including but not limited to COVID-19. The District's financial results have been harmed and may continue to be harmed by the COVID-19 pandemic, which has impacted and is continuing to impact local and global economies, as governments, businesses, and citizens react to, plan for, and try to prevent or slow further transmission of the virus. Financial markets, including the stock market in the United States and globally, have seen significant volatility and decline that have been attributed to COVID-19 concerns. The CDC and the California Department of Public Health have been providing regular updates and guidelines to the public and to State and local governments. On March 4, 2020, as part of the State's response to address the outbreak, the Governor declared a state of emergency. On March 13, former President Donald Trump declared a national emergency, freeing up funding for federal assistance to state and local governments. On March 16, each of the Three BART Counties issued shelter-in-place orders.

On March 27, 2020, the U.S. House of Representatives approved and former President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). The CARES Act provided \$25 billion in supplemental Federal Transit Authority grants to transit agencies across the country, approximately \$1.3 billion of which was allocated to the San Francisco Bay Area. On April 22, 2020, the Metropolitan Transportation Commission (the "MTC"), as the designated recipient of such funds, approved sub-allocations of approximately \$780 million to various transit agencies in the San Francisco Bay Area, including approximately \$252 million for the District, subject to specific future allocations by the MTC. On July 22, 2020, the MTC approved sub-allocations of the balance of CARES Act funding, including approximately \$125 million for the District.

On December 27, 2020, H.R. 133 ("CRRSAA") was enacted, which included a \$900 billion COVID-19 relief package. CRRSAA provided \$14 billion in "Transit Infrastructure Grants" to assist the transit industry to "prevent, prepare for, and respond to the coronavirus," approximately \$983 million of which was allocated to the San Francisco Bay Area. On January 27, 2021, the MTC allocated approximately \$180 million of such funds as a "true up" to certain transit agencies in the San Francisco Bay Area that received less CARES Act funding than anticipated revenue losses, including approximately \$104 million for the District. On March 24, 2021, the MTC approved sub-allocations of the balance of CRRSAA funding, including approximately \$274 million for the District.

On March 11, 2021, the American Rescue Plan Act of 2021 (the "Rescue Plan Act"), a \$1.9 trillion COVID-19 relief package, was enacted. The Rescue Plan Act included approximately \$30.5 billion in grants to transit agencies, approximately \$1.7 billion of which was allocated to the San Francisco Bay Area. On July 28, 2021, the MTC approved sub-allocations of approximately \$912 million of such funds, including approximately \$331 million for the District. On October 27, 2021, the MTC approved additional sub-allocations of the Rescue Plan Act funding, including approximately \$251 million for the District. Finally, the Federal Transit Administration announced on March 7, 2022 that the District will receive approximately \$271 million in discretionary additional assistance funding pursuant to the Rescue Plan Act.

The District cannot predict the extent or future duration of the outbreak, or how long the effects of the COVID-19 pandemic will continue to negatively impact the District's financial condition and operations. For a discussion regarding some other impacts of the COVID-19 pandemic on the District, see Appendix A – "SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND

OPERATING INFORMATION – THE BART SYSTEM – Ridership” and “ – Adopted Budget for Fiscal Year 2021-22 and Preliminary Budget for Fiscal Year 2022-23.”

Other Force Majeure Events

Operation of the BART System is also at risk from other events of force majeure, such as damaging storms, winds and floods, fires and explosions, epidemics, pandemics, spills of hazardous substances, strikes and lockouts, sabotage, wars, blockades and riots. The District cannot predict the potential impact of such events on the financial condition of the District.

Limitation on Remedies

The opinion of Bond Counsel notes that the rights and obligations under the 2022 Bonds and their enforceability are subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public transit districts like BART. BART cannot be forced into bankruptcy by an involuntary bankruptcy petition being filed against BART but, because it is a municipal governmental entity, BART may be eligible to file a voluntary bankruptcy petition under Chapter 9 (“Chapter 9”) of the United States Bankruptcy Code under certain circumstances. Chapter 9 specifies that it does not limit or impair the power of the applicable state to control its municipalities in the exercise of the political or governmental powers of such municipality, including expenditures for such exercise. In addition, Chapter 9 provides that a bankruptcy court may not interfere with the political or governmental powers of the debtor, unless the debtor consents to that action or the plan so provides. California law provides that the *ad valorem* taxes levied for BART's general obligation bonds must be used for no other purpose than the payment of principal of and interest on the 2022 Bonds. If this law is respected in a bankruptcy proceeding, then the tax revenues could not be used by BART for any purpose other than to make payments on the 2022 Bonds. No assurance can be given, however, that a bankruptcy court would not conclude otherwise.

If BART is in bankruptcy, the parties (including the Trustee and the holders of the 2022 Bonds) may be prohibited from taking any action to collect any amount payable by BART or to enforce any obligation of BART, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the holders of the 2022 Bonds from funds in the Trustee's possession. In addition, the obligation of BART and the Three BART Counties to raise taxes if necessary to pay the 2022 Bonds may no longer be enforceable if BART is in bankruptcy.

In a bankruptcy case, as part of its plan of adjustment in bankruptcy, BART may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the 2022 Bonds and other transaction documents related to the 2022 Bonds, including the obligation of BART and the Three BART Counties to raise taxes if necessary to pay the 2022 Bonds, if the bankruptcy court determines that the plan is fair and equitable and otherwise complies with the Bankruptcy Code.

Possible adverse effects of a bankruptcy of BART include delays or reductions in payments on the 2022 Bonds or other losses to the holders of the 2022 Bonds. Regardless of any specific adverse determinations in a bankruptcy proceeding, the fact of a bankruptcy of BART could have an adverse effect on the liquidity and value of the 2022 Bonds.

Statutory Lien. All general obligation bonds issued by local agencies in California, including the 2022 Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* property tax. State law provides that the lien automatically arises, without the need for any action or authorization by the local agency or its governing board, and is valid and binding from the

time the bonds are executed and delivered. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by BART, the automatic stay provisions of the Bankruptcy Code would apply, preventing holders of the 2022 Bonds from enforcing their rights to payment from such taxes, so payments that become due and owing on the 2022 Bonds during the pendency of the Chapter 9 proceeding could be delayed.

Special Revenues. If the *ad valorem* tax revenues that are pledged to the payment of the 2022 Bonds are determined to be “special revenues” within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay. “Special revenues” are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. BART has specifically pledged the *ad valorem* taxes for payment of the 2022 Bonds. Additionally, the *ad valorem* taxes levied for payment of the 2022 Bonds are permitted under the State Constitution only if the applicable bond proposition is approved by two-thirds of voters and such bonds must be issued for the acquisition or improvement of real property. Because State law prohibits the use of the tax proceeds for any purpose other than payment of the bonds and the bond proceeds can only be used to fund the acquisition or improvement of real property, such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* tax revenues collected for the payments of general obligation bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

The Bankruptcy Code provides that there is no stay of application of pledged special revenues to payment of indebtedness secured by such revenues. The United States Court of Appeals for the First Circuit, in a case arising out of the insolvency proceedings of Puerto Rico, held that this provision permitted voluntary payments of debt service by the issuer of bonds backed by special revenues, but did not permit the bondholders to compel the issuer to make payments of debt service from special revenues. If this decision is followed by other courts, the holders of the 2022 Bonds may be prohibited from taking any action to require BART or any of the Three BART Counties to make payments on the 2022 Bonds without the bankruptcy court’s permission. This could result in substantial delays or reductions in payments on the Series 2022 Bonds.

In addition, even if the *ad valorem* tax revenues are determined to be “special revenues,” the Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, a bankruptcy court could determine that BART is entitled to use the *ad valorem* tax revenues to pay necessary operating expenses of BART, before the remaining revenues are paid to the owners of the 2022 Bonds.

If BART goes into bankruptcy and BART or any of the Three BART Counties has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if BART or any of the Three BART Counties, as applicable, does not voluntarily pay such tax revenues to the holders of the 2022 Bonds, it is not entirely clear what procedures the holders of the 2022 Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. A similar risk would exist if any of the Three BART Counties goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy).

No Acceleration Provision

The Trust Agreements do not contain a provision allowing for the acceleration of the 2022 Bonds in the event of a default in the payment of principal and interest on the 2022 Bonds when due. In the

event of a default by the District, each holder of a 2022 Bond will have the right to exercise the remedies, subject to the limitations thereon, set forth in the respective Trust Agreement.

Loss of Tax Exemption

As discussed under “TAX MATTERS,” interest on the 2022D-1 Bonds could become includable in federal gross income, possibly from the date of issuance of the 2022D-1 Bonds, as a result of acts or omissions of the District subsequent to the issuance of the 2022D-1 Bonds. Should interest become includable in federal gross income, the 2022D-1 Bonds are not subject to redemption by reason thereof and will remain outstanding until maturity or earlier redemption.

Green Bonds Suitability

The purpose of labeling the 2022 Bonds as “Green Bonds” is to allow owners of the 2022 Bonds to invest in bonds that have financed environmentally beneficial projects. The District does not make any representation as to the suitability of the 2022 Bonds to fulfill such environmental and sustainability criteria. The 2022 Bonds may not be a suitable investment for all investors seeking exposure to green or sustainable assets. There is currently no market consensus on what precise attributes are required for a particular project to be defined as “green” or “sustainable,” and therefore no assurance can be provided to investors that the projects refinanced by proceeds of the 2022 Bonds will continue to meet investor expectations regarding sustainability performance. Adverse environmental or social impacts may occur during the operation of such projects and where any negative impacts are insufficiently mitigated, such projects may become controversial, and/or may be criticized by activist groups and other stakeholders.

No representation is made as to the suitability of any 2022 Bonds to fulfill environmental and/or sustainability criteria required by prospective investors. Each potential purchaser of 2022 Bonds should determine for itself the relevance of the information contained or referred to herein or in the Resolutions regarding the use of proceeds and its purchase of 2022 Bonds should be based upon such investigation as it deems necessary. THERE CAN BE NO ASSURANCE THAT THE USE OF PROCEEDS OF THE 2022 BONDS WILL BE SUITABLE FOR THE INVESTMENT CRITERIA OF AN INVESTOR. It is the District’s intention to apply the net proceeds received from the sale of the 2022 Bonds for environmentally sustainable projects as described in “DESIGNATION AS GREEN BONDS / CLIMATE BOND CERTIFIED.”

Prospective investors should review the information included in this Official Statement pertaining to the intended use of the proceeds of the 2022 Bonds and must determine for themselves the relevance of such information for the purpose of any investment in the 2022 Bonds, together with any other investigation the investor deems necessary. In particular, no assurance is given by the District or any Underwriter that the use of such proceeds will satisfy, in whole or in part, any present or future investor expectations or requirements as to any investment criteria or guidelines with such investor or its investments are required to comply, whether by any present or future applicable law or regulations, or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental impact of any uses of the proceeds of the 2022 Bonds.

Furthermore, it should be noted that there is currently no clearly defined definition of (legal, regulatory, or otherwise), nor market consensus as to what constitutes a “green” or an equivalently labeled project or as to what precise attributes are required for a particular project to be defined as “green” or such other equivalent label. No assurance can be given that such a clear definition will develop over time, or that, if developed, it will include the projects to be financed or refinanced with proceeds of the 2022 Bonds. Accordingly, no assurance is or can be given to investors that any uses of the 2022 Bonds will meet investor expectations regarding such “green” or other equivalently-labeled performance objectives or that any adverse environmental and/or other impacts will not occur during the construction or operation of projects to be financed with the proceeds of the 2022 Bonds.

Reassessments and Appeals of Assessed Values

State law affords an appeal procedure to taxpayers who disagree with the assessed value of their taxable property. Taxpayers may informally request a reduction in assessment directly from the applicable County Assessor (the “Assessor”), who may grant or refuse the request, and may appeal an assessment directly to the State Board of Equalization, which rules on appealed assessments whether or not settled by the Assessor. The Assessor is also authorized to reduce the assessed value of any taxable property upon a determination that the market value has declined below the then-current assessment, whether or not appealed by the taxpayer.

Several of the District’s twenty largest secured taxpayers have recently filed appeals seeking to reduce the assessed valuation of their property located within the Three BART Counties. See “SECURITY AND SOURCE OF PAYMENT FOR THE 2022 BONDS – Largest Taxpayers in the Three BART Counties.” The District can make no predictions as to the changes in assessed values that might result from pending or future appeals by taxpayers or blanket reassessments enacted by the assessor. Any reduction in aggregate assessed valuation in the Three BART Counties due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the 2022 Bonds to increase accordingly, so that the fixed debt service on the 2022 Bonds (and other outstanding bonds) may be paid. Any refund of paid taxes triggered by a successful assessment appeal will be debited by the county treasurer against all taxing agencies who received tax revenues, including the District. See “CONSTITUTIONAL LIMITATIONS – Limitations on Tax Revenues – Article XIII A of the California Constitution.”

Several large companies in the San Francisco Bay Area have announced headquarters relocations in recent years, including Tesla. On December 1, 2021, Tesla relocated its corporate headquarters from Palo Alto, Santa Clara County, California to Austin, Texas. The District cannot predict the impact of Tesla’s corporate headquarters relocation on the assessed valuation of its other property located within the Three BART Counties. See “SECURITY AND SOURCE OF PAYMENT FOR THE 2022 BONDS – Largest Taxpayers in the Three BART Counties.”

Cyber Security Risk

The District, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District is potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the District’s systems for the purposes of misappropriating assets or information or causing operational disruption or damage. The District has never had a major cyber breach that resulted in a financial loss.

No assurance can be given that the District’s efforts to manage cyber threats and attacks will, in all cases, be successful or that any such attack will not materially impact the operations or finances of the District. The District is also reliant on other entities and service providers, such as the Trustee in its role as trustee, and U.S. Bank Trust Company, National Association in its role as dissemination agent in connection with the District’s compliance with its continuing disclosure undertakings. No assurance can be given that the District may not be affected by cyber threats and attacks against other entities or service providers in a manner which may affect the owners of the 2022 Bonds, including for example, systems related to the timeliness of payments to owners of the 2022 Bonds or compliance with disclosure filings pursuant to the Continuing Disclosure Agreement. See Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – DISTRICT FINANCIAL INFORMATION – Risk Management and Insurance.”

Threats and Acts of Terrorism

BART and the BART police department collaborate with federal, State and local law enforcement authorities to implement security measures to reduce the probability that the BART System could be attacked by terrorists or violent extremists. However, such measures are not guaranteed to prevent an attack on the BART System. As such, BART and the BART police department actively plan and prepare to respond to and recover from all hazard events including acts of terrorism and violent extremism. The District cannot predict the likelihood of a terrorist attack on any portion of the BART System. Components of the BART System are not insured against terrorist attacks. See Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – BART FINANCINGS AND CAPITAL PROGRAMS – Security Enhancement Program.”

Potential Labor Disruptions

BART employees are represented by employee bargaining units that under State law are permitted to strike during negotiations for a contract. During strikes, the District does not operate service, which results in a loss of operating revenues. In 2013, the District suffered strikes during contract negotiations. Based on its current labor agreements, the District expects to enjoy stability in its labor relations through at least June 30, 2024. See Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – DISTRICT FINANCIAL INFORMATION – Labor Relations and Employee Retirement Benefits.” The District cannot predict the potential impact of future labor disruptions on the financial condition of the District.

CITIZENS’ OVERSIGHT COMMITTEES

Measure RR, approved by voters on November 8, 2016, requires that an independent Citizens’ Oversight Committee (the “Measure RR Oversight Committee”) be created by the District to review and report to the public expenditures of the bond proceeds. The current members and alternates of the Measure RR Oversight Committee were selected by the Board of Directors of the District on August 26, 2021 and are appointed to serve until June 30, 2023. Measure RR requires that members of the Measure RR Oversight Committee have expertise in certain specific subjects and reside within the District. Since its formation, the Measure RR Oversight Committee has held multiple meetings and the chair of the Measure RR Oversight Committee has presented reports to the District’s Board, in which the Measure RR Oversight Committee stated its consensus opinion that bond proceeds are being spent properly and in accordance with Measure RR. On July 22, 2021, the vice chair of the Measure RR Oversight Committee presented its annual report for Fiscal Year 2020-21 to the Board of Directors, which indicated that the District’s Measure RR program is approximately 25% complete, which exceeds projections made by BART when Measure RR was put before the voters in 2016. The 2022D Bonds will be subject to review by the Measure RR Oversight Committee.

Measure AA required that a BART Earthquake Safety Program Citizens’ Oversight Committee (the “Measure AA Oversight Committee”) be created by the District to confirm that proceeds of General Obligation Bonds are spent on seismic upgrades to BART structures as required by Measure AA and to review scheduling and budgeting of the projects to be funded. Measure AA requires that members of the Measure AA Oversight Committee have expertise in certain specific subjects and reside within the District. Since its formation, the Measure AA Oversight Committee has held at least one meeting annually and the chair of the Measure AA Oversight Committee has presented reports to the District’s Board, in which the Committee stated its consensus opinion that bond proceeds are being spent properly and in accordance with Measure AA. The 2022H Bonds are refunding bonds and, as such, are not subject to review by the Measure AA Oversight Committee.

The Measure RR Oversight Committee and the Measure AA Oversight Committee are responsible for confirming that work is completed and bond funds are expended in accordance with the applicable bond measure.

LEGAL MATTERS

The validity of the 2022 Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District. A complete copy of the proposed form of the opinion to be delivered by Bond Counsel is attached hereto as Appendix G. Compensation of Bond Counsel and counsel to the Underwriters is contingent upon the issuance of the 2022 Bonds. Approval of certain other legal matters will be passed upon for the District by its General Counsel and by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the District, and for the Underwriters by Curls Bartling P.C. Neither Orrick, Herrington & Sutcliffe LLP nor Curls Bartling P.C. take any responsibility for the accuracy, completeness or fairness of this Official Statement.

TAX MATTERS

The 2022D-1 Bonds

U.S. Holders

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the 2022D-1 Bonds that acquire their 2022D-1 Bonds in the initial offering and that are U.S. Holders (as defined in the discussion below relating to the Taxable Bonds).

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2022D-1 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the 2022D-1 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix G hereto.

To the extent the issue price of any maturity of the 2022D-1 Bonds is less than the amount to be paid at maturity of such 2022D-1 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2022D-1 Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the 2022D-1 Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the 2022D-1 Bonds is the first price at which a substantial amount of such maturity of the 2022D-1 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the 2022D-1 Bonds accrues daily over the term to maturity of such 2022D-1 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such 2022D-1 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2022D-1 Bonds. Beneficial Owners of the 2022D-1 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2022D-1 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such 2022D-1 Bonds in the original offering to the public at the first price at which a substantial amount of such 2022D-1 Bonds is sold to the public.

The 2022D-1 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2022D-1 Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 2022D-1 Bonds will not be included in federal gross income. The inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2022D-1 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2022D-1 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the 2022D-1 Bonds may adversely affect the value of, or the tax status of interest on, the 2022D-1 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the 2022D-1 Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the 2022D-1 Bonds may otherwise affect a Beneficial Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2022D-1 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2022D-1 Bonds. Prospective purchasers of the 2022D-1 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the 2022D-1 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel’s engagement with respect to the 2022D-1 Bonds ends with the issuance of the 2022D-1 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the 2022D-1 Bonds in the event of an audit

examination by the IRS. Under current procedures, parties other than the District and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the 2022D-1 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2022D-1 Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

Non-U.S. Holders

Interest. Subject to the discussion below under the heading “Information Reporting and Backup Withholding” payments of principal of, and interest on, any 2022D-1 Bond to a Non-U.S. Holder, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the 2022D-1 Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading “Information Reporting and Backup Withholding,” or an exemption is otherwise established.

Disposition of the 2022D-1 Bonds. Subject to the discussion below under the heading “Information Reporting and Backup Withholding,” any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the Issuer) or other disposition of a 2022D-1 Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the Issuer) or other disposition and certain other conditions are met.

Information Reporting and Backup Withholding. Under current U.S. Treasury Regulations, payments of principal and interest on any 2022D-1 Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the 2022D-1 Bond or a financial institution holding the 2022D-1 Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. The current backup withholding tax rate is 24%.

The Taxable Bonds

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Taxable Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Taxable Bonds. The proposed form of opinion of Bond Counsel is contained in Appendix G hereto.

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to holders of the Taxable Bonds that acquire their Taxable Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should

note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the “IRS”) with respect to any of the U.S. federal tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Taxable Bonds as part of a hedge, straddle or an integrated or conversion transaction, investors whose “functional currency” is not the U.S. dollar, or certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Taxable Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Taxable Bonds pursuant to this offering for the issue price that is applicable to such Taxable Bonds (i.e., the price at which a substantial amount of the Taxable Bonds are sold to the public) and who will hold their Taxable Bonds as “capital assets” within the meaning of Section 1221 of the Code.

As used herein, “U.S. Holder” means a beneficial owner of a Taxable Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, “Non-U.S. Holder” generally means a beneficial owner of a Taxable Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Taxable Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Taxable Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Taxable Bonds (including their status as U.S. Holders or Non-U.S. Holders).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Taxable Bonds in light of their particular circumstances.

U.S. Holders

Interest. Interest on the Taxable Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the Taxable Bonds is less than the amount to be paid at maturity of such Taxable Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Taxable Bonds) by more than a de minimis amount, the difference may constitute original issue discount (“OID”). U.S. Holders of Taxable Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Taxable Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Taxable Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Taxable Bond.

Sale or Other Taxable Disposition of the Taxable Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the District) or other disposition of a Taxable Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Taxable Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Taxable Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Taxable Bond (generally, the purchase price paid by the U.S. Holder for the Taxable Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Taxable Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Taxable Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Taxable Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the Taxable Bonds. If the District defeases any Taxable Bond, the Taxable Bond may be deemed to be retired for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted U.S. federal income tax basis in the Taxable Bond.

Information Reporting and Backup Withholding. Payments on the Taxable Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Taxable Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the Taxable Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Taxable Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders

Interest. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act ("FATCA")—U.S. Holders and Non-U.S. Holders," payments of principal of, and interest on, any Taxable Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation described in Section 881(c)(3)(C) of the Code, and (2) a bank which acquires such Taxable Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax

provided that the beneficial owner of the Taxable Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading “Information Reporting and Backup Withholding,” or an exemption is otherwise established.

Disposition of the Taxable Bonds. Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “Foreign Account Tax Compliance Act (“FATCA”)—U.S. Holders and Non-U.S. Holders,” any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the District or a deemed retirement due to defeasance of the Taxable Bond) or other disposition of a Taxable Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the District) or other disposition and certain other conditions are met.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading “Foreign Account Tax Compliance Act (“FATCA”)—U.S. Holders and Non-U.S. Holders,” under current U.S. Treasury Regulations, payments of principal and interest on any Taxable Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the Taxable Bond or a financial institution holding the Taxable Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. The current backup withholding tax rate is 24%.

Foreign Account Tax Compliance Act (“FATCA”)—U.S. Holders and Non-U.S. Holders

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain “passthru” payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term “foreign passthru payments.” Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Taxable Bonds in light of the holder’s particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Taxable Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

LITIGATION

At the time of delivery of and payment for the 2022 Bonds, the District will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending with respect to which the District has been served with process or, to the knowledge of the District, threatened against the District in any way affecting the existence of the District or the titles of its officers to their respective offices or seeking to restrain or to enjoin the issuance, sale or delivery of the 2022 Bonds, the application of the proceeds thereof in accordance with the Trust Agreements, or the levy, collection or application of the *ad valorem* taxes, or in any way contesting or affecting the validity or enforceability of the 2022 Bonds or the Trust Agreements or in any way contesting the completeness or accuracy of this Official Statement with respect to the 2022 Bonds.

The District is currently involved in various lawsuits, claims and disputes. Many of those lawsuits arise as a result of personal injuries and property damage which are anticipated in connection with operations such as the District's. The District is currently named in [eight] active lawsuits filed by current and former employees alleging employment related claims including claims of racial and disability discrimination, a number of civil rights lawsuits arising from its ongoing police activities, litigation arising from license agreements and permits, litigation related to access, and construction-related claims.

The District in 2019 received a defense verdict in litigation brought by a company retained to act as a master station retail vendor which the District had terminated. The company sought \$30 million in damages, and has appealed seeking to reverse the verdict.

The District is also monitoring objections made by the United States Department of Labor (the "DOL") to the certification of federal transit grants as well as the status of litigation filed in response to prior certifications in light of the California Public Employees' Pension Reform Act. A dispositive ruling in favor of the DOL that prevents the certification of federal transit grants or interferes with prior certifications would have a material adverse effect on the District's finances. See Appendix A – "SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – BART FINANCINGS AND CAPITAL PROGRAMS – Funding Developments – *Pension Reform Act and Grant Funding.*"

RATINGS

Moody's Investors Service ("Moody's") has assigned a rating of "Aaa" to the 2022 Bonds. Fitch Ratings ("Fitch") has assigned a rating of "___" to the 2022 Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from such rating agencies furnishing the same at the following addresses: Moody's Ratings, Moody's Investors Service, 250 Greenwich Street, New York, New York 10007 and [Fitch Ratings, 33 Whitehall Street, New York, New York 10004]. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any credit ratings given to the 2022 Bonds will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by such rating agencies, if, in their judgment, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the 2022 Bonds.

MUNICIPAL ADVISOR

Sperry Capital Inc., Sausalito, California, serves as Municipal Advisor to the District with respect to the sale of the 2022 Bonds. The Municipal Advisor has not conducted a detailed investigation of the

affairs of the District to determine the completeness or accuracy of this Official Statement, has not independently verified any of the data contained herein and has no responsibility for the accuracy or completeness thereof.

The compensation of the Municipal Advisor is contingent upon the issuance of the 2022 Bonds.

CONTINUING DISCLOSURE

To enable the Underwriters to comply with the requirements of Rule 15c2-12 promulgated by the Securities Exchange Commission (the “Rule”), the District will enter into a Continuing Disclosure Agreement with U.S. Bank Trust Company, National Association, as dissemination agent, for the benefit of the Beneficial Owners (as such term is defined in such Continuing Disclosure Agreement) from time to time of the 2022 Bonds. A copy of the proposed form of Continuing Disclosure Agreement is set forth in Appendix F hereto. During the five-year period preceding the date of this Official Statement, the District was current in the filing of its required annual report filings under the Rule; however, the District has determined that its Fiscal Year 2019-20 annual report filing was not linked to all of the specific CUSIP numbers to which it related. The District subsequently filed its Fiscal Year 2019-20 annual report filing on the Municipal Securities Rulemaking Board Electronic Municipal Market Access System and linked the previously omitted CUSIPs. The District has engaged BLX Group to assist with its continuing disclosure obligations and U.S. Bank Trust Company, National Association to serve as Dissemination Agent.

UNDERWRITING

The 2022 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated, as representative of itself and the Underwriters identified on the cover page of this Official Statement (the “Underwriters”) pursuant to a bond purchase agreement between the District and the Underwriters (the “Bond Purchase Agreement”). The Bond Purchase Agreement provides that the Underwriters will purchase all of the 2022 Bonds, if any are purchased, at a purchase price equal to \$_____ (representing the principal amount of the 2022 Bonds, plus a [net] original issue premium of \$_____ and less an underwriters’ discount of \$_____).

The Underwriters are initially offering the 2022 Bonds to the public at the public offering yields indicated on the inside cover page hereof but the Underwriters may offer and sell the 2022 Bonds to certain securities dealers, institutional investors and others (including sales for deposit into investment trusts, certain of which may be sponsored or managed by one or more of the Underwriters) at yields higher than the public offering yields stated on the cover page and the public offering yields may be changed from time to time by the Underwriters.

Citigroup Global Markets Inc., an underwriter of the 2022 Bonds, 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.

J.P. Morgan Securities LLC (“JPMS”), one of the Underwriters of the 2022 Bonds, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase 2022 Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any 2022 Bonds that such firm sells.

Stifel, Nicolaus & Company, Incorporated (“Stifel”), as underwriter of the 2022 Bonds, has entered into an agreement with its affiliate, Vining-Sparks IBG, LLC (“Vining-Sparks”) for the distribution of certain municipal securities offerings at the original issue price. Pursuant to that distribution agreement, Vining-Sparks may purchase 2022 Bonds from Stifel at the original issue price less a negotiated portion of the selling concession applicable to any 2022 Bonds that Vining-Sparks sells.

VERIFICATION OF MATHEMATICAL ACCURACY

Upon delivery of the 2022H Bonds, the arithmetical accuracy of certain computations included in the schedules provided by the Underwriters on behalf of the District relating to the: (i) adequacy of forecasted receipts of principal and interest on the escrow securities and cash held in the escrow fund to pay the interest on and redemption price of the Prior Bonds; (ii) the scheduled payments of principal and interest with respect to the Prior Bonds on and prior to the redemption date; (iii) yields on the securities to be deposited pursuant to the escrow fund relating to the Prior Bonds upon delivery of the 2022H Bonds, and (iv) level of debt service savings from the refunding, will be verified by Causey Demgen & Moore P.C. (the “Verification Agent”). Such verification shall be based solely upon information and assumptions supplied to the Verification Agent by the Underwriters or the Municipal Advisor. The Verification Agent has not made a study or evaluation of the information and assumptions on which such computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions or the achievability of the forecasted outcome.

FINANCIAL STATEMENTS

The most recent audited financial statements of the District included in Appendix B to this Official Statement have been audited by Crowe LLP (the “Auditor”), whose report thereon appears in such Appendix. The Auditor was not requested to consent to the inclusion of its report in Appendix B, nor has the Auditor 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.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the District and the purchasers, holders or beneficial owners of any of the 2022 Bonds. All of the preceding summaries of the 2022 Bonds, the Trust Agreements, applicable legislation and other agreements and documents are made subject to the provisions of the 2022 Bonds and such documents, respectively, and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the District for further information in connection therewith.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by the Interim Controller/Treasurer of the District has been duly authorized by the District. Concurrently with the delivery of the 2022 Bonds, the District will furnish to the Underwriters a certificate of the District to the effect that this Official Statement, as of the date of this Official Statement and as of the date of delivery of the 2022 Bonds, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading.

SAN FRANCISCO BAY AREA RAPID TRANSIT
DISTRICT

By: _____
Interim Controller/Treasurer

APPENDIX A

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION

APPENDIX B

**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

APPENDIX C

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT STATEMENT OF INVESTMENT POLICY

APPENDIX D

THE ECONOMY OF THE THREE BART COUNTIES

The ongoing COVID-19 pandemic has had and is expected to continue to have a material adverse effect on the various statistics presented in this Appendix D, the extent of which is currently unknown and unpredictable. The historical data presented in this Appendix D should not be interpreted as a reflection of current or future economic conditions in the Three BART Counties or in the San Francisco Bay Area.

General

The San Francisco Bay Area (the “Bay Area”) encompasses the nine counties which border San Francisco Bay. The Three BART Counties (the City and County of San Francisco, Alameda County and Contra Costa County) comprise a 1,512-square-mile central core of the nearly 7,000 square miles of land in the Bay Area. The City and County of San Francisco occupies approximately 49 square miles, while Alameda County and Contra Costa County are approximately 733 and 734 square miles in size, respectively. The San Francisco Bay Area Rapid Transit District (the “District” or “BART”) service area also includes northern San Mateo County, adjacent to the southern border of San Francisco, and northern Santa Clara County, adjacent to the southern borders of San Mateo County and Alameda County. The surrounding six non-member counties, Marin, Sonoma, Napa and Solano to the north and San Mateo and Santa Clara to the south, provide reciprocal economic support, potential users and expansion area for the District’s centrally located system. All capitalized terms used and not otherwise defined in this Appendix D shall have the meanings set forth in the front portion of this Official Statement.

The City and County of San Francisco occupies the tip of a peninsula situated between the Pacific Ocean and San Francisco Bay (the “Bay”) and is separated from Marin County and other northerly counties by the Golden Gate, which forms the entrance to the Bay and is spanned by the Golden Gate Bridge. Alameda and Contra Costa Counties, bordering the east side of the Bay across from San Francisco, stretch eastward up to 40 miles beyond the series of hills between the Bay and the Central Valley (the Sacramento and San Joaquin Valleys) of California. Contra Costa County is bordered on the northwest by San Pablo Bay and the north by the Carquinez Strait and the extensive delta area of the Sacramento and San Joaquin Rivers, which empty into the Bay. Alameda County adjoins Santa Clara County at the southern end of the Bay. Linking the Bay Area are eight major toll bridges.

Sales taxes levied in the Three BART Counties are a principal source of the District’s non-operating revenues. Sales tax revenues depend on economic activity and trends as well as the demographic characteristics of the Three BART Counties. Historical trends are summarized below and forecasts are presented for the population and employment of the Three BART Counties; **however, such historical trends and forecasts may not reflect the full impact of the ongoing COVID-19 pandemic.**

Historical Population and Employment Trends

Table 1 shows historical population for cities within the Three BART Counties for the selected years between 2000 and 2021. Population in the Three BART Counties increased approximately 16.3% between 2000 and 2021 and decreased approximately 0.5% between 2020 and 2021.

Table 1
HISTORICAL POPULATION
Alameda and Contra Costa Counties and City and County of San Francisco
2000, 2010 and 2018 through 2021

	2000 ⁽¹⁾	2010 ⁽¹⁾	2018 ⁽²⁾	2019 ⁽²⁾	2020 ⁽²⁾	2021 ⁽²⁾	% Change 2020-2021
Alameda County							
Alameda	72,259	73,812	81,195	81,457	81,135	80,884	(0.3)%
Albany	16,444	18,539	18,818	18,932	18,871	17,055	(9.6)
Berkeley	102,743	112,580	121,763	122,297	122,364	116,761	(4.6)
Dublin	30,023	46,036	61,488	63,890	65,161	64,695	(0.7)
Emeryville	6,882	10,080	12,142	12,177	12,448	12,586	1.1
Fremont	203,413	214,089	232,107	232,601	233,132	234,239	0.5
Hayward	140,030	144,186	158,896	159,272	159,266	158,089	(0.7)
Livermore	73,464	80,968	90,392	90,769	91,082	91,216	0.1
Newark	42,471	42,573	46,765	48,079	48,603	48,859	0.5
Oakland	399,566	390,724	428,750	429,932	432,327	435,514	0.7
Piedmont	10,952	10,667	11,311	11,325	11,297	11,296	0.0
Pleasanton	63,654	70,285	78,244	78,840	78,654	78,371	(0.4)
San Leandro	79,452	84,950	88,389	88,328	87,840	87,289	(0.6)
Union City	66,869	69,516	72,889	73,375	73,248	72,779	(0.6)
Other Areas	135,717	141,266	148,611	148,334	147,686	146,958	(0.5)
	1,443,939	1,510,271	1,651,760	1,659,608	1,663,114	1,656,591	(0.4)%
Contra Costa County							
Antioch	90,532	102,372	111,986	112,180	112,236	112,848	0.5%
Brentwood	23,302	51,481	63,191	64,491	65,263	66,097	1.3
Clayton	10,762	10,897	11,347	11,325	11,290	11,268	(0.2)
Concord	121,872	122,067	129,759	129,880	129,453	129,273	(0.1)
Danville	41,715	42,039	43,972	43,965	43,840	43,906	0.2
El Cerrito	23,171	23,549	24,645	24,788	24,835	24,846	0.0
Hercules	19,488	24,060	25,392	25,513	25,494	25,864	1.5
Lafayette	23,908	23,893	25,335	25,428	25,321	25,358	0.1
Martinez	35,866	35,824	37,429	37,369	36,946	36,827	(0.3)
Moraga	16,290	16,016	16,769	16,773	16,756	16,820	0.4
Oakley	25,619	35,432	41,124	41,775	42,268	42,895	1.5
Orinda	17,599	17,643	18,887	18,955	18,984	19,078	0.5
Pinole	19,039	18,390	19,476	19,470	19,390	19,369	(0.1)
Pittsburg	56,769	63,264	73,138	73,640	74,501	74,498	0.0
Pleasant Hill	32,837	33,152	34,279	34,231	34,127	34,133	0.0
Richmond	99,216	103,701	109,936	109,991	110,288	110,130	(0.1)
San Pablo	30,256	29,139	31,038	31,141	31,078	31,041	(0.1)
San Ramon	44,722	72,148	81,708	82,147	83,376	83,863	0.6
Walnut Creek	64,296	64,173	70,254	70,755	70,592	71,317	1.0
Other Areas	151,557	159,785	173,523	173,806	173,815	174,423	0.3
	948,816	1,049,025	1,143,188	1,147,623	1,149,853	1,153,854	0.3%
City and County of San Francisco	776,733	805,235	885,716	886,885	889,783	875,010	(1.7)%
Three BART Counties	3,169,488	3,364,531	3,680,664	3,694,116	3,702,750	3,685,455	(0.5)%

⁽¹⁾ As of April 1 of that year.

⁽²⁾ As of January 1 of that year.

Source: For 2000 and 2010: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2001-2010, with 2000 & 2010 Census Counts. Sacramento, California, November 2012; For 2018 and 2019: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2021, with 2010 Census Benchmark. Sacramento, California, May 2021; For 2020 and 2021: State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change — January 1, 2020 and 2021. Sacramento, California, May 2021.

Table 2-A shows historical nonagricultural employment for the Three BART Counties by industry sector in calendar year 2020 and Table 2-B shows total nonagricultural employment for those counties by industry sector in calendar years 2010, 2019, and 2020.

Table 2-A
NONAGRICULTURAL EMPLOYMENT BY INDUSTRY SECTOR
Alameda and Contra Costa Counties and City and County of San Francisco
Calendar Year 2020
(Not Seasonally Adjusted)

	Alameda County		Contra Costa County		City and County of San Francisco	
	Number	Percent⁽²⁾	Number	Percent⁽²⁾	Number	Percent⁽²⁾
Total Nonagricultural Employment ⁽¹⁾	749,100	—	343,100	—	692,700	—
<i>Major Classifications</i>						
Manufacturing	83,000	11.1%	15,200	4.4%	12,300	1.8%
Transportation, Warehousing and Public Utilities	33,400	4.5	11,700	3.4	21,500	3.1
Wholesale Trade	33,500	4.5	8,500	2.5	11,900	1.7
Retail Trade	62,000	8.3	38,500	11.2	39,500	5.7
Finance and Insurance	17,400	2.3	18,600	5.4	45,400	6.6
Real Estate, Rental and Leasing	10,000	1.3	6,800	2.0	15,000	2.2
Information	19,900	2.7	5,900	1.7	55,600	8.0
Professional & Business Services	128,800	17.2	55,800	16.3	198,300	28.6
Educational & Health Services	120,900	16.1	68,900	20.1	91,600	13.2
Leisure & Hospitality	52,900	7.1	31,200	9.1	59,600	8.6
Other Services	22,400	3.0	10,500	3.1	21,900	3.2
Government	118,400	15.8	47,500	13.8	96,900	14.0

⁽¹⁾ Totals may reflect rounding.

⁽²⁾ Represents percentage of total nonagricultural employment; reflects rounding.

Source: California Employment Development Department, Labor Market Information Division with March 2020 Benchmark.

Table 2-B
NONAGRICULTURAL EMPLOYMENT BY INDUSTRY SECTOR
Total Three BART Counties
Calendar Years 2010, 2019, and 2020
(Not Seasonally Adjusted)

	2010		2019		2020	
	Number	Percent⁽²⁾	Number	Percent⁽²⁾	Number	Percent⁽²⁾
Total Nonagricultural Employment ⁽¹⁾	1,513,600	-	1,951,500	-	1,784,900	-
<i>Major Classifications</i>						
Manufacturing	87,400	5.8%	114,800	5.9%	110,500	6.2%
Transportation, Warehousing and Public Utilities	41,700	2.8	67,900	3.5	66,600	3.7
Wholesale Trade	52,300	3.5	59,900	3.1	53,900	3.0
Retail Trade	141,500	9.3	157,400	8.1	140,000	7.8
Finance and Insurance	70,500	4.7	82,900	4.2	81,400	4.6
Real Estate, Rental, and Leasing	26,600	1.8	34,500	1.8	31,800	1.8
Information	43,400	2.9	80,100	4.1	81,400	4.6
Professional & Business Services	274,000	18.1	396,300	20.3	382,900	21.5
Educational & Health Services	239,100	15.8	292,500	15.0	281,400	15.8
Leisure & Hospitality	162,600	10.7	222,800	11.4	143,700	8.1
Other Services	56,600	3.7	69,200	3.5	54,800	3.1
Government	255,300	16.9	273,600	14.0	262,800	14.7

⁽¹⁾ Totals may reflect rounding.

⁽²⁾ Represents percentage of total nonagricultural employment; reflects rounding.

Source: California Employment Development Department, Labor Market Information Division with March 2020 Benchmark.

Total nonagricultural employment in the Three BART Counties increased approximately 17.9% between 2010 and 2020.

As shown in Table 2-A and Table 2-B, the economy of the Three BART Counties is well diversified, with emphasis on professional and business services, educational and health services, and government.

Alameda County. Alameda County accounts for approximately 44.9% of the population and approximately 42.0% of the nonagricultural employment of the Three BART Counties. Alameda County's population increased approximately 14.7% between 2000 and 2021. Alameda County has a diverse economic base. A large number of new jobs have been created by firms classified in the services industry, many of which are highly skilled professional, technical, and managerial positions. The two largest employment sectors in 2020 were professional and business services and educational and health services, which accounted for approximately 33.3% of total nonagricultural employment. The transportation, warehousing and public utilities sector, accompanied by both retail trade and wholesale trade categories, averaged 128,900 jobs in 2020, comprising approximately 17.2% of total nonagricultural employment.

Contra Costa County. Contra Costa County, predominantly a low-density residential area, accounts for approximately 31.3% of the population and approximately 19.2% of total nonagricultural employment of the Three BART Counties. Contra Costa County's population increased approximately 21.6% between 2000 and 2021.

Contra Costa County's growing employment base has been driven primarily by the need to provide services to an increasing local population. Contra Costa County has also experienced an influx of white-collar jobs due to the relocation of companies from more expensive locations in the Bay Area. The professional and business services, educational and health services, retail trade and government employment sectors accounted for approximately 61.4% of the nonagricultural employment base in Contra Costa County in 2020.

City and County of San Francisco. The City and County of San Francisco (the "City") is a major employment center of the Three BART Counties, accounting for approximately 38.8% of the nonagricultural employment and approximately 23.7% of the population of the Three BART Counties. The City's population is relatively dense and increased slowly in recent years prior to the COVID-19 pandemic, with an overall increase of approximately 12.7% between 2000 and 2021. The City's population decreased approximately 1.7% between 2020 and 2021.

The City has the benefit of a highly skilled, professional labor force. Key industries include tourism, real estate, banking and finance, technology, retailing, apparel design, manufacturing, multimedia and bioscience. The two largest employment sectors in 2020 were professional and business services and government, which accounted for approximately 42.6% of total nonagricultural employment. The transportation, warehousing and public utilities sector, accompanied by both the retail trade and wholesale trade sectors, accounted for approximately 72,900 jobs in 2020, comprising approximately 10.5% of total nonagricultural employment. The professional and business services sector accounted for approximately 198,300 jobs in 2020, comprising approximately 28.6% of total nonagricultural employment.

Table 3 shows the average annual unemployment rates for the Three BART Counties and the State of California and the United States for the calendar years 2012 through 2021, and the preliminary unemployment rates for the Three BART Counties and the State of California and the United States for February 2022.

Table 3
AVERAGE ANNUAL UNEMPLOYMENT RATES

**Alameda County, Contra Costa County, City and County of San Francisco,
State of California and the United States
Calendar Years 2012 Through 2022**

Calendar Year	Alameda County	Contra Costa County	City and County of San Francisco	State of California	United States
2012	8.8%	9.1%	6.9%	10.5%	8.1%
2013	7.3	7.6	5.5	9.0	7.4
2014	5.9	6.2	4.4	7.6	6.2
2015	4.8	5.1	3.7	6.3	5.3
2016	4.3	4.5	3.3	5.5	4.9
2017	3.7	3.9	2.9	4.8	4.4
2018	3.1	3.2	2.4	4.3	3.9
2019	3.0	3.1	2.2	4.2	3.7
2020	8.8	8.9	7.8	10.1	8.1
2021	6.1	6.4	5.0	7.3	5.3
2022 ⁽¹⁾	3.8	4.1	3.0	4.8	3.8

⁽¹⁾ Preliminary data for February 2022; not seasonally adjusted.

Sources: For Alameda County, Contra Costa County, the City and County of San Francisco, and the State of California, 2012 through 2020: California Employment Development Department, Local Area Unemployment Statistics (LAUS) for California Areas: Annual Average, Updated June 29, 2021; For Alameda County, Contra Costa County, the City and County of San Francisco, and the State of California, 2021: California Employment Development Department, Monthly Labor Force Data for Counties Annual Average 2021 – Revised, Updated March 25, 2022; For the United States: U.S. Department of Labor, Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey.

Table 4 identifies the major employers of the San Francisco Bay Area.

Table 4
MAJOR PRIVATE SECTOR EMPLOYERS
San Francisco Bay Area⁽¹⁾
As of June 2021

Employer	Number of Bay Area Employees
Kaiser Permanente	46,352
Sutter Health	18,710
Meta ⁽²⁾	15,407
Safeway	14,474
Tesla Inc.	13,000
Wells Fargo & Co.	12,035
Genentech	12,000
Salesforce	9,450
Allied Universal	9,309
PG&E	9,300
Oracle Corp.	9,149
United Airlines	7,894
John Muir Health	6,300
Uber	5,500
Workday	5,098
Chevron Corp.	4,700
Visa Inc.	4,263
Gilead Sciences Inc.	4,190
Bank of America, National Association	3,847
Lam Research Corp.	3,300
First Republic Bank	3,289
The Save Mart Cos.	3,200
Southwest Airlines	2,853
Bank of the West	2,648
JPMorgan Chase & Co.	2,562

⁽¹⁾ Data includes Alameda County, Contra Costa County, Marin County, San Mateo County, and the City and County of San Francisco.

⁽²⁾ In October 2021, Facebook changed its name to Meta.

Source: San Francisco Business Times.

Personal Income

The United States Department of Commerce, Bureau of Economic Analysis (the “BEA”) produces economic accounts statistics that enable government and business decision-makers, researchers, and the public to follow and understand the performance of the national economy.

The BEA defines “personal income” as income received by persons from all sources, including income received from participation in production as well as from government and business transfer payments. Personal income represents the sum of compensation of employees (received), supplements to wages and salaries, proprietors’ income with inventory valuation adjustment and capital consumption adjustment (CCAdj), rental income of persons with CCAdj, personal income receipts on assets, and personal current transfer receipts, less contributions for government social insurance. Per capita personal income is calculated as the personal income divided by the resident population based upon the Census Bureau’s annual midyear population estimates.

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Table 5 below presents the latest available total income and per capita personal income for the Three BART Counties, the State and the nation for the calendar years 2015 through 2020 (the most recent annual data available). The Three BART Counties have traditionally had per capita income levels significantly higher than those of the State and the nation.

Table 5
PERSONAL INCOME
Alameda County, Contra Costa County, City and County of San Francisco,
State of California and United States
Calendar Years 2015 through 2020

Year and Area	Personal Income (millions of dollars) ⁽¹⁾	Per Capita Personal Income (dollars)
2015		
Alameda County	\$102,413	\$62,664
Contra Costa County	76,805	68,323
San Francisco County	91,385	105,863
State of California	2,125,431	54,632
United States	15,681,233	48,891
2016		
Alameda County	109,572	66,377
Contra Costa County	81,452	71,621
San Francisco County	98,483	113,024
State of California	2,218,458	56,667
United States	16,092,713	49,812
2017		
Alameda County	116,802	70,370
Contra Costa County	86,986	75,929
San Francisco County	104,938	119,591
State of California	2,318,644	58,942
United States	16,845,028	51,811
2018		
Alameda County	125,584	75,354
Contra Costa County	91,654	79,641
San Francisco County	113,725	129,280
State of California	2,431,822	61,663
United States	17,681,159	54,098
2019		
Alameda County	131,535	78,839
Contra Costa County	97,550	84,614
San Francisco County	117,636	133,856
State of California	2,544,235	64,513
United States	18,402,004	56,047
2020		
Alameda County	144,751	87,078
Contra Costa County	106,319	92,264
San Francisco County	125,500	144,818
State of California	2,763,312	70,192
United States	19,607,447	59,510

⁽¹⁾ Numbers reflect rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 6 shows the total dollar volume of sales and other taxable transactions (which correlate with sales tax receipts) in the Three BART Counties for fiscal years 2011 through 2020 (the most recent data available).

Table 6
HISTORICAL TAXABLE TRANSACTIONS
Alameda and Contra Costa Counties and City and County of San Francisco
Fiscal Years 2011 Through 2020
(\$ in thousands)

Fiscal Year	Alameda County⁽¹⁾	Contra Costa County⁽¹⁾	San Francisco County⁽¹⁾	Total Three BART Counties⁽¹⁾	Percentage Change
2011	\$23,430,799	\$12,799,857	\$14,890,527	\$51,121,183	8.9%
2012	25,181,571	13,997,249	15,953,605	55,132,425	7.8
2013	26,624,571	14,471,988	17,094,163	58,190,722	5.5
2014	28,377,714	15,030,047	18,469,729	61,877,490	6.3
2015	29,972,313	15,786,868	18,912,493	64,671,674	4.5
2016	31,163,320	16,104,285	19,437,168	66,704,773	3.1
2017	32,702,083	16,757,632	19,473,871	68,933,586	3.3
2018	35,073,302	17,607,890	20,342,721	73,023,913	5.9
2019	35,116,164	18,080,746	20,957,132	74,154,042	1.5
2020	32,176,002	18,043,575	14,389,723	64,609,300	(12.9)

⁽¹⁾ Numbers reflect rounding.

Source: California Department of Tax and Fee Administration, Taxable Sales by County.

Table 7 shows taxable transactions by type of business for the Three BART Counties for the fiscal year ended June 30, 2020 (the most recent annual data available).

Table 7
TAXABLE TRANSACTIONS BY TYPE OF BUSINESS
Alameda and Contra Costa Counties and the City and County of San Francisco
For Fiscal Year 2020
(\$ in thousands)

Type of Business	Alameda County	Contra Costa County	City and County of San Francisco
<i>Retail and Food Services</i>			
Motor Vehicle and Parts Dealers	\$4,301,875	\$2,371,368	\$593,476
Home Furnishings and Appliance Stores	1,221,330	638,465	768,022
Building Material and Garden Equipment and Supplies Dealers	2,013,946	1,393,714	642,104
Food and Beverage Stores	1,323,098	1,008,278	746,455
Gasoline Stations	1,327,851	1,059,711	304,977
Clothing and Clothing Accessories Stores	1,262,678	776,036	1,163,031
General Merchandise Stores	1,981,213	1,634,668	560,059
Food Services and Drinking Places	2,418,690	1,480,020	2,081,728
Other Retail Group	4,080,577	2,781,984	2,690,590
<i>Total Retail and Food Services⁽¹⁾</i>	\$19,931,259	\$13,144,244	\$9,550,442
<i>All Other Outlets⁽¹⁾</i>	\$12,244,743	\$4,899,331	\$4,839,281
<i>Total All Outlets⁽¹⁾</i>	\$32,176,002	\$18,043,575	\$14,389,723

⁽¹⁾ Totals may reflect rounding.

Source: California Department of Tax and Fee Administration.

Table 8 shows a comparison of taxable transactions among several large northern and southern California counties (including the Three BART Counties) and state-wide over the fiscal years 2015 through 2020 (the most recent annual data available).

Table 8
COMPARISON OF TAXABLE TRANSACTIONS TRENDS
FOR MAJOR CALIFORNIA COUNTIES
Fiscal Years 2015 Through 2020
(\$ in thousands)

	2015	2016	2017	2018	2019	2020	% Change (2015-2020)
Three BART Counties							
Alameda	\$29,972,313	\$31,163,320	\$32,702,083	\$35,073,302	\$35,116,164	\$32,176,002	7.4%
Contra Costa	15,786,868	16,104,285	16,757,632	17,607,890	18,080,746	18,043,575	14.3%
San Francisco	18,912,493	19,437,168	19,473,871	20,342,721	20,957,132	14,389,723	(23.9)%
Total Three BART Counties	\$64,671,674	\$66,704,773	\$68,933,586	\$73,023,913	\$74,154,042	\$64,609,300	(0.1)%
Other Northern Counties							
Sacramento	\$22,218,348	\$23,368,174	\$24,610,617	\$25,443,669	\$26,836,365	\$27,173,406	22.3%
San Mateo	15,639,825	15,821,971	16,736,449	17,547,097	18,286,057	15,940,068	1.9%
Santa Clara	41,524,760	42,128,430	43,149,031	45,353,074	47,001,964	46,444,650	11.8%
Southern Counties							
Los Angeles	\$151,981,740	\$155,155,641	\$160,280,130	\$166,023,796	\$172,313,603	\$157,737,984	3.8%
Orange	61,916,219	63,058,761	65,148,058	67,468,616	69,688,975	63,833,515	3.1%
Riverside	33,166,660	34,483,694	36,407,460	38,919,498	40,626,998	42,313,474	27.6%
San Bernardino	35,580,276	37,216,551	38,399,373	40,554,024	41,768,748	43,265,512	21.6%
San Diego	54,717,543	55,921,010	57,551,360	59,041,042	61,365,277	58,814,528	7.5%
Ventura	13,876,397	13,835,876	14,000,695	14,323,432	14,800,284	14,538,294	4.8%
Statewide	\$638,631,955	\$653,856,259	\$677,823,493	\$706,835,201	\$732,756,903	\$706,756,521	10.7%

⁽¹⁾ Numbers reflect rounding.

Source: California Department of Tax and Fee Administration, Taxable Sales by County.

APPENDIX E

CLEARING SYSTEMS

Introduction. The information in this Appendix E concerning The Depository Trust Company (“DTC”), Euroclear Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”) and Clearstream Banking, société anonyme, Luxembourg (“Clearstream Banking”) (DTC, Euroclear and Clearstream Banking together, the “Clearing Systems”), and DTC’s book-entry-only system has been provided by DTC, Euroclear and Clearstream Banking for use in disclosure documents such as this Official Statement. Capitalized terms used herein which are not otherwise defined herein shall have the meaning set forth in the front portion of the Official Statement or in APPENDIX H under the heading “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENTS – Definitions.”

DTC will act as the initial securities depository for the 2022 Bonds. Euroclear and Clearstream Banking are participants of DTC and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders.

The information set forth below is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect and the San Francisco Bay Area Rapid Transit District (the “District”) expressly disclaims any responsibility to update this Official Statement to reflect any such changes. The information herein concerning the Clearing Systems has been obtained from sources that the District believes to be reliable, but neither the District nor the Underwriters takes any responsibility for the accuracy or completeness of the information set forth herein. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. The District will have no responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the 2022 Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The District and the Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of principal of, premium if any, and interest (“Debt Service”) on the 2022 Bonds, or redemption or other notices, to participants of the Clearing Systems (“Participants”); (2) Participants or others will distribute Debt Service payments paid to DTC or its nominee (as the registered owner of the 2022 Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis; or (3) DTC or the other Clearing Systems will serve and act in the manner described in this Official Statement. 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 (hereinafter defined) are on file with DTC.

None of the District, the Underwriters nor the Trustee will have any responsibility or obligations to DTC, the Direct Participants, the Indirect Participants of DTC or the Beneficial Owners with respect to: (1) the accuracy of any records maintained by DTC or any Direct Participants or Indirect Participants of DTC; (2) the payment by DTC or any Direct Participants or Indirect Participants of DTC of any amount due to any Beneficial Owner in respect of the Debt Service on the 2022 Bonds; (3) the delivery by DTC or any Direct Participants or Indirect Participants of DTC of any notice to any Beneficial Owner that is required or permitted to be given to owners under the terms of the Trust Agreements; or (4) any consent given or other action taken by DTC as registered owner of the 2022 Bonds.

Book Entry-Only System. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the 2022 Bonds. The 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 the 2022 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. 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.

Purchases of 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (each a "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 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 2022 Bonds, except in the event that use of the book-entry system for the 2022 Bonds is discontinued.

To facilitate subsequent transfers, all 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 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 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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. Beneficial Owners of 2022 Bonds may wish to take

certain steps to augment the transmission to them of notices of significant events with respect to the 2022 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of 2022 Bonds may wish to ascertain that the nominee holding the 2022 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 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 2022 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District or to the Trustee 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 2022 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 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 District or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2022 Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

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

Discontinuation of Book-Entry-Only System; Payment to Beneficial Owners

In the event that the book-entry system described above is no longer used with respect to the 2022 Bonds, the provisions of the Trust Agreements relating to place of payment, transfer and exchange of the 2022 Bonds, regulations with respect to exchanges and transfers, bond register, 2022 Bonds mutilated, destroyed or stolen, and evidence of signatures of Bond Owners and ownership of 2022 Bonds will govern the payment, registration, transfer, exchange and replacement of the 2022 Bonds. Interested persons should contact the District for further information regarding such provisions of the Trust Agreements.

Euroclear and Clearstream Banking.

Euroclear and Clearstream Banking have advised the District as follows:

Euroclear and Clearstream Banking each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream Banking provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream Banking also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream Banking have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream Banking customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream Banking is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system, either directly or indirectly.

Clearing and Settlement Procedures. Any 2022 Bonds sold in offshore transactions will be initially issued to investors through the book-entry facilities of DTC, for the account of its participants, including but not limited to Euroclear and Clearstream Banking. If the investors are participants in Clearstream Banking and Euroclear in Europe, or indirectly through organizations that are participants in the Clearing Systems, Clearstream Banking and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream Banking's and Euroclear's names on the books of their respective depositories. In all cases, the record holder of the 2022 Bonds will be DTC's nominee and not Euroclear or Clearstream Banking. The depositories, in turn, will hold positions in customers' securities accounts in the depositories' names on the books of DTC. Because of time zone differences, the securities account of a Clearstream Banking or Euroclear participant as a result of a transaction with a participant, other than a depository holding on behalf of Clearstream Banking or Euroclear, will be credited during the securities settlement processing day, which must be a business day for Clearstream Banking or Euroclear, as the case may be, immediately following the DTC settlement date. These credits or any transactions in the securities settled during the processing will be reported to the relevant Euroclear participant or Clearstream Banking participant on that business day. Cash received in Clearstream Banking or Euroclear as a result of sales of securities by or through a Clearstream Banking participant or Euroclear participant to a DTC Participant, other than the depository for Clearstream Banking or Euroclear, will be received with value on the DTC settlement date but will be available in the relevant Clearstream Banking or Euroclear cash account only as of the business day following settlement in DTC.

Transfers between participants will occur in accordance with DTC rules. Transfers between Clearstream Banking participants or Euroclear participants will occur in accordance with their respective rules and operating procedures. Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream Banking participants or Euroclear participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant depositories; however, cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the system in accordance with its rules and procedures and within its established deadlines in European time. The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in

accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream Banking participants or Euroclear participants may not deliver instructions directly to the depositories.

The District will not impose any fees in respect of holding the 2022 Bonds; however, holders of book-entry interests in the 2022 Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in the Clearing Systems.

Initial Settlement. Interests in the 2022 Bonds will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the 2022 Bonds through Euroclear and Clearstream Banking accounts will follow the settlement procedures applicable thereto and applicable to DTC. Book-entry interests in the 2022 Bonds will be credited by DTC to Euroclear and Clearstream Banking participants' securities clearance accounts on the business day following the date of delivery of the 2022 Bonds against payment (value as on the date of delivery of the 2022 Bonds). DTC participants acting on behalf of purchasers electing to hold book-entry interests in the 2022 Bonds through DTC will follow the delivery practices applicable to securities eligible for DTC's Same Day Funds Settlement system. DTC participants' securities accounts will be credited with book-entry interests in the 2022 Bonds following confirmation of receipt of payment to the District on the date of delivery of the 2022 Bonds.

Secondary Market Trading. Secondary market trades in the 2022 Bonds will be settled by transfer of title to book-entry interests in the Clearing Systems. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear, Clearstream Banking or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the 2022 Bonds may be transferred within Euroclear and within Clearstream Banking and between Euroclear and Clearstream Banking in accordance with procedures established for these purposes by Euroclear and Clearstream Banking. Book-entry interests in the 2022 Bonds may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfer of book-entry interests in the 2022 Bonds between Euroclear or Clearstream Banking and DTC shall be effected in accordance with procedures established for this purpose by Euroclear, Clearstream Banking and DTC.

Special Timing Considerations

Investors should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the 2022 Bonds through Euroclear or Clearstream Banking on days when those systems are open for business. In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream Banking and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the 2022 Bonds, or to receive or make a payment or delivery of 2022 Bonds, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream Banking is used, or Brussels if Euroclear is used.

Clearing Information

The District and the Underwriters expect that the 2022 Bonds will be accepted for clearance through the facilities of Euroclear and Clearstream Banking. The international securities identification number, common code and/or CUSIP number for the 2022 Bonds are set out on the cover page of this Official Statement.

Limitations

For so long as the 2022 Bonds are registered in the name of DTC or its nominee, Cede & Co., the District and the Trustee will recognize only DTC or its nominee, Cede & Co., as the registered owner of

the 2022 Bonds for all purposes, including payments, notices and voting. So long as Cede & Co. is the registered owner of the 2022 Bonds, references in this Official Statement to registered owners of the 2022 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2022 Bonds.

Because DTC is treated as the owner of the 2022 Bonds for substantially all purposes, Beneficial Owners may have a restricted ability to influence in a timely fashion remedial action or the giving or withholding of requested consents or other directions. In addition, because the identity of Beneficial Owners is unknown to the District or DTC, it may be difficult to transmit information of potential interest to Beneficial Owners in an effective and timely manner. Beneficial Owners should make appropriate arrangements with their broker or dealer regarding distribution of information regarding the 2022 Bonds that may be transmitted by or through DTC.

The District will have no responsibility or obligation with respect to:

- the accuracy of the records of DTC, its nominee or any Direct Participant or Indirect Participant with respect to any Beneficial Ownership interest in any 2022 Bonds;
- the delivery to any Direct Participant or Indirect Participant or any other person, other than a registered owner as shown in the bond register kept by the Trustee, of any notice with respect to any 2022 Bonds including, without limitation, any notice of redemption with respect to any 2022 Bonds;
- the payment to any Direct Participant or Indirect Participant or any other person, other than a registered owner as shown in the bond register kept by the Trustee, of any amount with respect to the principal of, premium, if any, or interest on, any 2022 Bonds; or
- any consent given by DTC or its nominee as registered owner.

Prior to any discontinuation of the book entry only system hereinabove described, the District and the Trustee may treat Cede & Co. (or such other nominee of DTC) as, and deem Cede & Co. (or such other nominee) to be, the absolute registered owner of the 2022 Bonds for all purposes whatsoever, including, without limitation:

- the payment of principal, premium, if any, and interest on the 2022 Bonds;
- giving notices of redemption and other matters with respect to the 2022 Bonds;
- registering transfers with respect to the 2022 Bonds; and
- the selection of 2022 Bonds for redemption.

General

None of Euroclear, Clearstream Banking or DTC is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

Neither the District, the Underwriters nor any of their agents will have any responsibility for the performance by Euroclear, Clearstream Banking or DTC or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

APPENDIX F

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered by the San Francisco Bay Area Rapid Transit District (the “Issuer”) and U.S. Bank Trust Company, National Association, as dissemination agent (the “Dissemination Agent”), in connection with the issuance of \$_____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds) and 2022 Series D-2 (Federally Taxable) (Green Bonds) (together, the “2022D Bonds”), and \$_____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds) (the “2022H Bonds” and, together with the 2022D Bonds, the “2022 Bonds”). The 2022D Bonds are being issued pursuant to Resolution No. [____], adopted by the Board of Directors of the Issuer on April 28, 2022, and according to the terms and in the manner set forth in the Trust Agreement (Measure RR), dated as of June 1, 2017, as supplemented by the First Supplemental Trust Agreement (Measure RR), dated as of August 1, 2019, as further supplemented by the Second Supplemental Trust Agreement (Measure RR), dated as of August 1, 2020, and as further supplemented by the Third Supplemental Trust Agreement (Measure RR), dated as of May 1, 2022 (as supplemented, the “Measure RR Trust Agreement”), each between the Issuer and U.S. Bank Trust Company, National Association, as Trustee (the “Trustee”). The 2022H Bonds are being issued pursuant to Resolution No. [____], adopted by the Board of Directors of the Issuer on April 28, 2022, and according to the terms and in the manner set forth in the Trust Agreement (Measure AA), dated as of June 1, 2017, as supplemented by the First Supplemental Trust Agreement (Measure AA), dated as of August 1, 2019, and as further supplemented by the Second Supplemental Trust Agreement (Measure AA), dated as of May 1, 2022 (as supplemented, the “Measure AA Trust Agreement” and, together with the Measure RR Trust Agreement, the “Trust Agreement”), each between the Issuer and the Trustee. The Issuer and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and the Dissemination Agent for the benefit of the Holders and the Beneficial Owners (as hereinafter defined) of the 2022 Bonds and in order to assist the Participating Underwriters (as hereinafter defined) in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the applicable Trust Agreement, which apply to any capitalized term used in this Disclosure Agreement and not otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any 2022 Bonds (including persons holding 2022 Bonds through nominees, depositories or other intermediaries).

“Disclosure Representative” shall mean the Controller/Treasurer or Interim Controller/Treasurer of the Issuer or their designee, or such other officer or employee of the Issuer as the Controller/Treasurer or Interim Controller/Treasurer of the Issuer shall designate in writing to the Trustee and the Dissemination Agent from time to time.

“Dissemination Agent” shall mean U.S. Bank Trust Company, National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 5(a)(10) and 5(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Holder” shall mean the person in whose name any 2022 Bond shall be registered.

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

“MSRB” shall mean the Municipal Securities Rulemaking Board 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 Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Participating Underwriter” shall mean any of the original underwriters of the 2022 Bonds required to comply with the Rule in connection with offering of the 2022 Bonds.

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

“SEC” shall mean the Securities and Exchange Commission or any successor agency thereto.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than eight (8) months after the end of the Issuer’s fiscal year (presently June 30), commencing with the Annual Report for the fiscal year of the Issuer ending June 30, 2022, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Each Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. Neither the Trustee nor the Dissemination Agent shall have any duties or responsibilities with respect to the contents of the Annual Report. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Issuer shall provide the Annual Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer to determine if the Issuer is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice, in electronic format, to the MSRB, such notice to be in substantially the form attached as Exhibit A.

(d) If the Annual Report is delivered to the Dissemination Agent for filing, the Dissemination Agent shall file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided.

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

(a) The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer'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 Official Statement, dated _____, 2022, relating to the 2022 Bonds (the "Official Statement"), and the audited financial statements shall be filed in the same manner as the Annual Report when such audited financial statements become available.

(b) An update (as of the most recently ended fiscal year of the Issuer) for the table set forth in the Official Statement under the caption "Debt Service Schedules" and an update for the tables entitled "San Francisco Bay Area Rapid Transit District Assessed Valuation" and "San Francisco Bay Area Rapid Transit District Secured Tax Charges and Delinquencies," each set forth in the Official Statement under the caption "Security and Source of Payment for the 2022 Bonds."

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been filed with the MSRB or the SEC. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 2022 Bonds not later than ten business days after the occurrence of the event:

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 or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;

7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event 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 the Issuer, any of which reflect financial difficulties.

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.

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 2022 Bonds, if material, not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the 2022 Bonds or other material events affecting the tax status of the 2022 Bonds;
2. Modifications to rights of bond holders;
3. Optional, unscheduled or contingent bond calls;
4. Release, substitution, or sale of property securing repayment of the 2022 Bonds;
5. Non-payment related defaults;
6. 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;
7. Appointment of a successor or additional trustee or the change of name of a trustee; or
8. Incurrence of a Financial Obligation of the Issuer, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders.

(c) The Issuer shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3, as provided in Section 3(b).

(d) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the Issuer shall determine if such event would be material under applicable federal securities laws.

(e) If the Issuer learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the Issuer shall within ten business days of the occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected 2022 Bonds pursuant to the applicable Trust Agreement.

(f) The Issuer intends to comply with respect to the Listed Events described in Section 5(a)(10) and Section 5(b)(8), and the definition of “Financial Obligation” in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Commission in its Release No. 34-83885 dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.

SECTION 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The obligations of the Issuer and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2022 Bonds. If such termination occurs prior to the final maturity of the 2022 Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing thirty (30) days written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the form or content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Issuer, provided the Dissemination Agent shall not be obligated to enter into any such amendment that modifies or increases its duties or obligations hereunder), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal

requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 2022 Bonds, or the type of business conducted;

(b) This Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2022 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the 2022 Bonds in the same manner as provided in the applicable Trust Agreement for amendments to the applicable Trust Agreement with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the 2022 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

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

SECTION 11. Default. In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee, at the written request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding 2022 Bonds, shall, 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, fees and expenses of its attorneys, or any Owner or Beneficial Owner of the 2022 Bonds, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the applicable Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article VIII of the applicable Trust Agreement is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the applicable Trust Agreement and the Trustee and the Dissemination Agent shall be entitled to the protections, limitations from liability and

indemnities afforded the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer agrees to indemnify and save the Dissemination Agent and the Trustee and their officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their 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 Trustee's or the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the Issuer for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The obligations of the Issuer under this Section shall survive resignation or removal of the Trustee or the Dissemination Agent and payment of the 2022 Bonds. The Dissemination Agent has no power to enforce performance on the part of the Issuer under this Disclosure Agreement.

The Dissemination Agent agrees to accept and act upon instructions or directions pursuant to this Disclosure Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Dissemination Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Dissemination Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Dissemination Agent acts upon such instructions, the Dissemination Agent's understanding of such instructions shall be deemed controlling. The Dissemination Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Dissemination Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer agrees: (i) to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Dissemination Agent, including without limitation the risk of the Dissemination Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Dissemination Agent and that there may be more secure methods of transmitting instructions than the method(s) selected by the Issuer; and (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

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

- (i) If to the Issuer:
San Francisco Bay Area Rapid Transit District
2150 Webster Street
Oakland, California 94612
Attention: Interim Controller/Treasurer
Telephone: (510) 464-6070
Fax: (510) 464-6011
- (ii) If to the Dissemination Agent:
U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Global Corporate Trust

Telephone: (415) 677-3596
Fax: (415) 677-3769

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent. Notices may also be given by electronic means.

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the 2022 Bonds, and shall create no rights in any other person or entity.

SECTION 15. Governing Law. This Disclosure Agreement shall be governed under the laws of the State of California.

SECTION 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: _____, 2022.

SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT

By _____
Interim Controller/Treasurer

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Dissemination Agent

By _____
Authorized Officer

Exhibit A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF
FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: San Francisco Bay Area Rapid Transit District

Name of Bond Issue: San Francisco Bay Area Rapid Transit District General
Obligation Bonds (Election of 2016), 2022 Series D-1
(Green Bonds)

San Francisco Bay Area Rapid Transit District General
Obligation Bonds (Election of 2016), 2022 Series D-2
(Federally Taxable) (Green Bonds)

San Francisco Bay Area Rapid Transit District General
Obligation Bonds (Election of 2004), 2022 Refunding
Series H (Federally Taxable) (Green Bonds)

Date of Issuance of Bonds: _____, 2022

NOTICE IS HEREBY GIVEN that the San Francisco Bay Area Rapid Transit District (the “Issuer”) has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Agreement, dated _____, 2022, between the Issuer and U.S. Bank Trust Company, National Association, as dissemination agent. [The Issuer anticipates that the Annual Report will be filed by _____.]

Dated: _____

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Dissemination Agent on behalf of the San
Francisco Bay Area Rapid Transit District

cc: Issuer

APPENDIX G

PROPOSED FORM OF OPINION OF BOND COUNSEL

[Closing Date]

San Francisco Bay Area
Rapid Transit District
Oakland, California

\$ _____
San Francisco Bay Area Rapid Transit District
General Obligation Bonds (Election of 2016),
2022 Series D-1 (Green Bonds)

\$ _____
San Francisco Bay Area Rapid Transit District
General Obligation Bonds (Election of 2016),
2022 Series D-2 (Federally Taxable) (Green Bonds)

\$ _____
San Francisco Bay Area Rapid Transit District
General Obligation Bonds (Election of 2004),
2022 Refunding Series H (Federally Taxable) (Green Bonds)
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the San Francisco Bay Area Rapid Transit District (the “District”) in connection with the issuance of \$ _____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds) (the “2022D-1 Bonds”), \$ _____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-2 (Federally Taxable) (Green Bonds) (the “2022D-2 Bonds” and, together with the 2022D-1 Bonds, the “2022D Bonds”), authorized at an election held in the District on November 8, 2016, and \$ _____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds) (the “2022H Bonds” and, together with the 2022D Bonds, the “2022 Bonds”), authorized at an election held in the District on November 2, 2004. The 2022D Bonds are issued under and pursuant to a resolution of the Board of Directors of the District, adopted on April 28, 2022 (the “2022D Resolution”), and in accordance with the terms of a Trust Agreement (Measure RR), dated as of June 1, 2017, as supplemented and amended, including by a Third Supplemental Trust Agreement (Measure RR), dated as of May 1, 2022 (collectively, the “Measure RR Trust Agreement”), between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The 2022H Bonds are issued under and pursuant to a resolution of the Board of Directors of the District, adopted on April 28, 2022 (the “2022H Resolution” and, together with the 2022D Resolution, the “Resolutions”), and in accordance with the terms of a Trust Agreement (Measure AA), dated as of June 1, 2017, as supplemented and amended, including by a Second Supplemental Trust Agreement (Measure AA), dated as of May 1, 2022 (collectively, the “Measure AA Trust Agreement” and, together with the Measure RR Trust Agreement, the “Trust Agreements”), between the District and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the respective Trust Agreements.

In such connection, we have reviewed the Resolutions, the Trust Agreements, the Tax Certificate of the District, dated the date hereof (the “Tax Certificate”), opinions of counsel to the District and others,

certificates of the District, the Trustee, and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the 2022 Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the 2022 Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the 2022 Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolutions, the Trust Agreements and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the 2022D-1 Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the 2022 Bonds, the Resolutions, the Trust Agreements and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public transit districts in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or to have the effect of a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Trust Agreements or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the 2022 Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The 2022 Bonds constitute the valid and binding obligations of the District.
2. The Resolutions have been duly and legally adopted and constitute valid and binding obligations of the District.
3. The Trust Agreements have been duly executed and delivered by the District and, assuming due authorization, execution and delivery by the other party thereto, constitute valid and binding agreements of the District.
4. The District has the power and is obligated to cause the levy of *ad valorem* taxes without limitation as to rate or amount upon all property within the District's boundaries subject to taxation by the

District (except certain personal property which is taxable at limited rates) for the payment of the principal of the 2022 Bonds and the interest thereon.

5. Interest on the 2022D-1 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the 2022D-1 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Interest on the 2022D-2 Bonds and the 2022H Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the 2022 Bonds is exempt from State of California personal income taxes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2022 Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

APPENDIX H

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENTS

**THIRD SUPPLEMENTAL TRUST AGREEMENT
(MEASURE RR)**

between the

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

and

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

Dated as of May 1, 2022

Relating to the

**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016)
2022 SERIES D-1 (GREEN BONDS)**

and

**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016)
2022 SERIES D-2 (FEDERALLY TAXABLE) (GREEN BONDS)**

(Supplemental to the Master Trust Agreement dated as of June 1, 2017)

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THIRD SUPPLEMENTAL TRUST AGREEMENT
(MEASURE RR)

This THIRD SUPPLEMENTAL TRUST AGREEMENT (Measure RR), dated as of May 1, 2022 (the “Third Supplemental Trust Agreement”), between U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the “Trustee”), and the SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT, a public transit district duly organized and existing under and pursuant to the laws of the State of California (the “District” or “BART”),

W I T N E S S E T H:

WHEREAS, this Third Supplemental Trust Agreement is supplemental to the Master Trust Agreement, dated as of June 1, 2017 (as supplemented and amended from time to time pursuant to its terms, including as supplemented and amended by this Third Supplemental Trust Agreement, the “Trust Agreement”), between the District and the Trustee, as successor trustee to U.S. Bank National Association;

WHEREAS, the Trust Agreement provides that the District may issue Bonds (defined below) from time to time as authorized by a Supplemental Trust Agreement;

WHEREAS, the District is empowered under the provisions of the San Francisco Bay Area Rapid Transit District Act, being Part 2, commencing with Section 28500, of Division 10 of the Public Utilities Code of the State of California and Article 4.5 of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53506, and other applicable law (the “Act”), to issue the San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016) (the “Bonds”) in one or more Series in order to provide funds to finance or refinance the cost of a portion of the system renewal program identified in Measure RR (the “Project”) and to pay the costs of issuance for the Bonds;

WHEREAS, the District has determined, by its Resolution No. [____], adopted on [April 28], 2022 (“Resolution No. [____]”), authorizing the issuance of the San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds) and 2022 Series D-2 (Federally Taxable) (Green Bonds) (collectively, the “2022D Bonds”), in accordance with the Act and Measure RR in an aggregate principal amount not to exceed \$[_____] in order to provide funds to finance the cost of a portion of the Project and to pay the costs of issuance for the 2022D Bonds; 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 entering into of this Third Supplemental Trust Agreement 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 Third Supplemental Trust Agreement;

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL TRUST AGREEMENT 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 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 (as hereinafter defined) thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the District 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, as follows:

ARTICLE XXII

DEFINITIONS

SECTION 22.01 Definitions.

(a) **Definitions.** Unless the context otherwise requires, or as otherwise provided in subsection (b) of this Section, all terms that are defined in the Trust Agreement shall have the same meanings, respectively, in this Third Supplemental Trust Agreement.

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

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

“Interest Payment Date” means, with respect to the 2022D-1 Bonds, February 1 and August 1 of each year until the redemption or maturity of such 2022D-1 Bonds, commencing with August 1, 2022. Interest on the 2022D-2 Bonds is paid on the maturity date thereof, June 1, 2022.

“Issue Date” means, with respect to the 2022D Bonds, the date on which the 2022D Bonds are first delivered to the purchasers thereof.

“Record Date” means, with respect to 2022D-1 Bonds, the fifteenth day of the month prior to an Interest Payment Date, whether or not such day is a Business Day.

“Third Supplemental Trust Agreement” means this Third Supplemental Trust Agreement, dated as of May 1, 2022.

“2022D Bonds” means, collectively, the 2022D-1 Bonds and the 2022D-2 Bonds.

“2022D-1 Bonds” means the San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds), in the aggregate principal amount of \$[D-1 PAR].

“2022D-2 Bonds” means the San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-2 (Federally Taxable) (Green Bonds), in the aggregate principal amount of \$[D-2 PAR].

SECTION 22.02 Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons. Defined terms shall include any variant of the terms set forth in this Article XXII.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms, as used in this Third Supplemental Trust Agreement, refer to the Trust Agreement.

ARTICLE XXIII

AUTHORIZATION AND TERMS OF THE 2022D BONDS

SECTION 23.01 Authorization and Terms of the 2022D Bonds.

(a) *2022D-1 Bonds.* The 2022D-1 Bonds shall be issued for the purpose of providing funds to pay costs of the Project and to pay Costs of Issuance for the 2022D Bonds. The 2022D-1 Bonds shall be issued by the District under and subject to the terms of Resolution No. [____], the Trust Agreement, and all applicable laws, and shall be designated as the “San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds),” and shall be in the aggregate principal amount of \$[D-1 PAR].

The 2022D-1 Bonds shall be dated their date of delivery. The 2022D-1 Bonds shall bear interest at the respective rates shown in the table set forth below in this Section 23.01(a), payable on August 1, 2022, and thereafter on February 1 and August 1 of each year until the payment thereof at maturity or upon prior redemption. Each 2022D-1 Bond authenticated and registered on any date prior to the close of business on the first Record Date shall bear interest payable to the Owner thereof from the date of said 2022D-1 Bond. Each 2022D-1 Bond authenticated during the period between any Record Date and the close of business on its corresponding Interest Payment Date shall bear interest payable to the Owner thereof from such Interest Payment Date. Any other 2022D-1 Bond shall bear interest payable to the Owner thereof from the Interest Payment Date immediately preceding the date of its authentication. If, at the time of authentication of any 2022D-1 Bond, interest is in default on outstanding 2022D-1 Bonds, such 2022D-1 Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding 2022D-1 Bonds. Interest on the 2022D-1 Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The 2022D-1 Bonds shall be issued in fully registered form, without coupons, in denominations of \$5,000 principal amount or any integral multiple thereof, provided that no 2022D-1 Bond shall mature on more than one maturity date.

The 2022D-1 Bonds shall mature on August 1 in each of the years in the principal amounts, and shall bear interest at the annual rates of interest, as shown below:

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u>	<u>Interest Rate</u>
---	------------------	----------------------

[* Term Bonds]

(b) *2022D-2 Bonds.* The 2022D-2 Bonds shall be issued for the purpose of providing funds to pay costs of the Project and to pay Costs of Issuance for the 2022D Bonds. The 2022D-2 Bonds shall be issued by the District under and subject to the terms of Resolution No. [____], the Trust Agreement, and all applicable laws, and shall be designated as the “San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-2 (Federally Taxable) (Green Bonds),” and shall be in the aggregate principal amount of \$[D-2 PAR].

The 2022D-2 Bonds shall be dated their date of delivery. The 2022D-2 Bonds shall bear interest at the rate shown in the table set forth below in this Section 23.01(b), payable at maturity on June 1, 2022. Interest on the 2022D-2 Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The 2022D-2 Bonds shall be issued in fully registered form, without coupons, in denominations of \$5,000 principal amount or any integral multiple thereof.

The 2022D-2 Bonds shall mature on June 1, 2022 in the principal amount, and shall bear interest at the annual rate of interest, as shown below:

<u>Maturity Date (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
-----------------------------------	-----------------------------	--------------------------

(c) The principal and any premium of the 2022D Bonds (and interest on the 2022D-2 Bonds) shall be payable, on the maturity date thereof or the date such Bond is called for redemption, in lawful money of the United States of America to the Owner thereof, upon the surrender thereof at the Principal Corporate Trust Office of the Trustee, or at such other location as the Trustee shall designate.

(d) Payment of the interest on any Bond shall be made by check or draft mailed by first class mail to such Owner at such Owner's address as it appears on such registration books or at such address as the Owner may have filed with the Trustee for that purpose; or upon written request of the Owner of Bonds aggregating not less than \$1,000,000 in principal amount, given no later than the Record Date preceding the applicable Interest Payment Date, by wire transfer in immediately available funds to an account maintained in the United States at such wire address as such Owner shall specify in its written notice. So long as Cede & Co. or its registered assigns shall be the registered owner of any of the 2022D Bonds, payment shall be made thereto by wire transfer as provided in Section 2.08(e) of the Trust Agreement. When and as paid in full, and following surrender thereof to the Trustee, all Bonds shall be cancelled by the Trustee, and thereafter they shall be destroyed.

SECTION 23.02 Form and Registration of 2022D Bonds. (a) The 2022D Bonds, the Trustee's certificate of authentication and registration, and the form of assignment to appear thereon shall be in substantially the forms, respectively, attached hereto as Exhibit A, with necessary or appropriate variations, omissions and insertions as permitted or required by this Third Supplemental Trust Agreement. The 2022D-1 Bonds and 2022D-2 Bonds shall be numbered, respectively, from R-D-1-1 and R-D-2-1 upwards.

(b) The 2022D Bonds when issued shall be registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, New York, New York, and shall be initially issued as one bond for each of the Series, maturities and interest rate of the 2022D Bonds, in the principal amounts set forth in the tables in Section 23.01. The Depository Trust Company is hereby appointed depository for the 2022D Bonds and registered ownership of the 2022D Bonds may not thereafter be transferred except as provided in Sections 2.08 and 2.09 of the Trust Agreement.

(c) The Trustee is hereby authorized to authenticate and deliver each Series of Bonds, including the 2022D Bonds, to or upon the Request of the District.

ARTICLE XXIV

ESTABLISHMENT OF FUNDS AND ACCOUNTS AND APPLICATION THEREOF

SECTION 24.01 Application of Proceeds of Sale of the Bonds. Upon the delivery of the 2022D Bonds to the initial purchaser thereof and the receipt from said initial purchaser of the net purchase price of the 2022D Bonds (\$[PURCHASE PRICE], consisting of the principal amount thereof, [plus/less] [net] original issue [premium/discount] of \$[OIP/OID], less an underwriters' discount of \$[UW DISCOUNT], the Trustee shall deposit said amount as follows:

(i) \$[2022D-1 PROJECT ACCOUNT] to the 2022D-1 Project Account, which the Trustee shall establish, maintain and hold in trust within the Project Fund established pursuant to Section 3.03 of the Trust Agreement;

(ii) \$[2022D-2 PROJECT ACCOUNT] to the 2022D-2 Project Account, which the Trustee shall establish, maintain and hold in trust within the Project Fund established pursuant to Section 3.03 of the Trust Agreement;

(iii) \$[2022D COI] to the 2022D Costs of Issuance Fund established pursuant to Section 24.02 hereof; and

(iv) \$[2022D I&S FUND] to the 2022D Account in the Interest and Sinking Fund established pursuant to Section 24.03 hereof.

SECTION 24.02 Establishment and Application of the 2022D Costs of Issuance Fund. The Trustee shall establish and maintain and hold in trust a separate fund designated as the "San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D Costs of Issuance Fund" (the "2022D Costs of Issuance Fund"). All money on deposit in the 2022D Costs of Issuance Fund shall be applied solely for the payment of authorized Costs of Issuance relating to the 2022D Bonds. Before any payment from the 2022D Costs of Issuance Fund shall be made by the Trustee, the District shall file or cause to be filed with the Trustee a Requisition of the District, such Requisition of the District to be in substantially such form as is set forth in Exhibit C to the Trust Agreement.

Any amounts remaining in the 2022D Costs of Issuance Fund ninety (90) days after the date of issuance of the 2022D Bonds shall be transferred to the 2022D Account in the Interest and Sinking Fund and the 2022D Costs of Issuance Fund shall be closed.

SECTION 24.03 Establishment and Application of the 2022D Account of the Interest and Sinking Fund. The Trustee shall establish, maintain and hold in trust a separate account within the Interest and Sinking Fund for the 2022D Bonds, designated as the "2022D Account" (the "2022D Account"). The Trustee shall deposit in the 2022D Account the proceeds of the 2022D Bonds specified above in Section 24.01(iv).

All the moneys in the 2022D Account shall be applied by the Trustee to the payment at maturity of all of the principal of and interest due on the 2022D-2 Bonds on June 1, 2022. [After such payment on June 1, 2022, the 2022D Account shall be applied by the Trustee to the payment

of a portion of the interest coming due on the 2022D-1 Bonds on August 1, 2022. After such payment on August 1, 2022, the 2022D Account shall be closed.]

ARTICLE XXV

REDEMPTION OF 2022D BONDS

SECTION 25.01 Optional Redemption. (a) The 2022D-1 Bonds maturing on or before August 1, 20[___], are not subject to redemption prior to their respective stated maturity dates. The 2022D-1 Bonds maturing on and after August 1, 20[___], are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part, on any date on or after August 1, 20[___] at the principal amount of the 2022D-1 Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium. If less than all of the 2022D-1 Bonds are called for redemption, the 2022D-1 Bonds shall be redeemed in such maturities as is directed by the District, and if less than all of the 2022D-1 Bonds of any given maturity are called for redemption, the portions of 2022D-1 Bonds of a given maturity to be redeemed shall be determined by lot.

(b) The 2022D-2 Bonds are not subject to redemption prior to their maturity date.

SECTION 25.02 Mandatory Sinking Fund Redemption.

(a) The 2022D-1 Term Bond maturing on August 1, 20[___], is also subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Payment Date (August 1)	Mandatory Sinking Fund Payment Amount
<hr/>	<hr/>

*Final maturity

(b) The 2022D-1 Term Bond maturing on August 1, 20[___], is also subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

**Mandatory Sinking Fund
Payment Date
(August 1)**

**Mandatory Sinking Fund
Payment Amount**

*Final maturity

(c) The principal amount of each mandatory sinking fund payment of any maturity shall be reduced as specified by the District, in \$5,000 increments, by the amount of any 2022D-1 Bonds of that maturity optionally redeemed prior to the mandatory sinking fund payment date.

(d) Notice of redemption shall be given as provided in Section 4.01 of the Trust Agreement.

ARTICLE XXVI

MISCELLANEOUS

SECTION 26.01 Terms of 2022D Bonds Subject to Trust Agreement.

Except as in this Third Supplemental Trust Agreement expressly provided, every term and condition contained in the Trust Agreement shall apply to the Third Supplemental Trust Agreement and to the 2022D Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to the Third Supplemental Trust Agreement.

The Third Supplemental Trust Agreement and all the terms and provisions herein contained shall form part of the Trust Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Trust Agreement. The Trust Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

SECTION 26.02 Severability. If any covenant, agreement or provision, or any portion thereof, contained in this Third Supplemental Trust Agreement, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Third Supplemental Trust Agreement, and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and this Third Supplemental Trust Agreement shall remain valid.

SECTION 26.03 Parties Interested Herein. Nothing in this Third Supplemental Trust Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the District, the Trustee, and the Owners, any

right, remedy or claim under or by reason of this Third Supplemental Trust Agreement or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Third Supplemental Trust Agreement contained by and on behalf of the District shall be for the sole and exclusive benefit of the District, the Trustee, and the Owners.

SECTION 26.04 Headings Not Binding. The headings in this Third Supplemental Trust Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Third Supplemental Trust Agreement.

SECTION 26.05 Notices to Rating Agencies. The Trustee shall provide notice to the Rating Agencies of the following events with respect to the 2022D Bonds:

- (1) Change in Trustee;
- (2) Amendments to the Trust Agreement; and
- (3) Redemption or defeasance of the 2022D Bonds.

SECTION 26.06 Trust Agreement to Remain in Effect. Save and except as amended and supplemented by this Third Supplemental Trust Agreement, the Trust Agreement shall remain in full force and effect.

SECTION 26.07 Effective Date of Third Supplemental Trust Agreement. This Third Supplemental Trust Agreement shall take effect upon its execution and delivery.

SECTION 26.08 Execution in Counterparts[; Electronic Means]. This Third Supplemental Trust Agreement may be signed in several counterparts, each of which will constitute an original, but all of which shall constitute one and the same instrument. [Each of the parties hereto agrees that the transaction consisting of this agreement may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this agreement using an electronic signature, it is signing, adopting, and accepting this agreement and that signing this agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this agreement in a usable format.]

SECTION 26.09 Amendment of Section 11.01. Section 11.01 is hereby amended to read in full as follows:

“Unless otherwise specified herein, all notices, statements, orders, requests or other communications hereunder by any party to another shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, or if given by fax, electronically, or other means of written communication and confirmed by mail:

If to the District: San Francisco Bay Area Rapid Transit District
 2150 Webster Street, 10th Floor
 Oakland, California 94612
 Attention: Controller/Treasurer

Telephone: (510) 464-6070
Fax: (510) 464-6011

If to the Trustee:

U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Global Corporate Trust Services
Telephone: (415) 677-3596
Fax: (415) 677-3769”

IN WITNESS WHEREOF, the parties hereto have caused this Third Supplemental Trust Agreement to be duly executed by their officers duly authorized as of the date first written above.

SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT

By _____
Interim Controller/Treasurer

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

By _____
Authorized Officer

EXHIBIT A
FORM OF BOND

No. _____ Amount
R-D-_____ \$_____

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016), 2022 SERIES [D-1 (GREEN BONDS)] [D-2 (FEDERALLY
TAXABLE) (GREEN BONDS)]

Interest Rate	Maturity Date	Dated Date	CUSIP NO.
_____%	[August 1] [____], 20__	_____, 2022	797661____

Registered Owner: CEDE & CO.

Principal Sum: _____ DOLLARS

The SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT, a public transit district duly organized and existing under and pursuant to the laws of the State of California (the “District”), acknowledges itself obligated to and promises to pay to the registered owner identified above or registered assigns on the maturity date set forth above [*2022D-1 Bond* – or upon redemption prior thereto], the principal sum specified above in lawful money of the United States of America, and to pay interest thereon to the maturity date hereof in like lawful money at the interest rate per annum stated above, computed on the basis of a 360-day year of twelve 30-day months, [*2022D-1 Bond* - payable August 1, 2022], and thereafter on February 1 and August 1 in each year (each an “Interest Payment Date”), until payment of said principal sum. If this bond is authenticated and registered on any date prior to the close of business on July 15, 2022, it shall bear interest from the date hereof. If authenticated during the period between any Record Date (defined as the fifteenth day of the month prior to an Interest Payment Date) and the close of business on its corresponding Interest Payment Date, it shall bear interest from such Interest Payment Date. Otherwise, this bond shall bear interest from the Interest Payment Date immediately preceding the date of its authentication.] [*2022D-2 Bond* – payable upon the maturity date set forth above.]

The principal hereof [*2022D-2 Bond* – and interest hereon] is payable to the registered owner hereof upon the surrender hereof at the corporate trust office (as that term is defined in the Trust Agreement hereinafter described) of U.S. Bank Trust Company, National Association (herein called the “Trustee”), the successor trustee/registrars and transfer agent of the District. [*2022D-1 Bond* – The interest hereon is payable to the person whose name appears on the bond registration books of the Trustee as the registered owner hereof as of the close of business

on the Record Date preceding each Interest Payment Date, whether or not such day is a business day, such interest to be paid by check mailed to such registered owner at the owner's address as it appears on such registration books, or at such other address filed with the Trustee for that purpose. Upon written request, given no later than the Record Date immediately preceding an Interest Payment Date, of the Owner of Bonds (hereinafter defined) aggregating at least \$1,000,000 in principal amount, interest will be paid by wire transfer to an account maintained in the United States as specified by the owner in such request.] So long as Cede & Co. or its registered assigns shall be the registered owner of this bond, payment shall be made by wire transfer as provided in the Trust Agreement.

This Bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, maturities and redemption provisions), amounting in the aggregate to \$[_____], designated as "San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series [D-1 (Green Bonds)] [D-2 (Federally Taxable) (Green Bonds)]" (the "Bonds"). The Bonds are part of a \$3,500,000,000 authorization of bonds approved by a vote of at least two-thirds of the voters voting on a ballot measure, Measure RR, at an election duly and legally called, held and conducted in the District on November 8, 2016. The Bonds are issued and sold pursuant to Resolution No. [_____] of the District, adopted on [April 28], 2022, and a Trust Agreement (Measure RR), dated as of June 1, 2017, as supplemented, including by a Third Supplemental Trust Agreement, dated as of May 1, 2022 (as so supplemented, and as further supplemented and amended in accordance with its terms, the "Trust Agreement"), between the District and the Trustee, and in strict conformity with the provisions thereof and of the Constitution and laws of the State of California, specifically the provisions of Part 2 of Division 10 of the Public Utilities Code of the State of California and Article 4.5 of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California.

[2022D-1 Bond – The Bonds are subject to redemption on the date, at the redemption prices and pursuant to the terms set forth in the Trust Agreement. Notice of redemption of any Bonds or any portions thereof shall be given as set forth in the Trust Agreement. If this bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.] [2022D-2 Bond – The Bonds are not subject to redemption prior to maturity.]

The Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple thereof, provided that no Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Trust Agreement, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same Series, maturity and interest rate of other authorized denominations.

This Bond is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at said office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized

denomination or denominations for the same Series, maturity, interest rate, and same aggregate principal amount will be issued to the transferee in exchange herefor.

The District and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, and the District and the Trustee shall not be affected by any notice to the contrary.

The District hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this Bond, is within the limit provided by law, that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this Bond have been done and performed in strict conformity with the laws authorizing the issuance of this Bond, that this Bond is in the form prescribed by the Trust Agreement and shall be payable out of the Interest and Sinking Fund of the District, and the money for the payment of the principal of this Bond, premium, if any, and the payment of interest hereon, shall be raised by taxation upon the taxable property of the District.

This Bond shall not be entitled to any benefit under the Trust Agreement, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Trustee.

IN WITNESS WHEREOF the SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT has caused this Bond to be executed in its name and on its behalf by the facsimile signature of the President of its Board of Directors and countersigned by the facsimile signature of its Secretary, and a facsimile of the seal of the District to be impressed or imprinted hereon, and this Bond to be dated the Dated Date set forth above.

SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT

By: _____

President
San Francisco Bay Area
Rapid Transit District

(Seal)

Attested:

Secretary
San Francisco Bay Area
Rapid Transit District

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Bonds described in the within-mentioned Trust Agreement authenticated and registered on _____, 2022.

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee/Registrar and Transfer
Agent

By _____
Authorized Signatory

DTC LEGEND

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered Owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Trustee/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee: _____
Notice: Signature must be guaranteed by an eligible guarantor institution.



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <div style="float: right; border: 1px solid black; padding: 2px;"> DocuSigned by: <i>Michael Jones</i> <small>47000790F2D7463...</small> </div>		GENERAL MANAGER ACTION REQ'D:		
DATE: 4/7/2022		4/20/2022		
BOARD INITIATED ITEM: Yes				
Originator/Prepared by: Michaela Morales Dept: Finance Administration <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> DocuSigned by: <i>Michaela Morales</i> <small>A4260ED7FFD24F8...</small> </div> Signature/Date: 4/19/2022	General Counsel <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> DocuSigned by: <i>Jana Belan</i> <small>F8FD7B3A73E74E8...</small> </div> 4/19/2022 <div style="text-align: right;">[]</div>	Controller/Treasurer <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> DocuSigned by: <i>Chris Gan</i> <small>EE11C8CEEEA04FD...</small> </div> 4/19/2022 <div style="text-align: right;">[]</div>	District Secretary <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> DocuSigned by: <i>Pamela Herhold</i> <small>3BB24D65B8724F5...</small> </div> 4/19/2022 <div style="text-align: right;">[]</div>	BARC <div style="border: 1px solid black; padding: 2px; margin-top: 5px;"> DocuSigned by: <i>Pamela Herhold</i> <small>3BB24D65B8724F5...</small> </div> 4/19/2022 <div style="text-align: right;">[]</div>

AUTHORIZE THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS (ELECTION OF 2004), 2022 REFUNDING SERIES H (FEDERALLY TAXABLE) (Green Bonds)

PURPOSE:

To request Board adoption of a resolution, if sufficient savings can be achieved, which authorizes the issuance and sale of not to exceed \$60 million in General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds) (the "Refunding Bonds"). Furthermore, to seek Board authorization for the Interim Controller-Treasurer to (1) enter into a Bond Purchase Agreement with the Underwriters selected from the District's Underwriters Pool to provide the District with underwriting services in the issuance of the Bonds, (2) to implement the preparation, execution and delivery of the necessary documents including the Preliminary Official Statement, the Official Statement, Supplemental Paying Agent Agreement or Trust Agreement, Bond Purchase Agreement, Continuing Disclosure Agreement and related agreements and, (3) to attend rating agency meetings and to negotiate "Green Bonds" certification agreements, if any, in connection with the issuance of the Bonds.

DISCUSSION:

In 2022, the District intends to issue not to exceed \$60 million of voter approved General

AUTHORIZE THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS (ELECTION OF 2004), 2022
REFUNDING SERIES H (FEDERALLY TAXABLE) (Green Bonds)

Obligation Bonds, if sufficient net present value savings can be achieved per the District's Debt Policy. Proceeds of the Refunding Bonds will be used to refund outstanding bonds issued pursuant to Measure AA to achieve debt service savings and to pay costs of issuance of the bonds.

The proposed resolution will authorize the Interim Controller-Treasurer to negotiate the structure, financing and cost of issuance of the Bonds. In addition, the resolution authorizes the preparation, execution, and delivery of the necessary documents including the Preliminary Official Statement, the Official Statement, Supplemental Paying Agent Agreement or Trust Agreement, Bond Purchase Agreement, Continuing Disclosure Agreement and related agreements, and payment to cover the costs of issuance as well as the negotiation of green bond certification agreements, if any, in connection with issuance of General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds). Due to current U.S. tax law, only taxable bonds may be issued to advance refund the District's outstanding General Obligation Bonds at this time.

The District advertised the RFP for underwriting services to the nine members of the District's Underwriting Pool on December 9, 2021, and received nine proposals on January 6, 2022. The Selection Committee performed a technical evaluation of the proposals. The Selection Committee ranked these proposals and recommended Stifel, Nicolaus and Company, Incorporated as Senior Manager, Barclays Capital Inc. and Siebert Williams Shank & Co., LLC as Co-Senior Managers, and Citigroup Global Markets Inc. and J.P. Morgan Securities LLC as Co-Managers.

Consistent with BART Debt Policy, BART anticipates issuing the Bonds as "Green Bonds" that are "Climate Bond Certified" by the Climate Bonds Initiative under the low carbon land transport criteria established by the Climate Bonds Standard & Certification Scheme. Green Bonds typically finance projects that have positive environmental and/or climate benefits. The projects financed by the Refunded Bonds and the use of the proceeds of the Refunding Bonds to refinance such projects will assist BART in providing mass transit services which are electrically powered and thus reduce the amount of carbon dioxide that would otherwise be released if BART riders used automobiles.

FISCAL IMPACT:

The District proposes to issue the Refunding Bonds in the total principal amount not to exceed \$60 million. The savings to be achieved from refunding existing debt at lower interest rates will reduce debt service cost which will be passed on to District property taxpayers

AUTHORIZE THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS (ELECTION OF 2004), 2022
REFUNDING SERIES H (FEDERALLY TAXABLE) (Green Bonds)

through lower tax assessments. The amount of the savings will depend on prevailing interest rates at the time the bonds are sold. The cost of issuance for underwriting, legal counsel, financial advisors, rating agencies, trustee services, and other auxiliary fees is estimated not to exceed 1% of principal amount of Refunding Bonds issued and will be paid out of the proceeds.

Interest and principal on the General Obligation Bonds will be paid through assessed ad valorem taxes on all property in the three BART District counties. No General Obligation Bond debt service will be borne by District general fund revenues.

ALTERNATIVES:

The District may elect not to issue the Refunding Bonds at this time, which would mean no debt service savings would be available with respect to bonds currently outstanding.

RECOMMENDATION:

To authorize the issuance of the Bonds and for the Interim Controller-Treasurer to negotiate the structure, financing and cost of issuance for the Refunding Bonds, and execute and deliver all documents necessary for their issuance.

MOTION:

The Board adopts the attached resolution, incorporated herein as if set forth in full, authorizing and approving the issuance and sale, if sufficient savings are achieved, of not to exceed \$60 million aggregate principal amount of the Refunding Bonds, and authorizing the preparation, execution and delivery of agreements and documents in connection therewith.

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**

Resolution No. _____

AUTHORIZING AND APPROVING THE ISSUANCE AND SALE OF NOT TO EXCEED \$60,000,000 AGGREGATE PRINCIPAL AMOUNT OF SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT GENERAL OBLIGATION BONDS (ELECTION OF 2004), 2022 REFUNDING SERIES H (FEDERALLY TAXABLE); AUTHORIZING THE EXECUTION AND DELIVERY OF A SECOND SUPPLEMENTAL TRUST AGREEMENT PURSUANT TO WHICH SUCH BONDS ARE TO BE ISSUED, A BOND PURCHASE AGREEMENT PURSUANT TO WHICH SUCH BONDS ARE TO BE SOLD BY NEGOTIATED SALE; APPROVING AN OFFICIAL STATEMENT RELATING TO SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF THE OFFICIAL STATEMENT AND CERTAIN DOCUMENTS IN CONNECTION WITH THE ISSUANCE AND SALE OF SUCH BONDS, INCLUDING A CONTINUING DISCLOSURE AGREEMENT AND AN ESCROW AGREEMENT; DELEGATING TO THE CONTROLLER/TREASURER OF THE DISTRICT OR THE INTERIM CONTROLLER/TREASURER OF THE DISTRICT POWER TO DETERMINE FINAL TERMS OF SUCH BONDS AND COMPLETE SAID DOCUMENTS AND AUTHORIZING CERTAIN OTHER MATTERS RELATING THERETO.

Adopted: _____

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
CERTIFIED A TRUE COPY

April B. A. Quintanilla, Assistant District Secretary

WHEREAS, pursuant to Resolution No. 4920 of the San Francisco Bay Area Rapid Transit District (the "District"), adopted June 10, 2004, the District duly called an election, and an election was regularly held in the Counties of Alameda, Contra Costa and San Francisco on November 2, 2004, at which the following proposition ("Measure AA") was submitted to the electors of the District:

"To protect public safety and keep Bay Area traffic moving in the event of an earthquake or other disaster, shall BART, the San Francisco Bay Area Rapid Transit District, be authorized to issue bonds not to exceed \$980 million dollars to make earthquake safety improvements to BART facilities in Contra Costa, San Francisco and Alameda Counties, including strengthening tunnels, bridges, overhead tracks and the underwater Transbay Tube, and establish an independent citizens' oversight committee to verify bond revenues are spent as promised?"

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2004), 2005 Series A (the “2005 Bonds”) in an aggregate principal amount of \$100,000,000, pursuant to that certain Paying Agent Agreement (the “Master Paying Agent Agreement”), by and between the District and U.S. Bank National Association (successor to The Bank of New York Trust Company, N.A.), as Paying Agent (the “Paying Agent” or “U.S. Bank”), dated as of May 1, 2005, all of which 2005 Bonds have been refunded or paid at maturity;

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2004), 2007 Series B (the “2007 Bonds”) in an aggregate principal amount of \$400,000,000, pursuant to that certain First Supplemental Paying Agent Agreement (the “First Supplemental Paying Agent Agreement”), by and between the District and the Paying Agent, dated as of July 1, 2007, all of which 2007 Bonds have been refunded or paid at maturity;

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2004), 2013 Series C (the “2013 Bonds”) in an aggregate principal amount of \$240,000,000 pursuant to that certain Second Supplemental Paying Agent Agreement (the “Second Supplemental Paying Agent Agreement”), by and between the District and the Paying Agent, dated as of October 1, 2013, a portion of which 2013 Bonds has been refunded or paid at maturity;

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2004), 2015 Refunding Series D (the “2015 Bonds”) in an aggregate principal amount of \$276,805,000 pursuant to that certain Third Supplemental Paying Agent Agreement (the “Third Supplemental Paying Agent Agreement” and, together with the Master Paying Agent Agreement, the First Supplemental Paying Agent Agreement, the Second Supplemental Paying Agent Agreement and further supplements and amendments thereto, the “Paying Agent Agreement”), by and between the District and the Paying Agent, dated as of October 1, 2015;

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2004), 2017 Refunding Series E (Green Bonds) (the “2017 Bonds”) in an aggregate principal amount of \$84,735,000 pursuant to that certain Trust Agreement (Measure AA), incorporating the Paying Agent Agreement (the “Master Trust Agreement”), by and between the District and U.S. Bank, as trustee, dated as of June 1, 2017;

WHEREAS, the District has heretofore issued its General Obligation Bonds (Election of 2004), 2019 Series F-1 (Green Bonds) (the “2019F-1 Bonds”) in an aggregate principal amount of \$205,100,000, its General Obligation Bonds (Election of 2004), 2019 Series F-2 (Federally Taxable) (Green Bonds) (the “2019F-2 Bonds” and, together with the 2019F-1 Bonds, the “2019F Bonds”) in an aggregate principal amount of \$34,900,000, and its General Obligation Bonds (Election of 2004), 2019 Refunding Series G (Federally Taxable) (Green Bonds) (the “2019G Bonds”) in an aggregate principal amount of \$43,500,000 pursuant to that certain First Supplemental Trust Agreement (Measure AA) (the “First Supplemental Trust Agreement”), by and between the District and U.S. Bank, as trustee, dated as of August 1, 2019;

WHEREAS, the outstanding 2013 Bonds, 2015 Bonds, 2017 Bonds, 2019F Bonds, and 2019G Bonds are hereinafter referred to as the “Outstanding Bonds”;

WHEREAS, effective February 28, 2022, U.S. Bank transferred substantially all of its corporate trust business to its wholly owned subsidiary, U.S. Bank Trust Company, National Association, which is serving as successor trustee (the “Trustee”) as of such date with respect to the Outstanding Bonds;

WHEREAS, debt service savings can be achieved by refunding a portion of the 2013 Bonds that are currently outstanding and are subject to redemption on August 1, 2023 and a portion of the 2015 Bonds that are currently outstanding and are subject to redemption on August 1, 2025;

WHEREAS, pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Government Code”) and other applicable law, the District is authorized to issue refunding bonds to refund all or a portion of the Outstanding Bonds, and to sell its refunding bonds at public sale or on a negotiated basis;

WHEREAS, the District now deems that it is necessary and desirable to issue its “San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds)” (the “2022H Bonds”) in one or more series to provide funds to refund a portion of the outstanding 2013 Bonds and 2015 Bonds (such refunded portion hereinafter referred to collectively as the “Refunded Bonds”) as shall be determined appropriate by the Controller/Treasurer of the District or the Interim Controller/Treasurer of the District (each hereinafter referred to as the “Controller/Treasurer”) in order to achieve debt service savings;

WHEREAS, the District desires to issue the 2022H Bonds pursuant to a Second Supplemental Trust Agreement, (in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being hereinafter referred to as the “Second Supplemental Trust Agreement” and, together with the Master Trust Agreement and the First Supplemental Trust Agreement, the “Trust Agreement”), for the purpose of refunding the Refunded Bonds and paying the costs of issuance of the 2022H Bonds;

WHEREAS, the District deems it necessary and desirable to sell the 2022H Bonds by negotiated sale to Stifel, Nicolaus & Company, Incorporated acting as representative (the “Representative”) of itself, Barclays Capital Inc., Siebert Williams Shank & Co., LLC, Citigroup Global Markets Inc., and J.P. Morgan Securities LLC (collectively with the Representative, the “Underwriters”), in order to provide flexibility in the timing of the sale of the 2022H Bonds and to achieve a more desirable debt structure and an overall lower cost of borrowing;

WHEREAS, a proposed form of bond purchase agreement between the District and the Representative has been prepared and presented to this meeting (such bond purchase agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being hereinafter referred to as the “Bond Purchase Agreement”);

WHEREAS, there has been prepared and submitted to this meeting a proposed form of Official Statement (as defined herein) in preliminary form (the “Preliminary Official Statement”) to be used in connection with the offering and sale of the 2022H Bonds;

WHEREAS, a proposed form of escrow agreement between the District and U.S. Bank Trust Company, National Association, as escrow agent, has been prepared and presented to this

meeting (such escrow agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being hereinafter referred to as the “Escrow Agreement”);

WHEREAS, in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), there has been prepared and submitted to this meeting a proposed form of Continuing Disclosure Agreement (such Continuing Disclosure Agreement, in the form presented to this meeting, with such changes, omissions and insertions as are made pursuant to this Resolution, being hereinafter referred to as the “Continuing Disclosure Agreement”), which is proposed to be entered into by the District and U.S. Bank Trust Company, National Association, as dissemination agent;

WHEREAS, the District has engaged Sperry Capital Inc. as municipal advisor to the District (the “Municipal Advisor”) with respect to the 2022H Bonds, and Orrick, Herrington & Sutcliffe LLP as bond and disclosure counsel to the District with respect to the 2022H Bonds and pursuant to Section 5852.1 of the Government Code of the State of California, the District has estimated the costs of issuance for the 2022H Bonds and has received certain representations and good faith estimates from the Representative and the Municipal Advisor as to the debt costs and finance charges with respect to the 2022H Bonds as set forth in Exhibit A hereto; and

WHEREAS, the District hereby determines that the projects financed by the Refunded Bonds and the use of the proceeds of the 2022H Bonds to refinance such projects will assist BART in providing mass transit services which are electrically powered and thus reduce the amount of carbon dioxide that would otherwise be released if BART riders used automobiles and as such the 2022H Bonds should be certified as “Green Bonds” under the low carbon land transport criteria established by the Climate Bonds Standard and Certification Scheme;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Francisco Bay Area Rapid Transit District as follows:

Section 1. The foregoing recitals are true and correct, and the issuance by the District of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds), in an aggregate principal amount not to exceed \$60,000,000, and being sufficient to: (i) refund such portion of the Outstanding Bonds as shall be determined appropriate by the Controller/Treasurer in order to achieve debt service savings and/or to restructure existing debt service; and (ii) pay costs of issuance of the 2022H Bonds, on the terms and conditions set forth in, and subject to the limitations specified in, the Second Supplemental Trust Agreement, as finally executed and delivered, is hereby approved. The Controller/Treasurer is hereby authorized and directed to determine the principal amount, series designations, interest rate or rates, and other terms of the 2022H Bonds to be issued, and to specify said terms and conditions set forth herein and in the Second Supplemental Trust Agreement as finally executed and delivered.

Section 2. The Second Supplemental Trust Agreement in the form presented to this meeting is hereby approved. The Controller/Treasurer is hereby authorized and directed to execute and deliver the Second Supplemental Trust Agreement in substantially the form presented to this meeting with such changes, insertions and omissions as may be approved by such officer, such

approval being conclusively evidenced by the execution and delivery of the Second Supplemental Trust Agreement. The proceeds of the 2022H Bonds (after payment of the costs of issuance thereof) will be applied to provide funds for the purposes hereinabove described. The maximum term of the 2022H Bonds shall not exceed the term of the Refunded Bonds being refunded. The maximum rate of interest to be payable on the 2022H Bonds shall not exceed five percent (5.00%) per annum. The combined true interest cost for the 2022H Bonds shall not exceed four and five hundredths percent (4.500%) per annum. Optional redemption of the 2022H Bonds shall be provided for at not later than ten (10) years from the date of issuance at the principal amount of 2022H Bonds being redeemed; provided, however, that the Controller/Treasurer is hereby authorized to cause all or any portion of the 2022H Bonds to be issued as callable, noncallable, taxable, or tax-exempt bonds. The net present value of the savings generated by the refunding shall be at least five percent (5.00%) of the aggregate principal amount of the Refunded Bonds. The 2022H Bonds shall be signed by the manual or facsimile signature of the President of the Board of Directors of the District and countersigned by the manual or facsimile signature of the Secretary of the District, and the manual or facsimile seal of the District shall be affixed to the 2022H Bonds. The 2022H Bonds shall be authenticated by a manual signature of a duly authorized officer of the Trustee. The dated date of the document, the interest payment dates, series designations, tax designation, denominations, forms, manner of execution, terms of redemption and other terms of the 2022H Bonds shall be as provided in the Second Supplemental Trust Agreement as finally executed.

Section 3. The sale of the 2022H Bonds to the Underwriters on the terms and conditions contained in the Bond Purchase Agreement is hereby approved and authorized and the Bond Purchase Agreement in the form presented to this meeting is hereby approved. The Controller/Treasurer is hereby authorized and directed to execute and deliver the Bond Purchase Agreement in substantially the form presented to this meeting with such changes, insertions and omissions as may be approved by such officer, such approval being conclusively evidenced by the execution and delivery thereof. The maximum underwriting discount on the sale of the 2022H Bonds (exclusive of original issue discount) shall be not greater than thirty-five hundredths of one percent (0.35%) of the principal amount of the 2022H Bonds. The proceeds, including any accrued interest on the sale of the 2022H Bonds, shall be applied simultaneously with the delivery of the 2022H Bonds, as required by the terms of the Second Supplemental Trust Agreement as finally executed. The costs of issuance of the 2022H Bonds excluding the underwriting discount, shall not be greater than one-half of one percent (0.50%) of the principal amount of the 2022H Bonds.

Section 4. The Preliminary Official Statement in the form presented to this meeting is hereby approved and the distribution of the Preliminary Official Statement, in connection with the offering and sale of the 2022H Bonds, with such changes, omissions and insertions as shall be approved by the Controller/Treasurer, is hereby authorized and approved. The Controller/Treasurer is hereby authorized to review the Preliminary Official Statement and to certify on behalf of the District that the Preliminary Official Statement is “deemed final” as of its date, except for certain terms and pricing information permitted to be omitted therefrom pursuant to Securities and Exchange Commission Rule 15c2-12. The Controller/Treasurer is authorized to deliver such a certification to the Underwriters.

The Controller/Treasurer is hereby authorized and directed to prepare a final version of the Official Statement (such final version of the Official Statement, in the form of the Preliminary

Official Statement, with such changes, insertions and omissions as shall be approved by the Controller/Treasurer, being hereinafter referred to as the “Official Statement”) and to execute the Official Statement and any amendment or supplement thereto, in the name of and on behalf of the District, and cause the Official Statement and any such amendment or supplement to be delivered to the Underwriters and distributed in connection with the offering and sale of the 2022H Bonds.

Section 5. The Continuing Disclosure Agreement in the form presented to this meeting is hereby approved. The Controller/Treasurer is hereby authorized and directed to execute and deliver a Continuing Disclosure Agreement in substantially the form presented to this meeting, with such changes, insertions and omissions as may be approved by such officer, such approval being conclusively evidenced by the execution and delivery of the Continuing Disclosure Agreement.

Section 6. The Escrow Agreement in the form presented to this meeting is hereby approved. The Controller/Treasurer is hereby authorized and directed to execute and deliver one or more escrow agreements in substantially the form presented to this meeting, with such changes, insertions and omissions as may be approved by such officer, such approval being conclusively evidenced by the execution and delivery of the Escrow Agreement. The Controller/Treasurer is hereby authorized and directed to take such actions as are necessary in connection with the investment of funds deposited in the escrow funds established pursuant to the Escrow Agreement, including seeking bids for escrow securities and, if applicable, U.S. Bank Trust Company, National Association, in its capacity as trustee or escrow agent, the Underwriters, or the Municipal Advisor, is hereby authorized and directed to file such applications and other documents on behalf of the District as may be required to order and obtain U.S. Treasury Obligations – State and Local Government Series or other government securities to be purchased with proceeds of the 2022H Bonds and deposited in the escrow funds.

Section 7. The Controller/Treasurer is hereby authorized to arrange and confirm Green Bond certifications from the Climate Bonds Initiative for the 2022H Bonds or a portion thereof and the Controller/Treasurer is further authorized to execute and deliver all documents necessary in connection therewith.

Section 8. The Controller/Treasurer is hereby authorized to enter into or to instruct the Trustee to enter into one or more investment agreements, float contracts, swaps or other hedging products (hereinafter collectively referred to as the “Investment Agreement”) providing for the investment of moneys in any of the funds and accounts created under the Trust Agreement, on such terms as the Controller/Treasurer shall deem appropriate. Pursuant to Section 5922 of the California Government Code, the Board of Directors of the District hereby finds and determines that the Investment Agreement will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreement and is designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the 2022H Bonds or enhance the relationship between risk and return with respect to investments.

Section 9. Pursuant to Section 29121 of the California Public Utilities Code, the District shall, at the time of fixing the general tax levy and in the manner provided for fixing the general tax levy, levy and collect annually until the 2022H Bonds are paid, or until there is a sum in the

treasury of the District set apart for the purpose of paying all principal of and interest (and redemption premiums, if any) on the 2022H Bonds as the same become due and payable, a tax sufficient to pay the annual interest on the 2022H Bonds and such part of the principal thereof, including any sinking fund installments or redemption premiums required to be paid pursuant to the Second Supplemental Trust Agreement, as will become due before the proceeds of a tax levied at the next general tax levy will be made available for such purposes.

Section 10. The District hereby pledges all revenues from the property taxes collected from the levy for the payment of outstanding general obligation bonds of the District heretofore and hereafter issued pursuant to voter-approved Measure AA of the District, including the 2022H Bonds and any bonds issued to refund the 2022H Bonds or any other bonds issued pursuant to Measure AA (for the purpose of this pledge herein collectively, the “Bonds”) and amounts on deposit in the interest and sinking fund of the District to the payment of the principal or redemption price of and interest on the Bonds subject only to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein. This pledge shall be valid and binding from and after delivery by the Trustee of the 2022H Bonds for the benefit of the owners of the Bonds and successors thereto. The property taxes and amounts held in the interest and sinking fund of the District shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the interest and sinking fund of the District to secure the payment of the Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act.

Section 11. The Board of Supervisors, the Auditor-Controller, the Assessor, the Treasurer, and other appropriate officials of each of the County of Alameda, the County of Contra Costa and the City and County of San Francisco (each, a “BART County” and collectively, the “BART Counties”), are hereby requested to take and authorize such actions as may be necessary pursuant to the laws of the State of California to provide for the levy and collection of the property tax on all property within their respective BART County subject to taxation by the District at such rate specified annually by the District to provide for payment of all principal of, redemption premium, if any, and interest on the 2022H Bonds as the same shall become due and payable, and to transfer such monies to or as requested by the District for deposit to the District’s interest and sinking fund established pursuant to the Trust Agreement, and the Secretary of the District is hereby authorized and directed to deliver certified copies of this Resolution to the Clerk of the Board of Supervisors, the Auditor-Controller, the Assessor, the Treasurer and other appropriate officials of each BART County. The Board of Directors of the District hereby agrees to reimburse each BART County for any costs associated with the levy and collection of said tax, upon such documentation of said costs as the District shall reasonably request. The Controller/Treasurer is hereby authorized to enter into agreements with each BART County, provide such other documentation, and engage such consultants as the Controller/Treasurer determines is necessary or convenient to assist in the levy and collection of the taxes, the transfer thereof to or at the direction of the District, and the management of the bond program.

Section 12. The President of the Board of Directors of the District, the General Manager of the District, the Controller/Treasurer, the General Counsel of the District, the Secretary of the District and any other proper officer of the District, acting singly, is, and each of them hereby is,

authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper to carry out the transactions contemplated by the Trust Agreement, the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement, the Escrow Agreement, and the Continuing Disclosure Agreement, and by this Resolution, including without limitation, the delivery of tax certifications, the delivery of any instructions or documents relating to the investment of bond proceeds, the engagement of verification agents, consultants and the making of any determinations or submission of any documents or reports which are required by any governmental entity in connection with the issuance or payment of the 2022H Bonds. In the event the Secretary of the District shall not have been appointed or is not otherwise available, the Assistant Secretary of the District is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things that the Secretary of the District is authorized or directed hereunder to execute, deliver, do or cause to be done. The Board of Directors of the District hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

Section 13. All actions heretofore taken by the officers, representatives or agents of the District in connection with the issuance and sale of the 2022H Bonds are hereby ratified, confirmed and approved.

Section 14. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED on _____, 2022.

EXHIBIT A TO RESOLUTION

GOOD FAITH ESTIMATES¹

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT GENERAL OBLIGATION BONDS (ELECTION OF 2004), 2022 REFUNDING SERIES H (FEDERALLY TAXABLE) (GREEN BONDS)

The following information was obtained from Stifel, Nicolaus & Company, Incorporated, as Representative of the Underwriters of the above-captioned bonds (the “Bonds”) and Sperry Capital Inc., as Municipal Advisor to the San Francisco Bay Area Rapid Transit District with respect to the Bonds, for consideration prior to the authorization in the foregoing Resolution of the proposed Bonds:

1. *True Interest Cost of the Bonds.* Assuming an aggregate principal amount of the Bonds in the amount of \$57,410,000 is sold pursuant to the financing and based on market interest rates prevailing at the time of preparation of this information plus 50 basis points, a good faith estimate of the true interest cost of the 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 Bonds, is 4.263%.

2. *Finance Charge of the Bonds.* Assuming such a principal amount of the proposed Bonds is sold and based on market interest rates prevailing at the time of preparation of this information plus 50 basis points, a good faith estimate of the Finance Charge of the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the issuance of the Bonds), is \$179,588, as follows:

	Name	Amount*
a)	Bond Counsel Fees	\$31,579
b)	Disclosure Counsel Fees	12,632
c)	Municipal Advisor Fees	10,263
d)	Rating Agency Fees	19,974
e)	Trustee Fees	1,689
f)	Printer Fees	395
g)	Verification Agent Fees	2,000
h)	Miscellaneous Expenses	197
i)	Green Bond Certification	574
j)	Underwriters’ Discount	96,449
	Subtotal	\$175,752
k)	Contingency	3,836
	Total:	\$179,588

* Preliminary, subject to change. Final allocation of fees between refunding and new money to be determined at pricing.

¹ Note: Amounts in the good faith estimates are approximated to the nearest dollar. Totals may not sum due to rounding.

3. *Amount of Proceeds to be Received.* Assuming such aggregate principal amount of the proposed Bonds required to effectuate the financing is sold and based on market interest rates prevailing at the time of preparation of this information plus 50 basis points, a good faith estimate of the amount of proceeds expected to be received by the issuer for sale of the Bonds less the Finance Charge of the Bonds described in 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$57,230,412.

4. *Total Payment Amount.* Assuming such aggregate principal amount of the proposed Bonds (\$57,410,000) are sold and based on market interest rates prevailing at the time of preparation of this information plus 50 basis points, a good faith estimate of the total payment amount, which means the sum total of all payments the issuer will make to pay debt service on the Bonds plus the Finance Charge of the Bonds described in paragraph 2 above not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$75,080,660.

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

APPENDIX A

**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
FINANCIAL AND OPERATING INFORMATION**

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SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

General Description of the District

The San Francisco Bay Area Rapid Transit District (the “District” or “BART”) was created in 1957 by Chapter 1056 of the Statutes of 1957 of the State of California, constituting Sections 28500 to 29757, inclusive, of the California Public Utilities Code, as amended (the “BART Legislation”) to provide rapid transit to the San Francisco Bay Area. The District is presently composed of all the area in the Counties of Alameda and Contra Costa and the City and County of San Francisco (the “Three BART Counties”). In addition, the District owns property within the County of San Mateo and has easements to operate within the County of Santa Clara on which BART is operating facilities, and the District acquired the right to use additional right of way and station locations in connection with the extension of its rapid transit system (the “BART System”) to the San Francisco International Airport (“SFO”) located in the County of San Mateo. The first phase of the extension of the BART System into the County of Santa Clara was completed in Fiscal Year 2019-20, as service to the Milpitas and Berryessa/North San José stations began on June 13, 2020. See “BART FINANCINGS AND CAPITAL PROGRAMS – System Expansion Program” herein. Under certain conditions, other counties may be annexed to and become a part of the District. BART is not aware of any plans to annex any counties to the District.

References to “Fiscal Year” or “FY” refer to the fiscal year ending on June 30 of the designated year and beginning on the preceding July 1.

Administration

Governance of the District is vested in a Board of Directors (the “Board of Directors” or the “Board”) composed of nine members, each representing an election district within the District. The boundaries of the election districts have been set on the basis of, as nearly as practicable, equal population and, among other things, community of interest of the population within the election district. The election districts are adjusted to reflect population changes after every national census. The boundaries of the District’s election districts do not conform to the boundaries of the Three BART Counties. The nine electoral districts may include areas from one or more of the Three BART Counties.

Directors are elected to staggered four-year terms every two years, alternating between four and five available positions. Each term commences on the first Friday of December in the year of a November general election and ends on the first Friday of December four years later.

The District Directors are:

Director	District	City of Residence	Term Expiration (December)
Rebecca Saltzman, President	3	El Cerrito	2024
Janice Li, Vice President	8	San Francisco	2022
Debora Allen	1	Clayton	2024
Elizabeth Ames	6	Union City	2022
Bevan Dufty	9	San Francisco	2024
Mark Foley	2	Antioch	2022
John McPartland	5	Castro Valley	2024
Robert Raburn	4	Oakland	2022
Lateefah Simon	7	Oakland	2024

The executive management staff of the District consists of statutory officers appointed by the Board and operating managers appointed by the General Manager.

Principal statutory officers include:

Robert Powers, General Manager

Robert Powers was appointed General Manager of BART on July 25, 2019. As General Manager, Mr. Powers manages an operating budget of approximately \$1 billion, oversees approximately \$1.4 billion in capital projects, and leads an agency with approximately 4,000 employees that keeps the San Francisco Bay Area moving.

Prior to his appointment, Mr. Powers served as Deputy General Manager of BART starting in January of 2017. In this role, Mr. Powers provided support to the General Manager in the management of major District departments including Operations; System Safety; Planning, Development and Construction; Administration and Budget; Office of the CIO; Civil Rights; External Affairs and Human Resources. Mr. Powers also provided management support to the Board of Directors, Board-appointed officers and BART's executive staff.

Before his appointment to Deputy General Manager, Mr. Powers served as Assistant General Manager of Planning, Development and Construction at BART and was responsible for the design, construction and management of several major rail transit extension projects along with BART's Real Estate and Property Development; Strategic and Station Planning efforts; BART's Energy and Sustainability Program, and the Office of the District Architect.

Mr. Powers is a licensed Professional Engineer. He holds a Bachelor of Science degree in Civil Engineering and Master of Science degree in Structural Engineering, both from the University of Illinois at Urbana-Champaign.

Christopher S. Gan, Interim Controller/Treasurer

The Board of Directors appointed Mr. Gan as the Interim Controller-Treasurer of the District, effective March 22, 2021. In this role, Mr. Gan plans, organizes, directs, and administers

the functions of the District's finances, including investment, debt administration, cash collection and revenue services, risk management, and controllership. He also provides advice and financial information to District staff and the Board of Directors. Mr. Gan joined the District in June 1999 as Accounting Manager in the Finance Department and was promoted to Assistant Controller in December 2012. In this role, he was responsible for managing all accounting-related functions in the District, including general accounting, accounts payable, accounts receivable, payroll, and financial reporting. Mr. Gan is a certified public accountant in California and holds a Bachelor of Science degree in Commerce, major in accounting, from De La Salle University in the Philippines.

Matthew Burrows, General Counsel

Mr. Burrows joined the District in 1997 as an attorney in the Office of the General Counsel. In this role, Mr. Burrows generally represented the District and provided advice and counsel in labor, employment, procurement and construction matters. He was appointed Associate General Counsel in May, 2007 and General Counsel in January 2008. In his more than 14 years as General Counsel he has been responsible for the management of the legal affairs of the District. Mr. Burrows received a Bachelor of Arts degree in Sociology from the University of California at Santa Barbara and his Juris Doctor degree from the University of California, Hastings College of the Law.

Principal executive management staff appointed by the General Manager include:

Shane Edwards, Interim Assistant General Manager, Operations

Mr. Edwards was appointed the Interim Assistant General Manager of Operations of the District on July 31, 2021. In this role, Mr. Edwards is responsible for the day-to-day delivery of safe, clean, reliable train service. Mr. Edwards joined in the District in May 2015 as the Assistant Chief Maintenance and Engineering Officer of the Right-of-Way, and was appointed Chief Maintenance and Engineering Officer in December 2018. In this role, Mr. Edwards led a diverse team of engineering and maintenance professionals, who maintained over 30,000 fixed assets and managed a capital portfolio of 400 projects. Mr. Edwards received an Associate of Arts and Sciences degree in Business Management from California State University at Fresno, and has 28 years of experience in the railway industry.

Pamela Herhold, Assistant General Manager, Performance and Budget

Ms. Herhold was appointed the Assistant General Manager of Performance and Budget for the District in September 2017. In this role, Ms. Herhold is responsible for the District's Performance and Budget Executive Office, leading areas including Budgets, fare policy, long-term financial planning, Grants, Funding Strategy and Internal Audit. Previously, Ms. Herhold led the District's Financial Planning function and was a leader in institutionalizing the District's inflation-based fare increase program, now in place since 2006. Ms. Herhold holds a Master of Urban and Regional Planning from the University of Florida.

THE BART SYSTEM

General Description

The BART System is an electrically-powered rail rapid transit system serving the residents of the San Francisco Bay Area. The BART System is currently comprised of approximately 131 miles of dual mainline track (including some areas of more than two tracks) and 50 stations, 42 of which are located in the Three BART Counties, six of which are located in San Mateo County on the San Francisco Peninsula, and two of which are located in Santa Clara County. In addition, the BART System includes the renewable diesel-powered Antioch Extension (as defined herein) and the electric Oakland Airport Connector (the “OAC”). Automatic fare collection equipment is located in each station to vend and process passenger tickets and Clipper Cards (as defined herein). BART is powered by an electric third rail at 1,000 volts DC. The rail right-of-way is fully protected and has no grade crossings. Computers located along the right-of-way automatically control train movements. BART train supervision is provided by the BART train control computer located at the BART Operations Control Center (the “Control Center”). Should the need arise, train operators aboard each train may override the automatic system.

BART service lines run through the urban and suburban areas of the Three BART Counties, San Mateo County and Santa Clara County. Lines run along the west side of the San Francisco Bay on the San Francisco Peninsula from the Millbrae station and the SFO station, under the San Francisco Bay in the San Francisco-Oakland rapid transit tube (the “Transbay Tube”) and traverse the hills and valleys of the east side of the San Francisco Bay including through the Berkeley Hills Tunnel, which runs approximately parallel to the Caldecott Tunnel and bisects the Hayward Fault. For more detailed information regarding BART System routes, see the BART System map in the inside back cover of this Official Statement. Approximately one-third of the BART System is underground or underwater, one-third is aerial, and one-third is at grade.

BART stations are spaced approximately one-half mile apart in downtown San Francisco and Oakland, and approximately two to four miles apart in most suburban areas. A number of BART stations located in downtown San Francisco enable intermodal transfers to the San Francisco Metropolitan Transportation Authority light rail, cable cars and buses. The Millbrae station provides convenient transfers to the Caltrain commuter rail service, which provides commuter service along the San Francisco Peninsula and south to Gilroy in Santa Clara County. The Richmond and Coliseum stations in the East Bay provide intermodal transfers to the Capitol Corridor intercity rail service between Sacramento and San Jose. The Milpitas station in Santa Clara County provides convenient transfers to the Santa Clara Valley Transportation Authority (“VTA”) light rail and bus systems, which provide commuter service throughout the greater San Jose area. The SFO station is located within SFO. The Coliseum station in Oakland provides access via the OAC to Oakland International Airport (“OAK”).

BART began operations in the early 1970s with Transbay service beginning in 1974. A number of East Bay extensions to North Concord/Martinez and Pittsburg/Bay Point to the northeast and Castro Valley and Dublin/Pleasanton to the southeast were added in the mid-1990s and a new station in the Warm Springs district of Fremont in southern Alameda County (the “Warm Springs Extension”) was opened in 2017. The SFO Extension (as defined herein), consisting of service to five stations in San Mateo County, opened in 2003 with BART assuming

operational control of the SFO Extension from the San Mateo County Transit District (“SamTrans”) in 2007.

BART commenced service of the OAC in November 2014. The OAC is an automated, cable-propelled people mover manufactured by Doppelmayr Cable Car, Inc. (“DCC”) that travels between the Coliseum BART station and OAK in about eight minutes on a guideway structure along the median of Hegenberger Road. The OAC project is operated pursuant to a 20-year operations and maintenance contract with DCC. Pursuant to the contract, the District pays DCC a monthly fee, which is calculated pursuant to a formula that includes a base fee, plus additional fixed fees for service adjustments, deductions for excessive downtime, incentives for increased service availability, and an adjustment for inflation. In Fiscal Year 2021, the District paid DCC approximately \$6.5 million.

On May 26, 2018, BART service was extended to Antioch in east Contra Costa County (the “Antioch Extension”). The Antioch Extension, designed to improve transit service in the congested California State Highway Route 4 (“State Route 4”) corridor, consists of a 10-mile rail extension located in the median of State Route 4 eastward from the Pittsburg/Bay Point BART station to the City of Antioch utilizing Diesel Multiple Unit (“DMU”) technology (the “eBART Project”). The eBART Project operates eight DMUs out of the eBART Maintenance Facility (“EMF”) in Antioch. The EMF consists of a maintenance shop, fueling station, train washing facility, warehouse, control center, and administrative offices.

On June 13, 2020, BART service was extended to Milpitas and San Jose in north Santa Clara County (the “Silicon Valley Berryessa Extension Project” or the “SVBX”). The SVBX is a ten-mile extension south from the Warm Springs/South Fremont station and includes the Milpitas and Berryessa/North San José stations. The SVBX is the first phase of the Silicon Valley Extension (defined herein). See “BART FINANCINGS AND CAPITAL PROGRAMS – System Expansion Program – *Silicon Valley Extension*” herein.

Revenue Hours

BART operates revenue train service from 5:00 a.m. to midnight Monday through Friday, from 6:00 a.m. to midnight on Saturdays, and from 8:00 a.m. to midnight on Sundays. The last trains depart each end of the line around midnight, so passengers can get anywhere in the BART System if they arrive at any station by around midnight. Depending upon demand, holiday rail service is provided on a full or modified weekday schedule, a Saturday schedule or a Sunday schedule. On April 8, 2020, BART temporarily reduced its revenue service due to reduced ridership resulting from the COVID-19 pandemic. As of February 14, 2022, BART customary revenue service hours were restored.

Ridership

Average weekday passenger trips for Fiscal Years 2016-17 through 2020-21, as well as for the first three-quarters of Fiscal Year 2021-22 are set forth below.

Average Weekday Ridership

Trip Locations:	2017	2018	2019	2020	2021	2022*
East Bay	84,946	82,251	79,751	57,420	14,709	26,323
West Bay	106,814	102,844	103,210	72,039	11,830	24,121
Transbay	<u>231,636</u>	<u>229,071</u>	<u>227,816</u>	<u>158,812</u>	<u>26,383</u>	<u>52,283</u>
Average Total Weekday Trips	423,396	414,166	410,777	288,271	52,922	102,727
Percentage Annual Change	(2.3)%	(2.2)%	(0.8)%	(29.8%)	(81.6%)	94.1%

* Average passenger trips per weekday through March 31, 2022. In March 2022, average weekday passenger trips were 124,094.

Following extraordinary ridership growth after the 2008-2011 recession, ridership growth peaked in Fiscal Year 2015-16 averaging just over 433,000 weekday trips. In Fiscal Year 2016-17, ridership trended down, averaging 423,396 weekday trips for the year. That trend continued through Fiscal Year 2017-18 and Fiscal Year 2018-19 as ridership declined to just over 414,000 and just over 410,000 average weekday trips, respectively. Historically, factors such as changes in employment, traffic congestion and the price of gas have impacted BART ridership, and in recent years Uber, Lyft, and other app-based services (also known as Transportation Network Companies (“TNCs”)) appear to have contributed to the decline in ridership.

The ongoing COVID-19 pandemic, which began approximately eight months into Fiscal Year 2019-20, contributed to a sharp decline in ridership. From July 2019 through February 2020, average weekday trips were just over 405,000, and were approximately just 5% below the expected baseline as of March 2, 2020. Ridership fell drastically after each of the Three BART Counties instituted shelter-in-place orders in response to the COVID-19 outbreak (collectively, the “Shelter-In-Place Orders”) on March 17, 2020. From March 2020 through June 2020, ridership fell to just over 66,000 average weekday trips, bringing average weekday trips in Fiscal Year 2019-20 to just over 288,000. In Fiscal Year 2020-21, average weekday trips were just below 53,000, reflecting a full year of depressed ridership figures due to the effects of the COVID-19 pandemic. Ridership has fluctuated in Fiscal Year 2021-22, declining in December 2021 as a result of the onset and spread of the Omicron variant of COVID-19 and increasing since. Average weekday trips in April through April 23, 2022 were [____], approximately [____]% of pre-COVID-19 pandemic levels. For a discussion of the District’s long-term ridership outlook, and how the decline in ridership has affected and is expected to continue to affect the District’s finances, see “DISTRICT FINANCIAL INFORMATION – Management’s Discussion of Historical Financial Results and Adopted Budget for Fiscal Year 2021-22” and “– Preliminary Budget for Fiscal Year 2022-23” below. During this period of reduced ridership and service, the District has accelerated its capital programs to take advantage of increased maintenance windows.

During the COVID-19 pandemic, monthly station exits at the District’s downtown San Francisco stations decreased at a higher rate than at the District’s other stations, as many large employers in the District’s service area implemented policies that required or permitted employees to work remotely. These policies resulted in fewer employees commuting into San Francisco, and

according to Cushman & Wakefield, the vacancy rate in San Francisco offices reached 20.5% and 19.9% in the third and fourth quarters of calendar year 2021, respectively. The District anticipates that ridership will increase when San Francisco employers permit or require employees to return to the office.

The Coliseum station in Oakland provides access to the Oakland-Alameda County Coliseum (the “Coliseum”), currently home to the Oakland Athletics, a professional baseball team. The Golden State Warriors, a professional basketball team, relocated to the Chase Center in San Francisco beginning with the 2019-20 basketball season, the Oakland Raiders, a professional football team, relocated to a new venue in Las Vegas beginning with the 2020-21 football season, and the Oakland Athletics are considering relocating to a different site either in Oakland or outside the San Francisco Bay Area. Although the Coliseum continues to serve as a concert and event venue, the District has seen a decline in ridership at the Coliseum station since the relocation of the Golden State Warriors and the Oakland Raiders. The District expects, however, that some trips relating to Golden State Warriors home games remain on the BART System and now exit at a station closer to the Chase Center. The District cannot predict the impact of a future relocation of the Oakland Athletics on ridership at the Coliseum station or the BART System.

Passenger Fares

BART fares are calculated based on distances between the departure and arrival stations, with surcharges applied to certain trips adjusted for a speed differential. Surcharges apply to transbay trips; trips originating from or destined to stations located in San Mateo County; a capital surcharge applies to BART trips within the Three BART Counties; and a premium applies to trips to and from the SFO station and the OAK station via the OAC. Since January 1, 2020, the minimum one-way fare is \$2.10 for riders using the regional Clipper Card and \$2.60 for riders using the magnetic stripe paper tickets. The current maximum one-way fare for Clipper Card users is \$17.00, charged for the trip between the SFO and OAK stations, and \$17.50 for paper ticket users. Systemwide conversion from the use of paper tickets was fully completed in December 2020, and the Clipper Card is now the only fare product available for purchase at all BART stations. Clipper Card is also available via mobile application, and increased adoption of Clipper Card via mobile application may result in some cost savings to the District relating to equipment maintenance.

Fare increases during the District's history are summarized below:

Average District Fare Increases

Date	Average Increase
November 1975	21.0%
July 1980	34.9
September 1982	18.4
January 1986	30.0
April 1995	15.0
April 1996	13.0
April 1997	11.4
January 2003	5.0
January 2004	10.0
January 2006	3.7
January 2008	5.4
July 2009	6.1*
July 2012	1.4
January 2014	5.2
January 2016	3.4
January 2018	2.7
January 2020	5.4
July 2022	3.4**

* All fares increased by an average 6.1% with the exception of the 16.7% increase to the minimum fare and the 167% increase to the premium fare charged for trips to or from SFO station.

** Planned fare increase deferred from January 2022 to July 2022 to support regional recovery from the COVID-19 pandemic. This deferral reduces expected fare revenue by approximately \$3.5 million in Fiscal Year 2021-22.

The District currently offers a variety of fare discount programs ranging in value from 6.25% to 62.5% of the regularly-applicable fare. Persons eligible for such discount programs include youth between the ages of 5 and 18 (children under the age of 5 ride free), students attending San Francisco State University, and seniors or persons with disabilities. Specific terms and eligibility requirements apply to each discount program.

BART is currently participating in a pilot means-based fare discount program sponsored by MTC, which allows adult riders earning 200% or less of the federal poverty level to receive a 20% discount per trip on BART. MTC is reimbursing BART for up to 50% of BART's annual revenue loss from the program. The program has had slow adoption during the COVID-19 pandemic (less than 0.5% of all trips), and adoption is expected to increase as general ridership recovers.

BART commenced revenue service to the Milpitas and Berryessa/North San José stations in Fiscal Year 2019-20. The fare revenues generated for service to such stations are used to help offset VTA's operating costs for the extension under the VTA/BART Operations and Maintenance Agreement. See "BART FINANCINGS AND CAPITAL PROGRAMS – System Expansion Program" herein.

The rates and charges of BART are by law free from the jurisdiction and control of any regulatory agency, including the California Public Utilities Commission. Passenger fares are established by a two-thirds vote of the Board of Directors following public hearings in compliance with Title VI of the Civil Rights Act of 1964 and State law.

Parking Programs

As of March 2022, parking is provided at 38 of the District's 50 stations. The total number of BART-managed parking spaces is approximately 48,100, and VTA operates approximately 3,100 additional parking spaces at the Berryessa/North San José and Milpitas stations.

Parking is provided in surface lots and in parking garages. The District offers paid daily fee parking and reserved parking (both single/multi-day and monthly parking) at most of its stations. Monthly reserved parking fees vary from station to station within a range of approximately \$84 to \$105 at most stations, based upon the daily fee for each station. The number of spaces set aside for monthly reserved parking under current authorization cannot exceed 25% of the total spaces in a lot. All total reserved spaces may not exceed 40% of the station's total spaces. Passengers traveling to either SFO or OAK may purchase single/multi-day parking for approximately \$6-7/day at most stations.

The amount for the daily parking fee is demand-based, up to a \$3 daily fee limit which may be increased when demand exceeds 95% capacity, except at the West Oakland BART station, which does not have a limit.

Power Supply

The operation of the BART System requires a substantial amount of electricity to serve its traction power system as well as the operation of its stations, shops, yards and other facilities. The District's current annual electric load is approximately 380,000 megawatt-hours, with peak electric demand of approximately 80 megawatts. In calendar year 2020, for the first time, the District achieved a 100% greenhouse gas-free power supply as certified by its 2020 Power Content Label produced under the California Clean Energy Commission's Power Source Disclosure program.

The District historically purchased all of its electricity services, including both supply and delivery, from Pacific Gas & Electric Company ("PG&E"). In April 2017, the Board of Directors adopted the District's first Wholesale Electricity Portfolio Policy, mandating that procurement activities: (1) "Support low and stable BART operating costs," and (2) "Maximize the use of low-carbon, zero-carbon and renewable electricity supply." Specifically, this policy implemented performance measures for the energy portfolio's carbon and renewables content and for cost stability, including a 100% renewable electricity commitment by 2045 and long-term cost advantages over equivalent bundled electric service available through PG&E.

Pursuant to legislative authorization and the Wholesale Electricity Portfolio Policy, the District's energy supply needs are currently met through a portfolio of short-term, medium-term and long-term supply contracts, including power purchase agreements with hydroelectric, solar, and wind facilities. In 2017, the District executed two twenty-year renewable power purchase agreements ("PPAs") – a wholesale solar PPA and a wholesale wind PPA – to secure the majority of its electricity supply needs in 2021 and beyond at cost-effective, fixed prices. The projects,

known as the Slate Solar Project and the Sky River Wind Project, are located in Kings County and Kern County, respectively, and achieved commercial operation in 2021. Together, the two projects are expected to serve greater than 55% of the District's annual electric load. The balance of the District's power supply is comprised of approximately 35% hydroelectric imports from the Pacific Northwest, approximately 5% of federal preference hydroelectric power from the Western Area Power Administration's Central Valley Project, and approximately 5% from other registered renewable resources including the Lake Nacimiento hydroelectric project, the Gridley solar project, and five on-site solar installations at BART facilities. The District also receives marginal quantities of electricity from California's wholesale electric market for purposes of filling any hourly imbalances among load and supply.

The District continues to utilize PG&E transmission and distribution facilities to deliver energy purchased by the District from its various suppliers under agreements in effect through 2026. Wholesale power procurement provides significant savings to the District relative to the cost of standard bundled retail electric service from PG&E, but both transmission and distribution costs are expected to increase due to higher rates driven by ongoing grid investment throughout the State to enhance system reliability and resiliency. During wildfire season, under certain meteorological conditions, PG&E may institute public safety power shut offs ("PSPS"), during which it will turn off electricity service in designated areas to lessen the threat of fires started by power lines. Notably, the District's existing delivery agreements do not currently offer any special protections to avoid the possibility of proactive de-energization by PG&E in the interest of public safety; however, the District has identified risk mitigations and established an operational response plan to respond to such power service disruptions without material impact to transit service. These mitigations include the rerouting of load flows throughout the District's 34.5 kilovolt traction power system or the utilization of an alternate feeder for facilities equipped with a redundant dual-feed configuration. The District also maintains a fleet of mobile generators that may be moved throughout the system to back-up facilities at risk of de-energization. During the most recent PSPS in 2021, the District was able to maintain operations with minimal disruptions through the use of redundant electrical feeds where available, and pre-positioned portable generators where they were not. In the event that the District is unable to mitigate disruptions in power service, whether due to issues relating to de-energization and/or distribution equipment failure, the District would rely on contingency circuits to maintain lighting and other essential electrical loads while the facility or asset is safely removed from service.

The District also faces some limited risks associated with the impact of wildfire on its portfolio of power supply resources and the transmission delivery infrastructure that transmits electricity from the point of generation to the point of delivery. To the extent BART's contracted generation resources are impacted by a localized wildfire event or ambient wildfire smoke, generation units will continue to operate as long as operating equipment and onsite personnel are safe and secure. To the extent site safety and security are compromised, the affected unit(s) would be forced out of service, and BART would rely on unspecified replacement power sourced from California's wholesale market on an interim basis. Similarly, to the extent transmission infrastructure is threatened or compromised by a localized wildfire event, transmission operators may take action to remove the impacted transmission from service and reroute flows via alternate transmission pathways. If alternate transmission pathways are not available, BART would rely on unspecified market power on an interim basis to replace any power supply shortfalls until sufficient transmission capacity is restored.

The District is also a 6.6% participant/owner in the Northern California Power Agency's Lodi Energy Center (the "LEC"), a natural gas power plant which achieved commercial operation in 2012, and is an obligor of a portion of the bonds issued for construction of the facility. The LEC operates according to the needs of the California Independent System Operator ("CAISO"), the entity responsible for grid operations and facilitation of wholesale electric markets in California. While the District does not currently receive physical energy deliveries from the LEC, the District pays operations, maintenance, and fuel costs for its share of the facility, and receives a proportionate share of the revenues from the energy and ancillary services sales into the CAISO power market.

BART FINANCINGS AND CAPITAL PROGRAMS

Powers of the District

The BART Legislation grants the District the following powers, among others:

Financing and Taxation. The District may issue general obligation bonds up to the amount authorized by a two-thirds vote of the electorate voting on the ballot measure proposing such general obligation bonds. Upon issuance of general obligation bonds authorized by the electorate, the District is obligated to levy an *ad valorem* tax on property in the Three BART Counties at a rate sufficient to pay the annual debt service on such outstanding general obligation bonds when due and payable. Such tax may be offset to the extent that other moneys are legally made available for such purpose.

In addition to general obligation bonds, the District may issue: (1) sales tax revenue bonds; (2) revenue bonds payable solely from revenues of any facility or enterprise to be acquired or constructed by the District; (3) equipment trust certificates payable from revenues derived from the operation of the BART System; (4) special assessment bonds; (5) grant anticipation notes, bond anticipation notes and tax and revenue anticipation notes; and (6) such other obligations as are authorized by the laws of the State of California (the "State of California" or the "State").

Eminent Domain. The District has the right, with certain limitations, of eminent domain for the condemnation of private property for public use.

Sources of Funds

The District has received and expects to continue to receive grants from the federal government, from the State, from regional bridge tolls and from local governments for capital renovation and expansion of the BART System. In addition to grants and bridge toll revenues, capital renovation and expansion of the BART System is funded with BART revenues, including allocations from the operating budget and the proceeds of BART financings, as further described below.

General Obligation Bonds

Pursuant to voter approval in the Three BART Counties in 1962, the District issued a total of \$792 million aggregate principal amount of general obligation bonds in twelve series during the

years 1963 through 1969 to pay a portion of the cost of planning, acquisition and construction of the original 71-mile BART System, excluding the Transbay Tube and its approaches. All such original general obligation bonds have been paid.

Pursuant to voter approval in the Three BART Counties of Measure AA (“Measure AA”) at the November 2, 2004 election, the District was authorized to issue general obligation bonds, in one or more series, in an amount not to exceed \$980 million, in order to make earthquake safety improvements to the BART System. The District issued its first general obligation bonds under Measure AA in May 2005, and issued the last of its remaining authorization of the general obligation bonds under Measure AA in August 2019.

At the November 8, 2016 election, voters in the Counties of Alameda and Contra Costa and the City and County of San Francisco approved a new general obligation bond measure (“Measure RR”), titled “BART Safety, Reliability and Traffic Relief” in the amount of \$3.5 billion. See “—System Renewal Program and System Reinvestment Program” below. Commencing in June 2017, the District issued general obligation bonds under Measure RR in order to finance critical infrastructure needs identified in the System Renewal Program.

For a description of the general obligation bonds issued by the District under Measure AA and Measure RR, including refunding bonds, and the amount of each series of general obligation bonds that will be outstanding upon the issuance of the 2022 Bonds, see “PLAN OF FINANCE – Measure AA” and “– Measure RR” in the forepart of this Official Statement.

Pursuant to Section 29150 of the California Public Utilities Code, the District may borrow money, incur a bonded indebtedness in respect thereto, and levy taxes for the payment of principal and interest thereon, in an amount up to 3.75% of the assessed valuation of taxable property within the District. In Fiscal Year 2020-21, the assessed value of taxable property within the District was approximately \$889.8 billion, creating a limit on bonded indebtedness of approximately \$33.4 billion. As of the end of Fiscal Year 2020-21, the District had \$1,871,890,000 of outstanding bonded indebtedness, which is approximately \$31.5 billion below the statutory limit.

Sales Tax Revenue Bonds

Commencing in 1970, the District has issued from time to time bonds payable from and collateralized by a pledge of sales tax revenues (the “Sales Tax Revenue Bonds”), comprised of seventy-five percent (75%) of the amounts derived from a one-half of one percent (0.5%) transactions and use tax imposed within the Three BART Counties and received by the District pursuant to Section 29140 of the California Public Utilities Code. The Sales Tax Revenue Bonds are special obligations of the District issued in order to finance or refinance the costs of constructing, improving and equipping the BART System. The following issues of Sales Tax Revenue Bonds will be outstanding in the amounts indicated in the table below as of April 2, 2022:

Outstanding Sales Tax Revenue Bonds

Issue	Original Principal Amount	Amount Outstanding	Final Maturity
Series 2012A Bonds	\$130,475,000	\$4,175,000	2022
Series 2012B Bonds (Taxable)	111,085,000	2,845,000	2022
Series 2015A Refunding Bonds	186,640,000	121,975,000	2034
Series 2016A Refunding Bonds	83,800,000	73,900,000	2036
Series 2017A Refunding Bonds	118,260,000	118,260,000	2034
Series 2017B Refunding Bonds (Taxable)	67,245,000	33,055,000	2023
Series 2019A Bonds	223,020,000	223,020,000	2044
Series 2019B Refunding Bonds (Taxable)	80,290,000	80,290,000	2036
Total		\$657,520,000	

Rail Vehicle Replacement Program

BART System vehicles are electric multiple unit cars, with an electric motor powering each axle of every car. BART's legacy fleet includes "A," "B" and "C" cars (the "Legacy Cars"), which are being supplemented and will eventually be replaced by "D" and "E" cars (the "Fleet of the Future"). Cars of BART's Fleet of the Future are designated "D" (cab-equipped) and "E" (mid-train) cars. Trains vary from four to ten cars in length and contain one control cab-equipped vehicle at each end, with mid-train vehicles making up the remainder of each train.

On May 10, 2012, the Board of Directors authorized the award of a contract to Bombardier Transit Corporation ("Bombardier") for the procurement of cars to replace and expand BART's revenue fleet. The base contract provides for the design, engineering, manufacturing, testing, management and support of 260 rail transit vehicles, with several options to procure additional vehicles thereafter. The District has exercised such options for a total initial purchase of 775 vehicles, comprised of 310 "D" (control cab-equipped) and 465 "E" (non-control) cars. An additional 306 vehicles and more may also be acquired under the contract as described below.

Bombardier began delivery of production vehicles in early 2018 and as of April 1, 2022 has delivered 307 cars. In June 2019, Bombardier opened a rail car assembly facility in Pittsburg, California, which is currently being used to perform upgrades to the District's new rail cars and will enable accelerated delivery of the new cars.

On January 8, 2021, the District stopped accepting deliveries of new rail cars due to poor reliability performance and car availability issues. On February 16, 2022, the District announced that it is once again accepting deliveries of new rail cars, as the District and Bombardier had made necessary modifications and upgrades which, along with several software improvements, significantly improved the overall performance of the new rail cars being delivered. BART plans to phase in the first 775 new cars and phase out the existing cars, which are incompatible with the new cars.

The total project cost for the 775 vehicles is expected to be approximately \$2.584 billion and MTC and the District have agreed in principle that MTC by allocation of federal and State funds will fund 75% of the purchases of the new vehicles, and BART will fund the remaining 25% of the purchases under the replacement vehicle contract. Sixty vehicles are attributed to service requirements for the expansion into Santa Clara County and are funded per the terms of a cost-sharing agreement entered into by VTA and BART.

A portion of the funds MTC expects to use to fund its share of the cars depends on FTA and Federal Highway Administration (“FHWA”) funds that are subject to authorization and appropriation by Congress, and on other critical regional transit capital needs. Should the FTA and FHWA funds become unavailable, the District cannot predict what funds, if any, MTC will provide in their place. MTC received a Letter of No Prejudice, dated February 14, 2019, from FTA with respect to such proposed financing.

To set aside funding for vehicle replacement, the District and MTC entered into the BART Car Replacement Funding Exchange Agreement in 2006 (the “Exchange Agreement”). Under the Exchange Agreement, MTC agreed to program federal funds to eligible BART projects that are ready to be delivered within the year of MTC’s programming action. In exchange for MTC programming funds for such BART projects, the District deposits an equal amount of local unrestricted funds into the “BART Car Exchange Fund”, a restricted account established to fund the Rail Vehicle Replacement Program. MTC is the exclusive administrator of this restricted account and any withdrawal of funds from the account requires prior approval from the MTC Commission and the District’s Board. The federal grant is shown as nonoperating revenue—operating financial assistance and the District’s remittance to MTC is shown as nonoperating expense in the District’s financial statements. The BART Car Exchange Fund for the Rail Vehicle Replacement Program, which is held by MTC and is excluded from the District’s financial statements, showed a total cash and investment balance, at market value unaudited, of \$362.7 million as of December 31, 2021.

In addition to the 775 new vehicles on order, the District plans to acquire an additional 306 new rail cars, 252 of which will operate on lines that travel through the Transbay Tube. These additional rail cars will help to enable a peak capacity of 30 scheduled ten-car trains per hour via the Transbay Tube as part of the District’s Transbay Corridor Core Capacity Project. Funding for the 252 additional rail cars that will operate through the Transbay Tube was included in the District’s Transbay Corridor Core Capacity Project. For a description of the Transbay Corridor Core Capacity Project, see “BART FINANCINGS AND CAPITAL PROGRAMS – Service and Capacity Enhancement Program.” The District may also acquire an additional 119 new cars, 60 of which are needed for the network as expanded to Santa Clara by the second phase of the Silicon Valley Extension (defined herein). BART is exploring funding options, including FTA grants, State grants and local funding to fully fund the additional cars. The additional cars are included in MTC’s updated Regional Transportation Plan and the Bay Area Plan (defined herein), Core Capacity Program, and Regional Measure 3 projects. BART plans to phase in the first 775 new cars and phase out the existing cars, which are incompatible with the new cars.

Earthquake Safety Program

The original components of the BART System, constructed in the 1960s, were designed to withstand much greater seismic stress than required by construction standards of the time. The 1989 Loma Prieta Earthquake provided a significant test of that design. Within hours after the earthquake, BART was back in service while many roads, bridges, freeways, and other structures in the San Francisco Bay Area suffered major damage. With the San Francisco-Oakland Bay Bridge out of service, BART served as a vital link between San Francisco and the East Bay following the Loma Prieta Earthquake. However, the epicenter of the Loma Prieta Earthquake was located approximately 60 miles from most of the BART System. BART faces potential earthquake risk from several major fault lines in the immediate vicinity of BART rail lines.

In Fiscal Year 2000-01, BART embarked on a comprehensive study (the “Seismic Vulnerability Study”) to assess the vulnerability of, and evaluate the risk to, the District’s physical plant and systems from a major earthquake in the San Francisco Bay Area. The Seismic Vulnerability Study, developed by BART after more than a year of engineering analysis and presented to the Board of Directors on June 6, 2002, identified retrofit strategies to strengthen the BART System.

Subsequently, on June 10, 2004, the Board of Directors adopted a General Obligation Bond Program Report, which defined a \$1.307 billion earthquake safety program (which includes projected construction inflation costs through estimated completion) (the “Earthquake Safety Program”), based on the Seismic Vulnerability Study. The Earthquake Safety Program is based on maintaining operability of the core components of the BART System and retrofitting the rest of the BART System to a life safety level. The goals of the Earthquake Safety Program are (i) to protect aerial trackway structures, underground trackway structures, including the Transbay Tube, at-grade trackway structures, stations, and administrative, maintenance, and operations facilities and (ii) to provide additional retrofits to facilitate a rapid return to service in the core of the BART System.

Funding for the Earthquake Funding Program is provided by the \$980 million Measure AA general obligation bond issue and \$143 million of bridge toll revenues programmed by MTC under a statutory designation contained in the Regional Measure 2 (“RM2”) program, an increase in bridge tolls which was approved by Bay Area voters in March 2004. Other funding sources for the Earthquake Safety Program include \$134 million of State Local Seismic Safety Retrofit Program funds and \$194 million in Measure RR general obligation bond funds.

The District has completed several retrofits of the Transbay Tube to date, including upgrading seismic joints, soil improvement, retrofitting the Oakland Ventilation Structure and installing structural steel liner plates in one area of the Transbay Tube. At present, the last construction contract of the Earthquake Safety Program, the seismic retrofit of the Transbay Tube, is underway. This project entails the installation of internal liner plates, to minimize water intrusion following a major seismic event and an upgrade of the existing pumping system with an emergency power supply. The District anticipates the project to be completed around December 2022.

System Renewal Program and System Reinvestment Program

In 2016, BART introduced its System Renewal Program (the “System Renewal Program”) in order to address critical infrastructure needs. Specific programs identified include the repair and replacement of critical safety infrastructure; the renewal of track, power infrastructure, mechanical infrastructure, and stations; the repair of tunnels and structures; the replacement of train control and other major system infrastructure to increase peak period capacity; the expansion of opportunities to safely access stations; the relief of crowding and reduction of traffic congestion; and the design and engineering of future projects to relieve crowding, increase system redundancy and reduce traffic congestion.

A major project under the System Renewal Program is the replacement of the train control system. In 2014, the Board approved the replacement of the existing track circuit (fixed block) train control system with modern Communications Based Train Control (“CBTC”) technology. On April 26, 2018, the California State Transportation Agency (“CalSTA”) awarded BART a \$318.6 million Transit and Intercity Rail Capital Program (“TIRCP”) grant for the replacement of its train control system with a CBTC system and for the procurement of 272 capacity-increasing rail vehicles. Subsequently, on April 21, 2020, CalSTA awarded BART a \$107.1 million TIRCP grant for an additional 34 capacity-increasing rail vehicles. Funding for the new CBTC system was included in the District’s Transbay Corridor Core Capacity Project. For a description of the Transbay Corridor Core Capacity Project, see “BART FINANCINGS AND CAPITAL PROGRAMS – Service and Capacity Enhancement Program.” When in place, the new CBTC system, an approximately \$1.7 billion project, will enable a peak capacity of 30 scheduled ten-car trains per hour via the Transbay Tube. The new system will be design-built, with design, installation, testing and deployment occurring in phases between Fiscal Year 2020-21 and Fiscal Year 2033-34.

The System Renewal Program includes the renewal of BART’s traction power system, which consists of over 60 substations which include transformers, switching stations, gap breaker stations, and protection and control devices, as well as over 200 miles of 34.5 kV cabling. The electrical systems include tunnel and station lighting, uninterruptible power supplies, non-portable generators and switchgear, and fire alarm systems. As part of its Transbay Corridor Core Capacity Project, the District plans to enhance energy supply to its electric third rail through the addition of several traction power substations. Five sites have been identified for new substations as part of the Transbay Corridor Core Capacity Project including the Civic Center, Montgomery, Concord, and Richmond Stations, and a site on 34th Street in Oakland near MacArthur Station. A sixth substation would also be installed at the HMC, although it is not a part of the Transbay Corridor Core Capacity Project. For a description of the Transbay Corridor Core Capacity Project, see “BART FINANCINGS AND CAPITAL PROGRAMS – Service and Capacity Enhancement Program.”

Measure RR funding covers a portion of the most critical needs of the System Renewal Program, and the District will continue to identify other funding sources to maintain a state of good repair.

In addition to the System Renewal Program discussed above, BART has adopted a System Reinvestment Program. To the extent the acquisition or improvement of real property is required,

funds from Measure RR may be utilized for the projects in this program. The Automatic Fare Collection Modernization Program is included providing for the complete renovation and replacement of automatic fare collection equipment throughout the BART System, including ticket vendors, addfare machines, and faregates. The fare collection equipment is compatible with MTC's Clipper Card Program, designed to enable a transit rider to utilize one ticket (the "Clipper Card") to access multiple transit systems within the San Francisco Bay Area. Clipper Card® has been operating on BART gates since August 2009 and is currently the only fare product available for purchase at all BART stations. See "THE BART SYSTEM – Passenger Fares" herein.

System Expansion Program

Planned extensions of the BART System include:

Silicon Valley Extension. VTA's Silicon Valley Extension (formerly referred to as the Silicon Valley Rapid Transit, or SVRT, Project) is a sixteen-mile extension of the BART System from BART's Warm Springs/South Fremont station in Fremont to the cities of Milpitas, San Jose and Santa Clara in the County of Santa Clara (the "Silicon Valley Extension"). The Silicon Valley Extension is being implemented in two phases. The first phase, the SVBX, consists of the ten-mile extension south from the Warm Springs/South Fremont station to the Milpitas and Berryessa/North San José stations. The SVBX was completed in Fiscal Year 2019-20, and revenue service to the Milpitas and Berryessa/North San José stations began on June 13, 2020. The second phase consists of a six-mile extension from the Berryessa/North San José station, and will include a five-mile subway through downtown San Jose, four new BART stations and a yard and shop complex at the Santa Clara terminus.

The extension of BART into Santa Clara County is being financed and implemented by VTA in accordance with the VTA - BART Comprehensive Agreement executed on November 19, 2001 (the "Comprehensive Agreement"). The Comprehensive Agreement outlines responsibilities between the two agencies concerning the planning, design, construction, management, financing, operation and maintenance of the extension. BART and VTA, in connection with the opening of the SVBX, executed a VTA/BART Operations and Maintenance Agreement, dated as of May 22, 2020 specifying the roles and responsibilities of the parties in the ongoing operations, maintenance, costs and revenues of the extension. The agreement requires VTA to be responsible for funding subsidies for the ongoing operating, maintenance and capital costs attributable to the extension, including a share of BART's core system capital costs, and to provide dedicated funding for such costs. VTA, BART and U.S. Bank Trust Company, National Association, as trustee, executed the 2008 Measure B Sales Tax Trust Agreement, dated as of May 22, 2020 in order to provide to BART a pledge of sales tax revenues from VTA as the dedicated funding source for such subsidy obligations. Pursuant to the agreement, in Fiscal Year 2020-21 VTA paid BART approximately \$37.1 million in operating subsidies and approximately \$26.7 million representing VTA's share of BART's systemwide capital costs.

VTA estimates the total capital cost for the Silicon Valley Extension at approximately \$9.3 billion in Year-Of-Expenditure ("YOE") dollars. The SVBX, with a capital cost of approximately \$2.4 billion in YOE dollars, was granted an FTA Full Funding Grant Agreement in March 2012. VTA estimates that the second phase of the Silicon Valley Extension will have an estimated capital cost of approximately \$6.9 billion in YOE dollars. Planning and environmental studies for the

second phase have been completed and the FTA issued the Record of Decision in June 2018. FTA granted entry into the Federal New Starts Program in March 2016; however, the federal budget proposal for Fiscal Year 2019-20 raised concerns about the viability of the Federal New Starts Program and in November 2018 VTA submitted an Expression of Interest letter to the FTA to enter the federal Expedited Project Delivery (“EPD”) Pilot Program (which is funded through the “Consolidated Appropriations Act, 2019”) in lieu of the New Starts Program. In June 2019, the FTA selected VTA as its first EPD participant. In August 2019 the FTA allocated \$125 million to the second phase of the Silicon Valley Extension, and in January 2021 allocated an additional \$100 million to the project. The VTA received a Notice of Funding Opportunity from the FTA on July 28, 2020, and submitted a formal application requesting federal funds under the EPD in mid-2021. In October 2021, the VTA received a Letter of Intent from FTA (the precursor to the execution of a Full Funding Grant Agreement) announcing the project was formally selected for funding through the EPD. The FTA’s Letter of Intent will be in effect for two years, and during that time VTA plans to continue to advance design, receive actual contractor bids, identify and mitigate or eliminate perceived risks, finalize an overall cost estimate, and solidify the funding plan to ultimately achieve a Full Funding Grant Agreement. It is anticipated that federal funding through the EPD will cover approximately 25% of the cost of the second phase of the Silicon Valley Extension, with the remaining portion funded by a variety of State and local funding sources.

Irvington Station. In 2003, the Board approved a revised Warm Springs Extension, which included the Irvington station as an “Optional Station.” In the revised Warm Springs Extension, funding for the optional Irvington station would be the responsibility of the City of Fremont. The City of Fremont successfully secured \$120 million for the Irvington station when Measure BB, a sales tax measure, was approved by Alameda County voters in November 2014, and the 2014 Transportation Expenditure Plan was approved by the Alameda County Transportation Commission (“ACTC”). However, this funding was not secured in time for the Irvington station to be included when the Warm Springs Extension was otherwise completed and opened for revenue service in March 2017. Pursuant to the terms of a 2017 Letter of Intent with BART, the City of Fremont undertook a \$2.7 million effort to develop a station area plan, update the station site plan to reflect BART’s current access policies and priorities, and refresh the station’s environmental clearance under the California Environmental Quality Act. This effort was successfully completed in the Summer of 2019 when the Fremont City Council adopted the station area plan and the District’s Board of Directors adopted both the modified project and supplemental environmental impact report addendum. In October 2018, ACTC voted to grant BART \$16.45 million for the station’s design, which began in May 2019. In March 2019, the MTC approved a re-allocation of \$2 million in Warm Springs RM 2 funds to complete the funding of the Irvington station’s design phase. Further funding for right-of-way acquisition and construction is still pending at this time. Subject to funding availability and following the completion of design, right-of-way acquisition, construction, testing, certification and the on-boarding phases of the project, the Irvington station could be open for passenger service in Fiscal Year 2029-30.

Hayward Maintenance Complex. BART repairs and maintains its revenue rolling stock at four primary shop facilities in Concord, Daly City, Hayward and Richmond, as well as at a secondary facility in Hayward. The primary shop facilities perform preventive and regular train maintenance based on operating hours, as well as unscheduled failure repairs. The Hayward Maintenance Complex (“HMC”) is being expanded to accommodate additional demand caused by the extension of the BART System into Santa Clara County and planned core system service

extension. The HMC project consists of the acquisition and improvement of four properties on the west side of the existing HMC to provide a new component repair shop, a revenue vehicle overhaul shop, a new central parts warehouse, and a new maintenance and engineering non-revenue vehicle shop. The project also includes the construction of additional storage tracks for a maximum of 250 vehicles on undeveloped BART property on the east side of the HMC, referred to as HMC Phase 2 - East Storage Yard. The project is proceeding in two phases, Phase 1 (consisting of both Phase 1 and Phase 1A) and Phase 2, and will cost approximately \$2.2 billion.

Phase 1 included the acquisition of properties, and the design and construction of the component repair shop, and the central parts warehouse and is being completed and funding is being sought for Phase II.

Security Enhancement Program

The District has identified significant capital investment needs for infrastructure security hardening, employee training and customer outreach (the “Security Enhancement Program”). The District’s Security Enhancement Program integrates security design review, planning and preparedness into BART’s operations and services. At present, the District anticipates that a portion of the funding required for capital security improvements will need to be obtained from external grant sources, but District funds will be utilized to meet security needs such as improved perimeter fencing, lighting, and video surveillance cameras.

To help prevent fare evasion, the District is currently undertaking efforts to improve station security infrastructure through, for example, installing higher barriers and bringing elevators into the paid area, which program will be completed by the end of Fiscal Year 2021-22. In September 2019, the Board of Directors approved a new swing style barrier design for all new fare gates and directed the District to develop a funding strategy for the replacement of existing fare gates with swing style barrier fare gates and anticipates issuing a Request for Proposals in Fiscal Year 2021-22 for systemwide implementation of new faregates.

Service and Capacity Enhancement Program

Major elements of this program include station enhancements and upgrades, capacity projects, station access improvements and transit-oriented development projects.

Station enhancement and upgrade projects include capacity expansion and other improvements within the paid and unpaid areas of stations, such as entrance improvements, faregate upgrades, elevator improvements, and crossing connections. Such projects may be either system-wide projects or individual station projects, which are developed through a comprehensive planning process. Once projects are identified, grant funding is sought from a variety of sources to allow for project implementation. When grant funding is secured and identified for a particular project, such project is implemented.

Transbay Corridor Core Capacity Project. Prior to the COVID-19 pandemic, BART increasingly experienced severe crowding on the system, both onboard trains and in stations. To address crowding onboard trains, BART is proceeding with the Transbay Corridor Core Capacity Project, which will implement a package of improvements (train control modernization, additional rail cars, new traction power substations, and additional rail vehicle storage capacity) that will

allow BART to increase frequencies on the system. See “BART FINANCINGS AND CAPITAL PROGRAMS – Rail Vehicle Replacement Program” and “BART FINANCINGS AND CAPITAL PROGRAMS – System Expansion Program – *Hayward Maintenance Complex*” herein; see also discussions of CBTC system and traction power upgrades within “BART FINANCINGS AND CAPITAL PROGRAMS – System Renewal Program and System Reinvestment Program. On June 20, 2019, the FTA approved this project to enter the Core Capacity Engineering Phase of the FTA’s Capital Investment Grant Program. In September 2020, the District entered into Full Funding Grant Agreement with the FTA for a \$1.17 billion Capital Investment Grant (“CIG”) to help fund the Transbay Corridor Core Capacity Project. Other minor capacity enhancement projects such as tail track improvements and crossovers are implemented as grant funding is secured through a variety of sources. The Transbay Corridor Core Capacity Project is projected to cost approximately \$2.7 billion, and is anticipated to be funded by the \$1.17 billion CIG along with approximately \$1.53 billion in local, state and regional matching funds.

Transit-Oriented Development. The Board has adopted four policy documents guiding the Transit-Oriented Development (“TOD”) program. First, on January 28, 2016, the Board adopted an Affordable Housing Policy, requiring that a minimum of 20% of the units developed on BART property at a station be affordable, with a preference for low income, very low income, and transit dependent populations. Second, on June 9, 2016, the Board adopted a new TOD policy (which was subsequently amended on April 23, 2020), which updated the original 2005 policy to emphasize BART’s leadership in the implementation of the Bay Area Plan (as defined below), a focus on greenhouse gas reduction and expansion of transportation choices through TOD, encouragement of reverse commute and off-peak ridership, and inclusion of the affordable housing policy. Third, on December 1, 2016, the Board adopted TOD performance targets, stating that the District aims to produce 20,000 housing units and 4.5 million square feet of office space on BART property by 2040, 35% of which will be affordable (totaling 7,000 affordable units). The TOD performance targets also establish that BART aims to influence development within a half-mile of BART. Fourth, on November 17, 2011, the Board adopted a Project Stabilization Agreement Policy requiring developers of BART-owned property to negotiate a construction labor agreement with the local building trades.

In September 2018, then Governor Jerry Brown signed Assembly Bill 2923, which requires local jurisdictions to zone certain developable BART-owned property for intensive transit-oriented development. BART is working with its partner jurisdictions on the implementation of this state legislation. On August 27, 2020, BART adopted its Assembly Bill 2923 Development Principles, which guides the District to (i) prioritize TOD projects that cost effectively implement its TOD-related policies; (ii) work in partnership with local jurisdictions and communities to deliver regionally impactful TOD projects; (iii) work with jurisdictions to incorporate local design standards that result in TOD projects that follow global best practices in design, access and scale; and (iv) encourage sustainable mobility for residents, workers, visitors and the District’s customers.

BART and its private development partners have completed, are planning or constructing multiple residential and commercial projects located at or adjacent to stations in Alameda and Contra Costa Counties. Participation in the planning and development process does not commit the District to funding any project.

BART Headquarters Acquisition and Improvement

In 2019, the District acquired a newly renovated building to use as its new headquarters and relocated to the building in July 2021. Located at 2150 Webster Street in Oakland, the approximately 245,000 square feet, ten-story building was constructed in 1975 using concrete cast in place construction. BART financed the cost of the acquisition and improvement of the property by issuing its San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds, 2019 Series A, in the aggregate principal amount of \$223,020,000 (the “2019A Sales Tax Bonds”) on October 31, 2019. See “BART FINANCINGS AND CAPITAL PROGRAMS – Sales Tax Revenue Bonds” herein.

Funding Developments

Pension Reform Act and Grant Funding. The Urban Mass Transportation Act of 1964 (the “UMTA”) requires that employee protections, commonly referred to as “protective arrangements” or “Section 13(c) arrangements,” must be certified by the United States Department of Labor (“DOL”) and be in place (between transit agency management and transit employee unions) before federal transit funds can be released to a mass transit provider. The DOL has been refusing to certify the release of grants pursuant to a protracted dispute involving pension reform in California.

The California Public Employees’ Pension Reform Act (“PEPRA”), State legislation which took effect in January 2013, changed the way CalPERS retirement and health benefits are applied, and placed compensation limits on certain members.

In October 2013, the California Legislature passed temporary legislation exempting represented transit workers from PEPRA. The temporary legislation was necessary because the DOL had refused to certify Federal Transit Administration funding grants based on its determination that PEPRA infringed upon transit workers’ collective bargaining rights. Absent that certification, transit agencies in California could not receive federal funds. Once the temporary legislation was enacted, making represented transit employees exempt from PEPRA, the DOL permitted the release of federal funds to transit agencies including the District.

The State (and the Sacramento Regional Transit Agency) brought litigation in the U.S. District Court, Eastern District of California, which challenged the DOL’s determination that PEPRA interfered with collective bargaining rights. On December 30, 2014, the U.S. District Court issued a ruling that the DOL’s refusal to certify the federal grants was arbitrary and capricious. The District Court remanded the issue back to the DOL with instructions that it act in accordance with the District Court’s order.

The legislation which exempted transit employees from PEPRA by its terms was to expire in 2015 or upon a determination by the District Court that the DOL erred in refusing to certify the federal funds. As a result, the temporary exemption expired on December 30, 2014, and all transit employees became subject to PEPRA.

Thereafter, the DOL took the position that the District Court’s ruling did nothing more than require it to reconsider whether PEPRA infringes upon collective bargaining rights. However, the DOL did agree to conditionally certify the federal grants subject to certain terms and conditions.

Those conditions require the District to potentially return the grant funds or alternatively to reimburse employees for pension contributions. Federal transit funds were being provided subject to these conditions. The parties returned to District Court to, again, address the DOL's position. On January 24, 2018, the Court, again, ruled that the DOL's determination that PEPR interfered with collective bargaining rights was in error.

The decision is now final; however, the issue is still not resolved. In 2019, the Amalgamated Transit Union ("ATU") objected to the DOL's certification of federal funding grants based upon PEPR. Fortunately, these objections were rejected by DOL's Director of the Office of Labor-Management Standards in June 2019, with reference to the Court's ruling. In October 2021, however, the DOL returned to the position it adopted in 2013 and 2015, which it found to be superior despite having unsuccessfully defended that position in court. The DOL clarified that its change of position would apply only to future grant applications. The State moved for an order to stay the DOL's 2021 determination and submitted declarations from BART and other transit agencies regarding the harm that the DOL's 2021 determination would cause. Both the DOL and ATU opposed the State's request to stay the effects of DOL's 2021 determination. On December 19, 2021, the Court granted the State's motion and preliminarily enjoined DOL from failing to process and certify grant applications by California transit agencies as required by the UMTA or from relying on PEPR as a basis to deny, withhold, delay, or otherwise limit the certification of such grants under Section 13(c) of the UMTA. A hearing on dispositive motions was held on February 11, 2022 and the parties are awaiting a decision.

A dispositive ruling in favor of the DOL that prevents the certification of federal transit grants or interferes with prior certifications would have a material adverse effect on the District's finances. BART will continue to monitor objections to the certification of federal transit grants as well as the status of litigation filed in response to prior certifications. For more information regarding pension contributions under the District's collective bargaining agreements, see "DISTRICT FINANCIAL INFORMATION – Labor Relations and Employee Retirement Benefits."

State and Regional Transit Funding. BART receives funding through appropriations of State Transit Assistance ("STA"), which are derived from actual receipts of the sales tax on fuel and diesel fuel. Statewide collections can fluctuate based on diesel prices and consumption. In addition, appropriations to transit operators can vary based on calculations of qualifying revenues for the local operator and the region. STA funding has not been consistent and can be subject to actions in the governor's state budget. BART's STA funds are allocated by MTC.

The District also applied and received an allocation from the Low Carbon Transit Operations Program ("LCTOP") which is funded from the State's Cap-and-Trade program annual proceeds and was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. The District received approximately \$8.4 million and approximately \$8.5 million of LCTOP in Fiscal Year 2019-20 and Fiscal Year 2020-21, respectively, which funds were programmed for BART to Antioch operations in each respective fiscal year. In addition, the District generates operating revenues through the generation and sale of credits under the State's Low Carbon Fuel Standard ("LCFS"). The LCFS allows low- and zero-carbon fuel producers and transportation providers to generate credits and requires high-carbon fuel providers to purchase credits while they

work to reduce their carbon content. As a rail transportation agency which operates an electrified commuter rail system, the District generates LCFS credits and can translate these credits into revenues by selling them to high carbon fuel providers, such as oil refineries. In Fiscal Year 2020-21, the District generated approximately \$3.0 million from the LCFS. For additional information regarding LCTOP and the LCFS, see Note 8 to the audited financial statements of the District included as Appendix B to this Official Statement.

With respect to transit funding within the San Francisco Bay Area, on October 21, 2021 the Association of Bay Area Governments (“ABAG”) and the MTC jointly adopted Plan Bay Area 2050 (the “Bay Area Plan”), an integrated transportation and land-use strategy through 2050 that meets the requirements of California’s landmark Senate Bill 375 of 2008, which calls on each of the State’s 18 metropolitan areas to develop a Sustainable Communities Strategy to accommodate future population growth and reduce greenhouse gas emissions from cars and light trucks. Working in collaboration with local jurisdictions and transit operators, the Bay Area Plan connects the elements of housing, the economy, transportation and the environment through 35 strategies intended to make the Bay Area more equitable for all residents and more resilient in the face of unexpected challenges. In the short-term, the Bay Area Plan identifies more than 80 specific actions for MTC, ABAG and partner organizations to take over the next five years to make progress on each of the 35 strategies. BART plays a critical role in meeting major goals and objectives of the Bay Area Plan.

The Bay Area Plan sets forth a \$1.4 trillion vision for policies and investments to make the nine-county region more affordable, connected, diverse, healthy and economically vibrant for all its residents through 2050. While it is not a funding plan, projects and strategies must be included in the Bay Area Plan to be eligible for regional discretionary funds. The Bay Area Plan includes approximately \$468 billion for housing strategies, approximately \$234 billion for economic strategies, approximately \$578 billion for transportation strategies, and approximately \$103 billion for environmental strategies. Approximately 76% (or \$440 billion) of funds for transportation strategies will be used to maintain and optimize the existing system, and of such amount, approximately \$389 billion will be used to restore, operate, and maintain the Bay Area’s existing roads and transit infrastructure, and reverse COVID-19 pandemic-related cuts to total transit service hours. Additionally, approximately 21% (or \$122 billion) of funds for transportation strategies will be used to build a next-generation transit network, and of such amount, approximately \$81 billion will be used to expand and modernize the regional rail network, including the second phase of the Silicon Valley Extension.

BART continues to receive approximately \$50-55 million per year in capital renovation funds from the FTA Sections 5307 and 5337 Formula Funding programs, which are programmed regionally by MTC. Under its current policy, MTC funds only the District’s highest scoring transit capital reinvestment needs in the Bay Area Plan. Under the Bay Area Plan, the District has a 30-year capital asset renovation and rehabilitation need of \$13.1 billion. MTC and participating counties fund these from a combination of federal formula funds (“STP/CMAQ”) and State Transportation Improvement Program (“STIP”) funds. For the District, this means approximately 65% of the District’s 28-year capital asset renovation and rehabilitation needs are projected to be funded in Fiscal Years 2017-40. The remaining 35% of the District’s reinvestment needs in this period, approximately \$5 billion, remain unfunded.

San Mateo County Transit District Settlement. On April 27, 2007, with the assistance of MTC, BART and SamTrans reached a resolution (the “Settlement”) regarding the financing of operations to the five San Mateo County stations south of Daly City that make up the extension of the BART System into SFO and to the Millbrae station (the “SFO Extension”). The resulting key terms of the Settlement give BART full responsibility over SFO Extension operations, with monetary contributions from SamTrans and MTC to offset the cost of operating outside the District. Under the Settlement, BART receives two forms of ongoing subsidy, consisting of: two percent (2%) of San Mateo County’s Measure A half-cent sales tax, which is currently equal to approximately \$1.5 million per year and was allocated to BART for 25 years beginning in Fiscal Year 2008-09; and SamTrans’ annual Proposition 42 Traffic Congestion Relief Program increment, approximately \$100,000 in Fiscal Year 2007-08 and a fixed amount of approximately \$800,000 beginning in Fiscal Year 2008-09, until \$145 million has been generated for BART’s vehicle replacement program. Proposition 42 dedicates revenues from the State’s share of the sales tax on gasoline to transportation projects and is subject to reduction or elimination by State budget action that reduces the sales tax.

Senate Bill 595 and Regional Measure 3. In 2017, Senate Bill 595 (“SB 595”) was enacted and authorizes a toll increase of up to \$3.00 on the seven State-owned bridges within the MTC’s jurisdiction (the “Bridges”) subject to approval by a majority of voters in the Bay Area of the increase and a related expenditure plan (the “Expenditure Plan”). A regional ballot measure, entitled Regional Measure 3 (“RM3”), was placed on the ballot in all nine counties in the Bay Area and, on June 5, 2018, a majority of Bay Area voters approved RM3, including a toll increase of \$3.00 phased in over time, with a \$1.00 toll increase on January 1, 2019, a \$1.00 toll increase on January 1, 2022, and a \$1.00 toll increase on January 1, 2025, for vehicles traveling on the Bridges (collectively, the “SB 595 Toll Increases”). The approved Expenditure Plan includes funding for projects to improve and enhance the Bridges and corridors from proceeds of the SB 595 Toll Increases. Within the Expenditure Plan, BART was allocated \$500 million to expand the District’s fleet of rail cars and improve reliability, and also earmarked additional funds for the Silicon Valley Extension. SB 595 also required the District to establish a new independent office of the BART Inspector General (the “Inspector General”). The Inspector General is charged with ensuring that the District makes effective use of bridge toll and other revenue and operates efficiently, effectively, and in compliance with applicable federal and state laws. SB 595 allocates \$1 million annually to the Inspector General’s office from bridge toll revenues to finance operations of the office.

Two suits have been filed challenging RM3. In the first suit, several plaintiffs, including the Howard Jarvis Taxpayers Association, filed suit against the Bay Area Toll Authority (“BATA”) and the State Legislature in San Francisco Superior Court (the “Superior Court”) seeking to invalidate SB 595 and RM3 (the “Jarvis Lawsuit”).

In the second suit, filed by Randall Whitney, representing himself, against MTC and other unnamed defendants, the plaintiff asserted, among other things, that: (i) SB 595 is unconstitutional, and (ii) that RM3 is a special tax which would require two-thirds voter approval (the “MTC Litigation” and, together with the Jarvis Lawsuit, the “Challenges to SB 595 and RM3”). After the defendants prevailed at the local level, on June 29, 2020, the Court of Appeal affirmed in full the Superior Court’s judgments in the Challenges to SB 595 and RM3. On July 8, 2020, appellants filed a petition for rehearing in the Court of Appeal and, on July 13, 2020, the Court of Appeal

denied such motion. On August 10, 2020, appellants filed a petition in the Supreme Court of California seeking review of the Court of Appeal’s decision. The Supreme Court granted review on October 14, 2020, but ordered briefing deferred pending resolution of another case, *Zolly v. City of Oakland* (*Zolly*). In *Zolly*, the Court of Appeal held that local-government-imposed franchise fees, which the Court of Appeal stated are arguably subject to a similar exception for entrance to or use of local agency property under Article XIII C of the California Constitution, must be reasonably related to the value of the franchise. The City of Oakland petitioned the California Supreme Court for review of the Court of Appeal’s decision in *Zolly* and, on August 12, 2020, the California Supreme Court granted review.

Pursuant to a BATA resolution, the SB 595 Toll Increases are currently being held in an SB 595 escrow account until such suits have reached a final, non-appealable resolution and further action consistent with such final, non-appealable resolution is taken by BATA. No funding from this source of funds will be available to support the new Inspector General office during the pendency of these suits.

DISTRICT FINANCIAL INFORMATION

Financial Statements

A copy of the most recent audited financial statements of the District prepared by Crowe LLP (“Crowe”), San Francisco, California, is included as Appendix B to this Official Statement. See Appendix B—“SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT REPORT ON AUDIT OF FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021.” The financial statements of the District included in Appendix B to this Official Statement have been audited by Crowe, whose report thereon appears in such Appendix. Crowe was not requested to consent to the inclusion of its report in Appendix B, nor has Crowe 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 Crowe with respect to any event subsequent to the date of its report.

Historical Financial Results

The following table summarizes BART’s historical financial operating results for its General Operating Fund for the Fiscal Years ending June 30, 2016 through June 30, 2021. This summary is derived from BART audited financial statements for the Fiscal Years indicated therein (excluding certain non-cash items and after certain other adjustments) and are qualified in their entirety by reference to such statements, including the notes thereto. See Appendix B—“SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT REPORT ON AUDIT OF FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021.” Amounts reported in audited financial statements as “Other Income (expenses)” under “Nonoperating revenues (expenses)” are excluded from the presentation below because they pertain only to extraordinary transactions or those transactions associated with Other District Funds, *i.e.* debt issue and debt service costs. The income and expenses reported in the audited financial statements were based on consolidated information which included transactions pertaining to Other District Funds—Capital Funds and Debt Service Funds. Generally, income and expenses associated with the Other District Funds include investment income, interest expense and debt issue costs.

However, in the table below summarizing historical financial operating results, only transactions related to the District's General Operating Fund are shown.

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HISTORICAL FINANCIAL RESULTS OF GENERAL OPERATING FUND

(\$ in Thousands)	(Fiscal Years Ending June 30)					
	2016	2017	2018	2019	2020	2021
Annual Passengers (thousands)	128,524	124,171	120,554	118,104	83,678	16,132 ⁽¹⁾
Operating Revenues						
Passenger Revenues - Net	\$489,583	\$485,674	\$481,783	\$482,644	\$341,587	\$62,529
Investment Income ⁽²⁾	1,120	2,329	4,742	3,700	4,380	616
Other	56,217	61,426	64,831	72,040	53,347	27,981
Total Operating Revenues	\$546,920	\$549,429	\$551,356	\$558,384	\$399,314	\$91,126
Financial Assistance:						
Sales Tax Revenues	\$241,546	\$247,185	\$257,882	\$280,385	\$266,895	\$258,522
Property Tax Revenues ⁽³⁾	38,086	41,622	45,701	48,086	52,392	54,884
Other ⁽⁴⁾	72,795	77,069	54,736	65,694	97,428	95,128
Total Financial Assistance	\$352,427	\$365,876	\$358,319	\$394,165	\$416,715	\$408,534
Total Operating Revenues and Financial Assistance (before Emergency Assistance)	\$899,347	\$915,305	\$909,675	\$952,549	\$816,029	\$499,660
Emergency Assistance ⁽⁵⁾	-	-	-	-	\$185,510	\$402,396
Total Operating Sources	\$899,347	\$915,305	\$909,675	\$952,549	\$1,001,539	\$902,056
Operating Expenses:						
Labor	\$451,769	\$514,692	\$573,996	\$586,871	\$638,386	\$578,021
Electrical Power	37,680	37,883	38,976	39,230	40,584	40,323
Express Feeder Bus ⁽⁶⁾	3,465	3,772	3,126	4,054	7,992	2,704
Purchased Transportation-OAC	5,928	6,014	6,242	6,448	6,491	6,518
Other Non-Labor ⁽⁷⁾	139,452	153,827	150,694	154,226	143,877	133,670
Total Operating Expenses Net ⁽⁸⁾	\$638,294	\$716,188	\$773,034	\$790,829	\$837,330	\$761,236
Net Revenues	\$261,053	\$199,117	\$136,641	\$161,720	\$164,209	\$140,820
Sales Tax Bond Debt Service ⁽⁹⁾	\$48,611	\$50,448	\$45,614	\$46,640	\$45,910	\$47,035
BART Car Funding Exchange ⁽¹⁰⁾	\$50,176	\$52,548	-	-	-	-
Excess Revenues/(Deficit)	\$162,266	\$96,121	\$91,027	\$115,080	\$118,299	\$93,785
Operating Ratio ⁽¹¹⁾	83%	80%	76%	74%	51%	12%
Farebox Ratio ⁽¹²⁾	74%	70%	67%	64%	44%	8%

(1) For a discussion regarding the decline in ridership during the COVID-19 pandemic, see "THE BART SYSTEM – Ridership" herein.

(2) Investment income amount in audited financial statements is higher due to inclusion of investment income from District Funds other than the District's General Operating Fund.

(3) Excludes property tax revenue collected for the debt service of the general obligation bonds.

(4) The increase in other financial assistance in Fiscal Year 2019-20 is primarily attributable to increases in revenues recognized under Measure A in the current and prior years, increases in revenues received under the LCTOP, the LCFS, and other STA grant funds, and the recognition of revenues from the VTA in connection with the opening of the SVBX. The decrease in other financial assistance in Fiscal Year 2020-21 is primarily attributable to decreases in revenues recognized under Measure A, decreases in STA grant funds, and decreases in revenues received under the LCFS, which were partially offset by increases in revenues from the VTA in connection with the operation of the SVBX.

(5) Federal emergency relief grants provided by the Federal Transit Administration recognized as revenue during the fiscal year.

(6) Relates to District's share of expenses paid to local operators providing passenger access to BART not covered by STA funds.

(7) Other Non-Labor expenses include professional and technical fees, rent, repairs and maintenance, Clipper Card and interchange fees, cost of providing paratransit services, feeder agreement with SFMTA, costs for other utilities, and other miscellaneous expenses.

(8) Amount reported is higher in audited financial statements because such amounts in the financial statements include depreciation expense.

(9) "Bond Debt Service" reported above represents actual amount remitted to cover debt service paid from the General Operating Fund, which excludes general obligation bonds. Amount in audited financial statements under "Interest Expense" represents interest expenses for all District debts, net of capitalized interest expense through Fiscal Year 2018-19. For a complete discussion of BART's long term debt, see Note 6 to the audited financial statements of the District included as Appendix B to this Official Statement.

(10) BART Car Funding Exchange represents a transfer to MTC in exchange for the same amount in federal preventive maintenance grant provided by MTC to the District. The federal grant received is shown as part of Financial Assistance – Other.

(11) Operating Ratio is defined as the total operating revenues divided by the total operating expenses, net of expenses associated with the implementation of GASB 68 and GASB 75, which affected pension expense and other post-employment benefit expenses.

(12) Farebox Ratio is defined as total passenger revenues divided by total operating expenses, net of expenses associated with the implementation of GASB 68 and GASB 75, which affected pension expense and other post-employment benefit expenses.

Management's Discussion of Historical Financial Results

Annual BART ridership has trended downward each year from Fiscal Years 2015-16 through 2020-21. Between Fiscal Years 2015-16 and 2018-19, annual BART ridership declined from 128.5 million trips to 118.1 million trips. Ridership fell drastically beginning in March 2020 following the onset of the COVID-19 pandemic and the imposition of the Shelter-In-Place Orders resulting in Fiscal Year 2019-20 annual BART ridership of 83.7 million trips (reflecting the impact of the COVID-19 pandemic for a portion of the fiscal year), and Fiscal Year 2020-21 annual BART ridership of 16.1 million trips (reflecting the impact of the COVID-19 pandemic for the entire fiscal year). See "THE BART SYSTEM – Ridership" herein. In this six-year period between Fiscal Years 2015-16 and 2020-21, BART opened three extension projects: the Warm Springs Extension in March 2017, the Antioch Extension in May 2018, and the SVBX in June 2020. Cumulatively, these projects have the potential to add thousands of net new riders to the BART System. Prior to the COVID-19 pandemic, any such ridership gains attributable to the Warm Springs Extension or the Antioch Extension were increasingly offset by concerns about congestion at peak commute times, safety and cleanliness on the system as well as increases in shared mobility options, particularly the increased utilization of TNCs. OAK first permitted operation of TNCs in November 2015, which accompanied a noticeable shift in ridership for BART at that same time. A similar decline in ridership due to TNCs occurred at the SFO station.

Passenger revenue peaked at approximately \$490 million in Fiscal Year 2015-16 due to fare increases and ridership growth. Passenger revenue began to decrease moderately in Fiscal Year 2016-17 and was \$483 million in Fiscal Year 2018-19, 1.4% lower compared to the peak revenue in Fiscal Year 2015-16 due to declines in ridership. The decline in passenger revenue was less than the decline in ridership in part due to fare increases during that period and because most of the ridership loss was in short trips that generate less revenue per trip. Passenger revenue declined greatly due to the COVID-19 pandemic, and was \$342 million in Fiscal Year 2019-20, 30.2% lower compared to the peak revenue in Fiscal Year 2015-16, and was \$63 million in Fiscal Year 2020-21, 87.2% lower compared to the peak revenue in Fiscal Year 2015-16. Despite the decline in passenger revenues, total operating sources increased from \$899 million in Fiscal Year 2015-16 to \$902 million in Fiscal Year 2020-21. This increase is due primarily to the utilization of emergency relief grants provided by the federal government due to the COVID-19 pandemic, which offset declines in passenger revenue. See "INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak" in the forepart of this Official Statement. In addition, between Fiscal Years 2015-16 and 2020-21, the District also saw increases to sales tax and property tax revenues, and other operating revenue.

Sales tax revenues were \$242 million in Fiscal Year 2015-16 and increased to \$280 million in Fiscal Year 2018-19. The sales tax revenues in Fiscal Year 2018-19 reflected an 8.7% increase compared to the prior fiscal year, but some of those revenues may be derived from the prior year and sales tax revenues totaled \$267 million for Fiscal Year 2019-20. Due to the COVID-19 pandemic, the sales tax revenues for Fiscal Year 2020-21 further declined to \$259 million.

Other operating assistance received by BART includes STA, ranging from \$10.1 million to \$32.5 million received annually during Fiscal Year 2015-16 through Fiscal Year 2020-21, although amounts have fluctuated. STA revenues for Fiscal Year 2020-21 were \$21.4 million. Additional financial assistance comes from BART's portion of the one percent (1%) general

property tax levy, which ranged from \$38.1 million in Fiscal Year 2015-16 to \$54.9 million in Fiscal Year 2020-21, with annual growth rates between 4.8% and 9.8% after recovery from the recession and continued increases in Bay Area real estate prices despite the COVID-19 pandemic. The District also received operating assistance from the VTA in connection with the completion of the SVBX in June 2020. The District received approximately \$1 million in Fiscal Year 2019-20, and approximately \$37 million in Fiscal Year 2020-21 from the VTA.

Emergency assistance allocated to BART in connection with the COVID-19 pandemic includes approximately \$377 million received under the CARES Act, approximately \$378 million received under CRRSSA, and approximately \$853 million under the American Rescue Plan Act of 2021 (the “Rescue Plan Act”). See “INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak” in the forepart of this Official Statement. The table below details the amount of federal emergency assistance funds expended by the District in Fiscal Years 2019-2020 and 2020-2021, as well as the first half of Fiscal Year 2021-22.

Emergency Assistance Funds Expended by the District

Emergency Assistance (millions)	CARES Act*	CRRSSA	Rescue Plan Act	Total ⁽¹⁾
Total Amount Allocated to the District	\$377,053	\$378,138	\$853,113	\$1,608,304
Amount Expended in Fiscal Year 2019-20	120,304	-	-	120,304
Amount Expended in Fiscal Year 2020-21	256,750	41,339	-	298,089
Amount Expended in Fiscal Year 2021-22 (through December 31, 2021)	-	127,184	-	127,184
Remaining Amount	-	\$209,615	\$853,113	\$1,062,728 ⁽²⁾

⁽¹⁾ Columns may not add due to rounding.

⁽²⁾ BART has already received approximately \$829,203,000 of such remaining amount from FTA and expects to draw down the remainder from FTA in the future.

Operating expenses, excluding depreciation, increased by approximately \$123 million between Fiscal Year 2015-16 and Fiscal Year 2020-21. Expense increases during these six years included additional service and investments in the BART System, the opening of the Warm Springs Extension (March 2017), the opening of the Antioch Extension (May 2018), the opening of the SVBX (June 2020), as well as additional staff and funds to address areas such as system maintenance, quality of life, fare evasion, safety and security, and station cleanliness. In October 2020, the Board of Directors approved a seven-point plan to reduce operating expenses in order to address the short- and long-term impact of the COVID-19 pandemic on ridership. The plan included (i) pursuing efficiencies around contracting and other reductions to BART’s non-labor budget; (ii) continuing BART’s hiring freeze and eliminating most current vacancies; (iii) negotiating a retirement incentive package with labor union leadership; (iv) re-assigning or re-training staff wherever possible to fill critical gaps created by departures; (v) filling critical capital budget vacancies with operating staff wherever possible; (vi) allocating service dependent staff to capital projects to accelerate capital program delivery; and (vii) exploring additional cost savings measures with labor partners and non-represented employees. Through the implementation of this plan, net operating expenses, excluding depreciation, declined by approximately \$76 million in Fiscal Year 2020-21 compared to the prior fiscal year. This reduction included a decline in net

labor expenses by approximately \$60 million, which was driven by a decrease of approximately \$26 million in overtime expenses, an increase of approximately \$23 million in labor reimbursement through the redeployment of staff to capital projects, a decrease in other postemployment benefit expenses of approximately \$30 million (offset by increases of approximately \$14 million in connection with the retirement incentive package, and approximately \$7 million in COVID-19-related benefits paid to employees as mandated by the federal government and the State), and a decrease in temporary services of approximately \$2 million. The overall reduction also included a decline in non-labor expenses of approximately \$20 million, which was driven primarily by a decrease of approximately \$7 million in interchange fees, Clipper Card, and other bank fees, and a decrease of approximately \$10 million in purchased transportation related expenses due to reduced ridership and paratransit trips.

Electric power costs increased slightly over the past six years, growing by a modest 7% mainly due to incremental costs to source electric supply from carbon-free sources, higher energy use due to system expansion, and increased rates for electricity delivery. While power costs have slightly increased, actual costs have come in lower than forecast due to lower cost of greenhouse gas compliance under the State's Cap-and-Trade program and lower than expected energy prices. See "THE BART SYSTEM – Power Supply" herein.

In each Fiscal Year's budget process, management establishes an operating ratio goal (percentage of operating revenue to operating expenses). The District achieved operating ratios of above 70% in the recent years before the COVID-19 pandemic, well above national averages for urban transit systems. Due to the impacts of the COVID-19 pandemic, the District's operating ratio fell drastically to a low of 12% for Fiscal Year 2020-21.

The District proceeded with major capital projects in Fiscal Year 2020-21, including the Rail Vehicle Replacement Program, the System Reinvestment Program, the Earthquake Safety Program and the System Renewal Program. See "BART FINANCINGS AND CAPITAL PROGRAMS" herein.

Adopted Budget for Fiscal Year 2021-22 and Preliminary Budget for Fiscal Year 2022-23

On June 10, 2021, the Board of Directors adopted its operating budget for Fiscal Year 2021-22 (the "2021-22 Budget"). The 2021-22 Budget reflects the extraordinary challenges that BART continues to face due to the COVID-19 pandemic, as well as continued challenges posed by declining fare revenue, increased operating expenses, and aging infrastructure. After each of the Three BART Counties instituted the Shelter-In-Place Orders in March 2020, ridership on the BART System declined to approximately 6% of expected ridership. Ridership increased from approximately 8% of expected ridership in July 2020 to approximately 18% of expected ridership in Fiscal Year 2020-21. See "THE BART SYSTEM – Ridership" herein. Given the uncertainty surrounding the future course of the COVID-19 pandemic and the recovery of rail transit ridership, the District developed three different ridership scenarios while creating the 2021-22 Budget. The base case scenario, on which the 2020-21 Budget is based, projects that ridership will average approximately 36% of pre-COVID-19 pandemic levels in Fiscal Year 2021-22. During the first four months of Fiscal Year 2021-22, monthly ridership outperformed the assumed ridership level in the 2021-22 Budget, but fell below such level following the onset of the Omicron variant of COVID-19. As of March 31, 2022, monthly ridership remained 35% below the assumed ridership

level in the 2021-22 Budget. Under new labor agreements effective Fiscal Year 2021-22 through either Fiscal Year 2023-24 or Fiscal Year 2024-25, labor cost growth is anticipated to slow over the next three years. See “DISTRICT FINANCIAL INFORMATION – Labor Relations and Employee Retirement Benefits” herein.

Operating expenses in Fiscal Year 2021-22 are budgeted to increase by approximately 1.0% from the adopted Fiscal Year 2020-21 budget, mainly due to increases in net labor costs. Operating sources in Fiscal Year 2021-22 are budgeted to increase approximately 11.3% from the adopted Fiscal Year 2020-21 budget, mainly due to increases in sales tax proceeds, fare revenues, and emergency federal assistance used to fill the budget gap created by reduced ridership levels. In particular, the District is able to achieve a balanced budget in Fiscal Year 2021-22 by utilizing emergency federal assistance. See “INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak” in the forepart of this Official Statement.

The Board of Directors intends to review the Fiscal Year 2021-22 Budget quarterly and take actions within its powers to address any revenue shortfalls, with use of available federal assistance as may be necessary to achieve a balanced budget in Fiscal Year 2021-22.

The operating budget for Fiscal Year 2022-23 is currently under development and expected to be approved by the Board of Directors in June 2022. In March 2022, the District released its preliminary budget for Fiscal Year 2022-23 (the “Preliminary 2022-23 Budget”). The Preliminary 2022-23 Budget projects that operating expenses in Fiscal Year 2022-23 will increase by approximately 1.6% from the 2021-22 Budget, mainly due to increases in traction power and other non-labor costs, partially offset by a reduction in net labor expenses. Operating sources in Fiscal Year 2022-23 are projected to increase by approximately 1.2% from the 2021-22 Budget, mainly due to increases in fare revenues and sales tax proceeds. The Preliminary 2022-23 Budget projects that the District will need to utilize approximately \$328.5 million in federal emergency assistance to fill the budget gap in Fiscal Year 2022-23.

The District’s long-term ridership outlook projects that average weekday ridership will gradually recover and stabilize below pre-COVID-19 pandemic levels. Under the base case scenario, the District projects that ridership will stabilize at 70% of pre-COVID-19 pandemic levels over the long-term, while under the upside and downside scenarios the District projects that ridership will stabilize at 80% and 60% of pre-COVID-19 pandemic levels, respectively, over the long-term.

As of January 2022, the District had approximately \$1.06 billion in emergency federal assistance remaining, and the District projects that it will utilize such funding to cover projected budget deficits through approximately September 2025. The District anticipates that it will face budget deficits beginning in Fiscal Year 2025-26, and will need to pursue various strategies, including additional assistance to achieve a balanced budget.

The table below shows the revenue and expense projections in the adopted 2021-22 Budget compared to the revenues and expenses in the Preliminary 2022-23 Budget:

District Operating Budget (millions)	Fiscal Year 2021-22 Adopted*	Fiscal Year 2022-23 Preliminary*	Fiscal Year 2021-22 vs. Fiscal Year 2022-23*
Revenue			
Passenger Revenue (Rail and ADA)	\$ 166.4	\$ 222.2	\$ 55.8
Non-Fare Revenue	29.3	32.5	3.2
Total Financial Assistance	437.3	448.0	10.7
<i>Sales Tax Proceeds</i>	261.7	299.0	37.3
<i>Property Tax Proceeds</i>	54.5	58.0	3.5
<i>Low Carbon Transit Operations</i>	4.4	10.3	5.9
Program			
<i>Low Carbon Fuel Standard Program</i>	22.6	16.6	(6.0)
<i>Other</i>	94.2	64.1	(30.1)
Federal Emergency Assistance	385.7	328.5	(57.2)
Total Sources	1,018.7	1,031.2	12.5
Expense			
Net Labor and Benefits	649.7	646.8	(2.9)
Power	48.9	52.7	3.8
Other Non-Labor	134.6	144.3	9.7
ADA Paratransit	14.0	16.7	2.7
Purchased Transportation	12.4	12.7	0.3
Total Expense	859.6	873.2	13.6
Sales Tax Debt Service and Allocations	159.1	158.0	(1.1)
TOTAL USES	1,018.7	1,031.2	12.5

BART's \$1.42 billion capital budget for Fiscal Year 2021-22 reflects a 5.8% decrease from the capital budget for Fiscal Year 2020-21, during which BART took advantage of reduced ridership to accelerate critical projects. Approximately 48% of the capital budget for Fiscal Year 2021-22 is directed to the System Reinvestment Program, including \$390 million directed towards rail vehicle replacement, \$215 million directed at track and structures rehabilitation and traction power reinvestment, \$34 million directed at station renovation and wayfinding improvements, \$22 million directed at renewing components of the existing train control system, and \$22 million directed at Measure RR funded facilities upgrades and replacements. Additional expenditures include approximately \$524 million for service and capacity enhancements, \$86 million for the Earthquake Safety Program, \$79 million for system expansion projects, \$39 million for safety and security, and \$8 million for reimbursable expenses. In addition to allocations from the operating budget, capital expenditures are funded from bond proceeds, state and federal grants and other local sales tax and toll bridge revenues.

BART's preliminary capital budget for Fiscal Year 2022-23 is currently under development. The Preliminary 2022-23 Budget projects an approximately \$1.44 billion capital

* Columns may not add due to rounding.

budget for Fiscal Year 2022-23, reflecting a 1.2% increase from the capital budget for Fiscal Year 2021-22. Approximately 48% of the preliminary capital budget for Fiscal Year 2022-23 is directed to the System Reinvestment Program, including \$402 million directed towards rail vehicle replacement, \$209 million directed at track and structures rehabilitation and traction power reinvestment, \$27 million directed at station renovation and wayfinding improvements, \$20 million directed at renewing components of the existing train control system, and \$23 million directed at Measure RR funded facilities upgrades and replacements. Additional expenditures in the preliminary capital budget include approximately \$593 million for service and capacity enhancements, \$69 million for the Earthquake Safety Program, \$63 million for system expansion projects, \$23 million for safety and security, and \$8 million for reimbursable expenses. In addition to allocations from the operating budget, capital expenditures are funded from bond proceeds, state and federal grants and other local sales tax and toll bridge revenues.

Risk Management and Insurance

The District is partially self-insured for workers' compensation, public liability and property damage claims. The District's property is insured against flood damage but is not insured against earthquake damage, which is not currently commercially affordable. The District's property is insured for \$50 million per occurrence for equipment in the Control Center and \$50 million per occurrence for all other insured property. Additional catastrophic insurance coverage is provided in the amount of \$50 million dollars for all property. The self-insured retention for all insurance programs is \$5 million per occurrence. The District's self-insurance programs are administered by independent claims adjustment firms. Claim expenses and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Liabilities are discounted at a 3% rate and are based, in part, upon the independent adjustment firms' estimate of reserves necessary for the settlement of outstanding claims and related administrative costs and included estimates of claims that have been incurred but not yet reported. Such reserves are reviewed by professional actuaries and are subject to periodic adjustments as conditions warrant.

Pursuant to a recent evaluation of District liabilities for workers' compensation, outstanding losses as of December 31, 2021 are projected to total \$58,006,709 (undiscounted). The required reserves discounted 3% are \$48,423,405. Ultimate District workers' compensation losses are limited to \$4,000,000 self-insured retention per occurrence for the forecast periods and are estimated at \$17,659,623 for Fiscal Year 2021-22 and \$17,695,400 for Fiscal Year 2022-23. Outstanding losses for automobile and general liability are projected to be \$16,418,357 (undiscounted). The required reserves discounted 3% are \$15,780,045.

The District also has cyber security insurance with an aggregate limit of \$3 million subject to a \$500,000 self-insurance retention.

See also Note 7 to the audited financial statements of the District included as Appendix B to this Official Statement.

Investment Policy

The investment of funds of BART is made in accordance with BART’s investment policy, developed by BART’s Controller/Treasurer and approved by the Board of Directors on May 16, 2017 (the “Investment Policy”), and Section 53600 et seq. of the California Government Code. The Investment Policy is subject to revision by the Controller/Treasurer, subject to approval by the Board of Directors, at any time and is reviewed periodically to ensure compliance with the stated objectives of safety, liquidity, yield and current laws and financial trends.

All funds of BART and investment activities are governed by the Investment Policy, which sets forth the following primary objectives, in order of priority:

1. Preservation of capital - The investment portfolio should be structured to minimize the probability of a loss of principal value through adequate diversification of investments across a variety of security offerings, maturities, and financial institutions.
2. Liquidity – Funds shall be invested only until date of anticipated need or for a lesser period. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets.
3. Yield – generation of the best available return on investment without compromise of the first two objectives.

See Appendix C—“SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT STATEMENT OF INVESTMENT POLICY.”

Set forth in the below table are the carrying values and types of investment securities in BART’s General Fund and Working Capital Fund as of March 31, 2022.

INVESTMENT DISTRIBUTION as of March 31, 2022

Certificates of Deposit	\$890,098
Cash on Hand and in Bank	194,572,009
Investments – Foreign Obligations	30,761,649
Investments – Treasury Bonds & Notes	509,936,594
Total	<u><u>\$736,160,350</u></u>

Source: District.

As of March 31, 2022, the average duration of the District’s investments (average days to maturity) was 73 days.

All amounts deposited in the Interest and Sinking Fund and the Project Fund established in connection with the outstanding general obligation bonds are invested at the direction of the District in Investment Securities as such term is defined in the applicable trust agreement entered into by the District in connection with the general obligation bonds. Investment Securities include guaranteed investment contracts.

All amounts held by the trustee for the Sales Tax Revenue Bonds in the funds and accounts established under the indenture pursuant to which such obligations were issued are invested at the direction of the District, subject to certain limitations contained in the applicable indenture.

Labor Relations and Employee Retirement Benefits

The information concerning the California Public Employees' Retirement System ("CalPERS") set forth below is excerpted from publicly available sources which the District believes to be accurate, but the District cannot and does not guarantee such information as to accuracy and completeness. CalPERS should be contacted directly at CalPERS, Lincoln Plaza North, 400 Q Street, Sacramento, California 95814, Telephone: (888) 225-7377 for other information, including information relating to its financial position and investments.

Employee and Labor Relations. As of April 1, 2022, the District has 3,915 employees, of which 3,848 are full-time and 67 are part-time.

Most District employees are represented by recognized employee organizations. Station agents, train operators, foreworkers, and certain clerical employees are represented by the ATU, Local 1555. Maintenance workers, foreworkers, some professional employees, and the majority of clerical employees are represented by the Service Employees International Union ("SEIU"), Local 1021. Supervisors and professionals are represented by the American Federation of State, County and Municipal Employees ("AFSCME"), Local 3993. In addition, BART police officers and non-managerial civilian staff of the BART Police Department are represented by the BART Police Officers Association ("BPOA"), and police managers below the rank of Deputy Chief and civilian supervisors are represented by the BART Police Managers Association ("BPMA"). In 2020, the District and ATU, SEIU and AFSCME entered into agreements to extend their respective collective bargaining agreements ("CBAs") and to create successor CBAs that will be in effect through June 30, 2024. In 2021, the District and the BPOA and BPMA entered into agreements to extend their respective CBAs and create successor CBAs that will be in effect through June 30, 2025. Given the financial uncertainty surrounding the COVID-19 pandemic, the District and its unions agreed to limited scope negotiations focused primarily on wages. Each of the five CBAs provide for no wage increases in the first year, and provide for potential modest wage increases in the second and third year conditioned upon the District's ridership returning to at least 60% of pre-COVID-19 pandemic levels.

The District has taken steps to control rising pension and healthcare costs. In 2019, the District and ATU, SEIU and AFSCME modified their existing agreements to require employees to pay their full pension contribution (plus an additional one percent share) and receive a corresponding wage offset. Since July 1, 2020, all employees represented by ATU, SEIU and AFSCME, as well as non-represented employees, contribute 8% of their wages to their pensions. Since July 1, 2021, BPOA and BPMA safety employees contribute 10% to 14.25% of their wages

to their pensions, depending on their CalPERS status. In addition, employee contributions to medical premiums continue to increase by 3% per year, along with continuation of the additional employee premium contribution of \$37 per month. Employees will continue to be eligible each year to receive a lump sum payment in the event that ridership increases above certain forecasted levels, but in Fiscal Year 2020-21 ridership levels were such that no lump sum payment was owed.

BART has generally enjoyed stable relations with its labor force, and expects to enjoy continued stability in its labor relations through at least June 30, 2024. BART experienced two strikes in 2013 for a total of eight days. Prior to 2013, BART had only experienced strikes in its early history in 1976 and 1979, and once again in 1997; BART had successfully negotiated a number of labor agreements with the unions without the employees resorting to strikes.

Plan Description. All eligible employees may participate in the appropriate Public Employees' Retirement Fund (the "Fund") administered by CalPERS under the Miscellaneous Plan or the Safety Plan of the District. The Safety Plan covers all sworn police officers of the District; all other District employees are covered by the Miscellaneous Plan. The Fund is a multiple-employer public sector employee defined-benefit retirement plan that acts as a common investment and administrative agent for approximately 2,892 local public agencies (including the District), school districts and charter schools within the State of California according to CalPERS. The Fund provides retirement, disability and death benefits based on the employee's years of service, age and compensation. New employees hired on or after January 1, 2013 whose benefits are limited by PEPPRA under the Miscellaneous Plan, vest after five years of service and may receive retirement benefits starting at age 52. Under PEPPRA, employees hired prior to January 1, 2013, also referred to as "classic" employees, and employees under the Safety Plan, vest after five years of service and may receive retirement benefits starting at age 50. These benefit provisions and all other requirements are established by State statute and District contractual agreements. Legislation was enacted in the State which exempted most District employees from the provisions of pension reform, at least as an interim measure pending the resolution of a dispute with the DOL. The temporary exemption expired on December 30, 2014 and all transit employees became subject to PEPPRA. See "BART FINANCINGS AND CAPITAL PROGRAMS – Funding Developments – *Pension Reform Act and Grant Funding*" herein.

Annual Actuarial Valuation Reports. In calculating the annual actuarially required contribution rates, the CalPERS actuary calculates, on the basis of certain assumptions, the actuarial present value of benefits that CalPERS expects to fund under the CalPERS Plans, which includes two components, the normal cost and the unfunded actuarial accrued liability (the "UAAL"). The normal cost represents the actuarial present value of benefits that CalPERS expects to fund under the CalPERS Plans that are attributed to the current year, and the UAAL represents the actuarial present value of benefits that CalPERS will fund that are attributed to past years. The UAAL represents an estimate of the actuarial shortfall between assets on deposit at CalPERS and the present value of the benefits that CalPERS will pay under the CalPERS Plans to retirees and active employees upon their retirement. The UAAL is based on several assumptions, including the rate of investment return, average life expectancy, average age of retirement, inflation, salary increases and occurrences of disabilities. In addition, calculation of the UAAL involves certain actuarial adjustments. As a result, prospective investors are encouraged to consider the UAAL as an estimate of the unfunded actuarial present value of the benefits that CalPERS will fund under

the CalPERS Plans to retirees and active employees upon their retirement, and not as a fixed or hard expression of the liability the District owes to CalPERS under the CalPERS Plans.

CalPERS uses the rate stabilization methodologies in its actuarial valuations which have been shown to be very effective in mitigating rate volatility. See Note 9 to the audited financial statements of the District included as Appendix B to this Official Statement for a summary of principal assumptions and methods used by CalPERS to determine the District's annual required contributions to the Miscellaneous Plan and Safety Plan.

CalPERS prepares an Annual Actuarial Valuation Report ("CalPERS Actuarial Report") for its members. The District receives an annual report for its Miscellaneous Plan and a separate annual report for its Safety Plan. The latest CalPERS Actuarial Reports were received by the District in July 2021, which were based on financial data available from the District and from various CalPERS databases as of June 30, 2020. These reports established the District's required minimum employer contribution rates for Fiscal Year 2022-23, which are 8.90% of covered payroll for the Employer Normal Cost and \$66,764,335 for the Employer Payment of Unfunded Liability for the Miscellaneous Plan and 25.92% of covered payroll for the Employer Normal Cost and \$14,945,561 for the Employer Payment of Unfunded Liability for the Safety Plan, before any cost sharing. Starting in Fiscal Year 2017-18, CalPERS changed the employer rate from a percentage of payroll to a percentage of payroll for the normal cost and a flat dollar amount for payment of the unfunded liability. The reports also included for District's Miscellaneous and Safety Plans the latest Schedule of Funding Progress, which shows a five-year history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of unfunded actuarial accrued liability to payroll, as discussed herein below. The employer contribution rates for new PEPPRA employees will continue to be the same rates as classic employees.

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The following chart lists the District's employer required contribution rates for Fiscal Years 2022-23, 2021-22, and 2020-21.

<i>Contribution Rates</i>			
Valuation Date	Fiscal Year	Employer Rate for Miscellaneous	Employer Rate for Safety
6/30/20	2022-2023	8.90% + \$66,764,335	25.92% + \$14,945,561
6/30/19	2021-2022	9.08% + \$56,666,712	26.41% + \$12,672,395
6/30/18	2020-2021	9.381% + \$48,571,632	28.301% + \$10,608,953

Sources: CalPERS Annual Valuation Report as of June 30, 2020.

Funding Policy. CalPERS' funding policy for the Miscellaneous Plan and the Safety Plan (hereinafter sometimes referred to as the "CalPERS Plans") requires periodic contributions by the District based on CalPERS actuarially determined amounts sufficient to accumulate the necessary assets to pay benefits when due as specified by contractual agreements between the District and its unions. The individual entry age normal method is used to determine the normal cost. There are two components to this cost: the employer cost and the employee cost. District payment for the employer portion of the contributions for the Miscellaneous Plan and the Safety Plan is to cover normal cost and to amortize the unfunded actuarial accrued liability.

Certain District employees pay their CalPERS employee contribution and also reimburse the District for a portion of the employer contribution. For "classic" miscellaneous non-police employees the employee contribution is seven percent (7%) and the reimbursement of the employer contribution is one percent (1%). The District, in compliance with its CBAs, reimburses the employee contribution for "classic" police employees and reimburses a larger portion of the employer contribution. The employer contribution reimbursement under PEPR for police employees varies by group.

Schedule of Funding Progress. The funding status applicable to the District's CalPERS Plans at June 30, 2020 (the most current information available) is summarized as follows:

Funded Status of the Miscellaneous Plan
(in thousands of dollars)⁽¹⁾

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Status (Actuarial Value)	Annual Covered Payroll	UAAL as a Percentage of Payroll
6/30/18	\$2,501,597	\$1,855,353	\$646,244	74.2%	\$322,955	200.1%
6/30/19	\$2,618,173	\$1,940,360	\$677,814	74.1%	\$356,401	190.2%
6/30/20	\$2,759,872	\$2,001,180	\$758,692	72.5%	\$392,152	193.5%

⁽¹⁾ Dollars reflect rounding.

Sources: CalPERS Annual Valuation Report as of June 30, 2020.

Funded Status of the Safety Plan
(in thousands of dollars)⁽¹⁾

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Status (Actuarial Value)	Annual Covered Payroll	UAAL as a Percentage of Payroll
6/30/18	\$356,999	\$213,949	\$143,051	59.9%	\$20,412	700.8%
6/30/19	\$381,943	\$227,017	\$154,926	59.4%	\$22,371	692.5%
6/30/20	\$409,469	\$236,885	\$172,584	57.9%	\$27,611	625.1%

⁽¹⁾ Dollars reflect rounding.

Sources: CalPERS Annual Valuation Report as of June 30, 2020.

CalPERS is continuing to implement strategies to improve the long-term health of the pension fund and approved in 2016 a decrease in the discount rate assumed for future investment returns from 7.5% to 7%. This change will significantly increase the District's future contributions and together with other measures implemented are projected to require contributions by the District within ten years of more than double of the current contribution amounts. Such forecasts are subject to many variables and cannot be predicted with certainty.

Irrevocable Supplemental Pension Trust. On March 28, 2019, the Board adopted a Pension Funding Policy and authorized the Controller-Treasurer to establish a District-controlled IRS Section 115 Irrevocable Supplemental Pension Trust. The Trust was established in February 2020 and the assets in the Trust are to be held for the sole and exclusive purpose of making pension payments. Payments can include paying down pension liability or making regular pension payments when required payments exceed the budgeted projections. Assets placed into the Trust

cannot be used for any other purpose and are not available to satisfy general creditors of the District. The District has contributed \$10 million in Fiscal Year 2018-19 and added an additional \$10 million in Fiscal Years 2019-20 and 2020-21. The District intends to continue to add to the Trust through Fiscal Year 2028-29. Total contribution over the ten-year period would be \$100 million ending in Fiscal Year 2028-29.

Money Purchase Pension Plan

Most District employees participate in the Money Purchase Pension Plan (“MPPP”), which is a supplemental retirement defined contribution plan under Internal Revenue Code Section 401(a). The District’s total expense and funded contribution for this plan for the Fiscal Years 2020-21 and 2019-20 were \$12,376,000 and \$13,195,000, respectively. The MPPP assets at June 30, 2021 and 2020 (excluded from the accompanying financial statements) per the plan administrator’s unaudited reports were \$432,831,000 and \$348,117,000, respectively. As of June 30, 2021, there were approximately 293 (326 in 2020) participants receiving payments under this plan. For additional information regarding MPPP, see Note 10 to the audited financial statements of the District included as Appendix B to this Official Statement.

Other Post-retirement Benefits

Post-retirement Health Care Costs. In addition to the retirement benefits described above and as specified in the District’s contractual agreements, the District provides post-retirement health care benefits assistance to employees. Most employees who retire directly from the District (or their surviving spouses) are eligible if the employee retires from the District at or after age 50 with a minimum of 5 years of CalPERS service (which may be with another public entity) and elects to take an annuity from CalPERS within 120 days of leaving the District. ATU, SEIU, AFSCME, and non-represented employees first hired on or after January 1, 2014, BPOA employees first hired on or after July 10, 2014, and BPMA employees first hired on or after January 1, 2015 will be required to have 15 years of District service in order to receive the full contribution.

Retiree Health Benefit Trust. In 2004, the Government Accounting Standards Board (“GASB”) issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (“GASB 45”). GASB 45 required the District to change its accounting for other postemployment benefits (“OPEB”) from pay-as-you-go to an accrual basis. Pursuant to Section 53620 of the California Government Code, a local agency may create a trust to fund post-retirement health benefits. The assets of such a trust will qualify as an offset against liability under GASB 45. On May 18, 2004, the District created the Retiree Health Benefit Trust for the San Francisco Bay Area Rapid Transit District (the “Health Benefit Trust”) in order to provide a vehicle for prefunding portions of retiree health benefits. Pursuant to the terms of the Health Benefit Trust, the assets of the Health Benefit Trust are to be held for the sole and exclusive purpose of providing benefits to participants and beneficiaries and to defray the reasonable expenses of administering the Health Benefit Trust and designated plans. Assets placed into the Health Benefit Trust cannot be used for any other purposes and are not available to satisfy general creditors of the District. The Health Benefit Trust is administered by a trustee appointed by the Board of Directors. The current trustee is the Controller/Treasurer of the District.

Pursuant to a Bartel Associates, LLC report dated September 9, 2021, entitled “Retiree Healthcare Plan, June 30, 2020 Actuarial Valuation” and report dated September 9, 2021 entitled “Retiree Life Insurance, June 30, 2020 Actuarial Valuation” (the “Bartel Report”), 2,510 retirees and surviving spouses are provided retiree medical benefits. The District made payments on an actuarial basis totaling \$45,978,000 (including subsidy valued at \$4,655,000) in Fiscal Year 2020-21 and \$41,832,000 (including subsidy valued at \$4,413,000) in Fiscal Year 2019-20 and life insurance premiums amounting to \$1,030,000 (including subsidy valued at \$892,000) in Fiscal Year 2020-21 and \$1,367,000 (including subsidy valued at \$1,210,000) in Fiscal Year 2019-20.

At June 30, 2021, net assets held in the Health Benefit Trust included money market mutual funds, U.S. Treasury obligations, corporate obligations, foreign obligations, domestic common stocks, equity mutual funds, and foreign stocks with a fair market value of approximately \$501,321,000.

Funding projections are based on the Bartel Report, the most recent actuarial analysis prepared for the District. These funding projections are based on certain assumptions and are inherently subject to a variety of risks and uncertainties, including increases in the cost and duration of health care benefits, which could cause actual results to differ materially from those that have been projected. Pursuant to its labor agreements, effective January 1, 2010, the District’s contribution toward medical coverage was limited to the highest Bay Area HMO rate under CalPERS (Blue Shield or Kaiser) minus the applicable retiree contribution. The actuarial accrued liability (“AAL”) as of June 30, 2020 is estimated at approximately \$642.2 million. The report also contained projected per capita claims cost updates based on Calendar Years 2019 and 2020 CalPERS premiums.

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The following is the summary of results of the valuation. The Bartel Report employed different actuarial assumptions than prior actuarial valuations, including mortality improvement, inflation based on the plan's long-time horizon, age-based claims based on Society of Actuaries publications, and participation and coverage based in part on plan experience. Such assumptions contributed to an increased actuarial liability between the June 30, 2018 actuarial valuation date and the June 30, 2019 actuarial valuation date.

Funded Status of the Retiree Healthcare Plan
(in thousands of dollars)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Projected Covered Payroll* (c)	UAAL as Percentage of Covered Payroll ((b-a)/c)
6/30/2018	\$305,850	\$587,896	\$282,046	52.0%	\$362,428	77.8%
6/30/2019	\$340,470	\$603,787	\$263,317	56.4%	\$385,327	68.3%
6/30/2020	\$389,128	\$581,778	\$192,650	66.9%	\$442,963	43.5%

*The projected covered payroll is calculated out two years from the date of the actuarial valuation date.
Source: Bartel Report dated September 9, 2021.

Life Insurance and Survivor Benefits. Additional benefits include providing BART employees with certain life insurance benefits after retirement. For survivor benefits, if an employee elects such benefits upon employment, the employee makes a monthly contribution and, upon the employee's death, the employee's survivors receive certain medical, dental and vision benefits. The Board has approved setting up a trust to hold such employee contributions but currently such benefits are provided on a pay-as-you-go basis by the District. See Note 11 to the audited financial statements of the District included as Appendix B to this Official Statement.

BOND PURCHASE AGREEMENT

\$ _____
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

\$ _____
**General Obligation Bonds (Election of 2016),
2022 Series D-1 (Green Bonds)**

\$ _____
**General Obligation Bonds (Election of 2016),
2022 Series D-2 (Federally Taxable)
(Green Bonds)**

\$ _____
**General Obligation Bonds (Election of 2004),
2022 Refunding Series H (Federally Taxable)
(Green Bonds)**

_____, 2022

San Francisco Bay Area Rapid Transit District
300 Lakeside Drive, 23rd Floor
Oakland, California 94612-3534
Attention: Interim Controller/Treasurer

Ladies and Gentlemen:

The undersigned Stifel, Nicolaus & Company, Incorporated, on its own behalf and as representative (the “Representative”) of the other underwriters named on the attached Schedule I (together, the “Underwriters”), offers to enter into this Bond Purchase Agreement (this “Purchase Agreement”) with the San Francisco Bay Area Rapid Transit District (the “Issuer”) which, upon the Issuer’s written acceptance of this offer, will be binding upon the Issuer and upon the Underwriters. The Representative has been duly authorized to execute this Purchase Agreement and to act hereunder on behalf of the other Underwriters. Any action taken under this Purchase Agreement by the Representative will be binding upon all the Underwriters. Upon acceptance of this offer by the Issuer in accordance with the terms hereof, this Purchase Agreement will be binding upon the Issuer and upon the Underwriters.

This offer is made subject to the Issuer’s written acceptance hereof on or before 11:59 p.m., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Capitalized terms used herein and not defined shall have the respective meanings assigned to them in the Official Statement (as defined in Section 4).

1. Purchase and Sale. Upon the terms and conditions, and in reliance upon the representations, warranties and agreements of the Issuer set forth herein, the Underwriters hereby agree to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to or for the

account of the Underwriters, all, but not less than all, of the Issuer's General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds) in the aggregate principal amount of \$_____ (the "2022D-1 Bonds" or "Tax-Exempt Bonds") and 2022 Series D-2 (Federally Taxable) (Green Bonds) in the aggregate principal amount of \$_____ (the "2022D-2 Bonds" and together with the 2022D-1 Bonds, the "2022D Bonds") and of \$_____ in aggregate principal amount of General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds) (the "Refunding Bonds" and together with the 2022D Bonds, the "Bonds").

The Issuer agrees and acknowledges that: (i) with respect to the engagement of the Underwriters by the Issuer, for the purchase, sale and offering of the Bonds, and the discussions, conferences, negotiations and undertakings in connection therewith, the Underwriters (a) are in an arm's-length commercial transaction with the Issuer and have been acting as a principal and not as an agent or fiduciary of the Issuer and (b) have not assumed an advisory or fiduciary responsibility in favor of the Issuer; (ii) the Issuer has consulted its own legal, financial and other advisors to the extent it has deemed appropriate; and (iii) this Purchase Agreement expresses the entire contractual relationship between the parties hereto with respect to the purchase of the Bonds.

2. The Bonds.

a) The 2022D Bonds shall be issued in accordance with the Trust Agreement (Measure RR), dated as of June 1, 2017, as supplemented to the date hereof (the "Original RR Trust Agreement"), as further supplemented by a Third Supplemental Trust Agreement (Measure RR), dated as of [May] 1, 2022 (the "Measure RR Third Supplemental Trust Agreement" and together with the Original RR Trust Agreement, the "Measure RR Trust Agreement") each by and between the Issuer and U.S. Bank Trust Company, National Association, as successor trustee to U.S. Bank, National Association (the "Trustee"). The 2022D Bonds are being issued pursuant to the provisions of Article 4.5 of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53506 and other applicable law and according to the terms and in the manner set forth in the Measure RR Trust Agreement, as authorized by Resolution No. _____ adopted by the Board of Directors of the Issuer on [April 28], 2022 (the "2022D Resolution"). The 2022D Bonds constitute a portion of the total authorized amount of \$3.5 billion of general obligation bonds of the Issuer duly authorized by at least two-thirds of the qualified voters of the Issuer voting on a ballot measure ("Measure RR") at an election held on November 8, 2016. The 2022D Bonds constitute the fourth issue of general obligation bonds being issued pursuant to the Measure RR authorization.

The purchase price for the 2022D Bonds shall be \$_____, representing the aggregate principal amount of the 2022D Bonds (i.e., \$_____), less an Underwriters' discount of \$_____, plus [net] original issue premium of \$_____. The 2022D Bonds shall be issued and secured as described in the Measure RR Trust Agreement and the Official Statement. The principal amount of the 2022D Bonds to be issued, which will be dated the date of issuance thereof, and the maturities and interest rates per annum are set forth in Appendix A hereto. The 2022D Bonds shall be subject to redemption as provided in the Measure RR Trust Agreement and as set forth in the Official Statement.

The proceeds of the 2022D Bonds will be used and applied by the Issuer in accordance with the provisions of the Measure RR Trust Agreement to (i) finance projects approved by Measure RR, [(ii) pay a portion of the debt service on the 2022D Bonds through _____, including the debt service in full on the 2022D-2 Bonds at maturity on [June 1, 2022,] and (iii) pay the costs of issuance of the 2022D Bonds.

b) The Refunding Bonds shall be issued in accordance with the Trust Agreement (Measure AA), dated as of June 1, 2017, as supplemented to the date hereof (the “Original AA Trust Agreement”), as further supplemented by a Second Supplemental Trust Agreement, dated as of [May] 1, 2022 (the “Measure AA Second Supplemental Trust Agreement” and together with the Original AA Trust Agreement, the “Measure AA Trust Agreement”) each by and between the Issuer and the Trustee. The Refunding Bonds are being issued pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Government Code”), the refunding bond provisions of the Government Code, and other applicable law and according to the terms and in the manner set forth in the Measure AA Trust Agreement, as authorized by Resolution No. _____ adopted by the Board of Directors of the Issuer on [April 28], 2022 (the “Refunding Resolution” and together with the Series 2022D Resolution, the “Resolutions”).

The purchase price for the Refunding Bonds shall be \$ _____, representing the aggregate principal amount of the Refunding Bonds (i.e., \$ _____), less an Underwriters’ discount of \$ _____, plus [net] original issue premium of \$ _____. The Refunding Bonds shall be issued and secured as described in the Measure AA Trust Agreement and the Official Statement. The principal amount of the Refunding Bonds to be issued, which will be dated the date of issuance thereof, and the maturities and interest rates per annum are set forth in Appendix A hereto. The Refunding Bonds shall be subject to redemption as provided in the Measure AA Trust Agreement and as set forth in the Official Statement.

The proceeds of the Refunding Bonds will be used and applied by the Issuer in accordance with the provisions of the Measure AA Trust Agreement to: (i) refund a portion of the Issuer’s General Obligation Bonds (Election of 2004), 2013 Series A and a portion of the Issuer General Obligation Bonds (Election of 2004) 2015 Refunding Series D (the “Refunded Bonds”); and (ii) pay costs of issuance of the Refunding Bonds.

c) The Bonds are obligations of the Issuer payable from and secured solely by ad valorem taxes upon all property subject to taxation by the Issuer, without limitation as to rate or amount (except as to certain personal property, which is taxable at limited rates) levied in Alameda and Contra Costa Counties and the City and County of San Francisco.

d) In connection with the issuance of the Bonds, the Issuer will enter into a Continuing Disclosure Agreement, dated the date of delivery of the Bonds (the “Continuing Disclosure Agreement”) with U.S. Bank Trust Company, National Association, as dissemination agent, and an Escrow Agreement dated as of [May] 1, 2022 (the “Escrow Agreement”) between the Issuer and U.S. Bank Trust Company, National Association, as escrow agent (the “Escrow Agent”).

3. Public Offering. The Underwriters agree to make a bona fide public offering of all of the Bonds at prices not to exceed the public offering prices set forth on the inside cover of the Official Statement and Appendix A hereto and may subsequently change such offering prices without any requirement of prior notice. The Underwriters may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the public offering prices stated on the inside cover of the Official Statement and Appendix A hereto. [The issue price for the Tax Exempt Bonds will be determined as set forth in Section 6 below.]

4. Delivery of Official Statement. The Issuer has heretofore delivered to the Underwriters a Preliminary Official Statement, dated _____, 2022 relating to the Bonds (together with the cover page and all appendices thereto, as amended or further supplemented, the “Preliminary Official Statement”), which has been prepared by the Issuer for use by the Underwriters in connection with the public offering and sale of the Bonds. The Issuer hereby represents and warrants that the Preliminary Official Statement was deemed final by the Issuer as of _____, 2022 except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, including redemption provisions and procedures, all as permitted to be excluded (the “Excluded Information”) by section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 (“Rule 15c2-12”) and hereby ratifies and approves the use and distribution by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds.

The Issuer shall deliver or cause to be delivered to the Underwriters, within seven (7) business days from the date hereof, copies of the Official Statement relating to the Bonds, dated the date of this Purchase Agreement, executed on behalf of and approved for distribution by the Issuer in the form of the Preliminary Official Statement, as amended or supplemented, to conform to the terms of this Purchase Agreement and to reflect the reoffering terms of the Bonds and with such other changes as shall have been consented to by the Issuer and the Underwriters (the “Official Statement”). The Issuer shall deliver the Official Statement in such quantities as the Representative may reasonably request in order to comply with paragraph (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the “MSRB”), and hereby confirms that it does not object to distribution of the Official Statement in electronic form. The Issuer represents that the governing body of the Issuer has reviewed and approved the information in the Official Statement and hereby authorizes and approves the distribution and use by the Underwriters of the Official Statement (including any supplements or amendments thereto) and the Issuer Documents (as defined in Section 5(a)), and the information contained in each of the foregoing, in connection with the public offering and sale of the Bonds.

The Representative hereby agrees to deliver a copy of the Official Statement to the MSRB through the Electronic Municipal Market Access (EMMA) website of the MSRB.

5. Representations, Warranties and Agreements of the Issuer. The Issuer hereby represents, warrants and agrees as follows:

- a) The Issuer is a public body corporate and politic, organized and existing under the laws of the State of California, including Sections 28500 to 29757, inclusive, of the Public Utilities Code of the State of California, with full right, power and authority to

execute, deliver and perform its obligations under the Bonds, the Measure RR Trust Agreement and the Measure AA Trust Agreement (together the “Trust Agreements”), the Continuing Disclosure Agreement, the Escrow Agreement, the tax certificate of the Issuer referenced in Section 9(d)(13) hereof, to be dated the Closing Date (as defined in Section 9 below) (the “Tax Certificate”), this Purchase Agreement (such documents being hereinafter collectively referred to as the “Issuer Documents”) and the Official Statement and to carry out and consummate the transactions on its part contemplated by 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 all necessary action to be taken by it for: (i) the adoption of the Resolutions and the issuance, sale and delivery of the Bonds; (ii) the approval and the execution and delivery of, and the performance by the Issuer of its obligations in the Issuer Documents; (iii) the approval, distribution and use of the Preliminary Official Statement and the approval, execution, distribution and use of the Official Statement for use by the Underwriters in connection with the public offering of the Bonds; and (iv) the consummation by the Issuer of all other transactions contemplated by the Official Statement and the Issuer Documents;

c) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would adversely affect the approval or adoption, as applicable, of the Resolutions, the Issuer Documents, the issuance of the Bonds or the due performance by the Issuer of its obligations under the Issuer Documents have been duly obtained;

d) This Purchase Agreement has been duly authorized, executed and delivered by and will constitute a legal, valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights;

e) The other Issuer Documents, when duly executed and delivered, will constitute legal, valid and binding obligations of the Issuer, enforceable in, accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights;

f) The Bonds, when issued, delivered and paid for, in accordance with the Resolutions and this Purchase Agreement, will have been duly authorized, executed, issued and delivered by the Issuer and will constitute the valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights; upon the issuance, authentication and delivery of the Bonds as aforesaid, the Trust Agreements, will provide,

for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge of and lien it purports to create as set forth in the Resolutions;

g) The issuance and delivery of the Bonds and execution and delivery of the other Issuer Documents, and the adoption of the Resolutions, and compliance with the provisions on the Issuer's part contained herein and therein, will not conflict with or constitute a breach of or default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, lease, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or to which any of its property or assets are otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Issuer to be pledged to secure the Bonds or under the terms of any such law, regulation, judgment, decree, loan agreement, lease, indenture, bond, note resolution, agreement or other instrument, except as provided by the Issuer Documents or the Resolutions;

h) The Issuer is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any loan agreement, lease, 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 is otherwise subject that would have a material and adverse impact upon the Issuer, and no event which would have a material and adverse effect upon the financial condition of the Issuer has occurred and is continuing which constitutes or, with the passage of time or the giving of notice or both, would constitute a default or an event of default by the Issuer under any such instrument;

i) The Issuer Documents and the Resolutions conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement; and the proceeds of the sale of the Bonds will be applied generally as described in the Preliminary Official Statement and in the Official Statement;

j) The Preliminary Official Statement, as of its date and as of the date hereof, except for the Excluded Information, did not and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

k) Except to the extent disclosed in the Preliminary Official Statement and the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Issuer, threatened against the Issuer: (i) affecting the existence of the Issuer or the titles of its officers to their respective offices; (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds; (iii) in any way contesting or affecting the validity or enforceability of the Issuer Documents; (iv) contesting the exclusion from gross income of interest on the Tax-Exempt Bonds for

federal income tax purposes; (v) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto; or (vi) contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Resolutions or the execution and delivery of the Issuer Documents, nor, to the best knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Issuer Documents;

l) The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Representative may reasonably request in order to: (i) (A) 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 (B) determine the eligibility of the Bonds for investment under the laws of such states and jurisdictions; and (ii) to continue such qualification in effect so long as required for distribution of the Bonds (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriters immediately of receipt by the Issuer of any written notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

m) The Official Statement will not contain any untrue statement of a material fact or omit 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;

n) If between the date hereof and the date which is 25 days after the End of the Underwriting Period (as defined in Section 7 herein) for the Bonds, an event occurs which would cause the information contained in the Official Statement (excluding therefrom information relating to The Depository Trust Company (“DTC”) and the book-entry system and the information under the caption “UNDERWRITING”), as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the Issuer will notify the Underwriters, and, if in the opinion of the Underwriters, the Issuer or their respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer will forthwith prepare and furnish to the Underwriters (at the expense of the Issuer) a reasonable number of copies of such amendment or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriters) which will amend or supplement the Official Statement so that it 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 are made, not misleading. For the purposes of this subsection, between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, the Issuer will furnish such information with respect to itself as the Underwriters may from time to time reasonably request;

o) Except as described in the Official Statement, the Issuer has not failed during the previous five (5) years to comply in any material respect with any previous undertakings in a written continuing disclosure certificate or agreement under Rule 15c2-12;

p) The financial statements of, and other financial information regarding the Issuer in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of the Issuer as of the dates and for the periods therein set forth. The financial statements of the Issuer have been prepared in accordance with generally accepted accounting principles consistently applied, and, except as noted in the Preliminary Official Statement and in the Official Statement, the other historical financial information set forth in the Preliminary Official Statement and in the Official Statement has been presented on a basis consistent with that of the Issuer's audited financial statements included in the Preliminary Official Statement and in the Official Statement;

q) The Issuer has no current intention to, and will not, prior to the Closing Date, offer or issue bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, except in the ordinary course of business, without prior notice to the Representative;

r) The Issuer is not presently, and as a result of the sale of the Bonds will not be, in violation of any debt limitation, appropriation limitation or any similar restrictive provision of the California Constitution or statutes;

s) The Issuer has the legal authority to apply and will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in, and subject to all of the terms and provisions of the applicable Resolutions and Issuer Documents, including for payment or reimbursement of Issuer expenses incurred in connection the negotiation, marketing, issuance and delivery of the Bonds to the extent required by Section 10 (Expenses) herein, and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest evidenced by the Tax-Exempt Bonds; and

t) Any certificate signed by any official of the Issuer authorized to do so in connection with the transactions described in this Purchase Agreement shall be deemed a representation and warranty by the Issuer to the Underwriters as to the statements made therein.

6. Issue Price. Notwithstanding any provision of this Purchase Agreement to the contrary, the Underwriters and Issuer agree to the following provisions related to the issue price of the Tax-Exempt Bonds:

(a) For purposes of this section, the following definitions apply:

(1) “*Public*” means any person other than an underwriter or a related party to an underwriter.

(2) “*Underwriter*” means (A) any person that agrees pursuant to a written contract with the Issuer, as accepted and agreed to by its Controller/Treasurer, (or with the lead underwriter for the Tax-Exempt Bonds to form an underwriting syndicate) to participate in the initial sale of the Tax-Exempt Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Tax-Exempt Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Tax-Exempt Bonds to the Public).

(3) “*Related Party*” means a purchaser of any of the Tax-Exempt Bonds who, along with the underwriter, are both subject, directly or indirectly, to: (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another); (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another); or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(4) “*Sale Date*” means the date of execution of this Purchase Agreement by all parties.

(b) The Representative, on behalf of the Underwriters, agrees to assist the Issuer in establishing the issue price of the Tax-Exempt Bonds and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the Public of the Tax-Exempt Bonds.

(c) The Issuer will treat the first price at which 10% of each maturity of the Tax-Exempt Bonds (the “10% test”) is sold to the Public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Representative shall report to the Issuer the price or prices at which the Underwriters have sold to the Public each maturity of the Tax-Exempt Bonds. For purposes of this Section 6, if Tax-Exempt Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Tax-Exempt Bonds.

(d) The Representative confirms that the Underwriters have offered the Tax-Exempt Bonds to the Public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields set forth in Appendix B attached hereto. Appendix B sets forth the maturities of

the Tax-Exempt Bonds for which the 10% test has been satisfied as of the date of this Purchase Agreement (the “General Rules Maturities”) and the prices at which the Underwriters have sold such General Rules Maturities. Appendix B also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Tax-Exempt Bonds for which the 10% test has not been satisfied and for which the Issuer and the Representative, on behalf of the Underwriters, agree that 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 Tax-Exempt Bonds, the Underwriters will neither offer nor sell unsold Tax-Exempt Bonds of that maturity to any person at a price that is higher than the initial offering price to the Public during the period starting on the sale date and ending on the earlier of the following:

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

The Representative shall advise the Issuer promptly after the close of the fifth (5th) business day after the Sale Date whether the Underwriters have sold 10% of that maturity of the Tax-Exempt Bonds to the Public at a price that is no higher than the initial offering price to the Public.

(e) The Representative confirms that:

(1) any agreement among Underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Tax-Exempt Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to:

(A)(i) report the prices at which it sells to the Public the unsold Tax-Exempt Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the Tax-Exempt Bonds of that maturity or all Tax-Exempt Bonds of that maturity have been sold to the Public, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (ii) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires;

(B) promptly notify the Representative of any sales of Tax-Exempt Bonds that, to its knowledge, are made to a purchaser who is a related party to an

underwriter participating in the initial sale of the Tax-Exempt Bonds to the Public; and

(C) 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.

(2) any agreement among Underwriters relating to the initial sale of the Tax-Exempt Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Tax-Exempt Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Tax-Exempt Bonds of each maturity allotted to it until it is notified by the Representative or the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Tax-Exempt Bonds of that maturity have been sold to the Public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

(f) The Issuer acknowledges that, in making the representations set forth in this Section 6, the Representative will rely on: (i) the agreement of each Underwriter to comply with the requirements for establishing the issue price of the Tax-Exempt Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires; (ii) in the event a selling group has been created in connection with the initial sale of the Tax-Exempt Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires; and (iii) in the event that an Underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Tax-Exempt Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the 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 hold-the-offering-price rule 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 establishing issue price of the Tax-Exempt Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, to the Tax-Exempt Bonds.

(g) The Underwriters acknowledge that sales of any Tax-Exempt Bonds to any person that is a Related Party to an Underwriter participating in the initial sale of the Tax-Exempt Bonds to the Public shall not constitute sales to the Public for purposes of this Section 6.

7. **End of Underwriting Period.** The term “End of the Underwriting Period” referred to in this Purchase Agreement shall mean the later of (i) the Closing Date or (ii) when the Underwriters no longer retain an unsold balance of the Bonds; provided that unless the Issuer has been otherwise notified in writing by the Representative, on or prior to the Closing Date, of unsold balances, the Closing Date will be assumed to be the End of the Underwriting Period.

8. **Closing.** At 8:00 a.m., California time, on _____, 2022 or at such earlier or later time or date as shall be mutually agreed upon by the Issuer and the Representative (such time and date being herein referred to as the “Closing Date”), the Issuer will, subject to the terms and conditions hereof, deliver the Bonds to or for the account of the Representative in definitive form, duly executed, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof. Delivery and payment as aforesaid of the Bonds shall be made through DTC and delivery of all other documents shall be through the on-line deal room of Orrick, Herrington & Sutcliffe LLP in San Francisco, California (“Bond Counsel”), or in such other manner or such other place as shall have been mutually agreed upon by the Issuer and the Representative, except that the Bonds shall be delivered through the FAST facilities of DTC, or in such other manner or at such other place as shall have been mutually agreed upon by the Issuer and the Representative, in fully registered, book-entry eligible form (which may be typewritten) and registered in the name of Cede & Co., as nominee of DTC.

9. **Closing Conditions to the Obligations of the Underwriters.** The Underwriters have entered into this Purchase Agreement in reliance upon the representations and warranties of the Issuer contained herein, and the representations and warranties of the Issuer to be contained in the documents and instruments to be delivered on the Closing Date. Accordingly, the Underwriters’ obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be subject, at the option of the Underwriters, to the accuracy in all respects of the representations and warranties of the Issuer contained herein as of the date hereof and as of the Closing Date, to the accuracy in all respects of the statements of the officers and other officials of the Issuer made in any certificate or other document furnished pursuant to the provisions hereof, to the performance by the Issuer of its obligations to be performed hereunder and under the Issuer Documents at or prior to the Closing Date, and also shall be subject to the following additional conditions:

(a) The Underwriters shall receive, prior to the Closing Date and at least in sufficient time to accompany any orders or confirmations that request payment from any customer, copies of the Official Statement, in such reasonable quantity as the Underwriters shall have requested;

(b) On the Closing Date, the Issuer Documents shall have been duly authorized, executed and delivered by the respective parties thereto and shall be in full force and effect, and the Official Statement shall have been duly authorized, executed and delivered by the Issuer, all in substantially the forms heretofore submitted to the Underwriters, with only such changes as shall have been agreed to in writing by the Underwriters; and there shall be in full force and effect the Resolutions which are in the form and manner as, in the opinion of Bond Counsel, shall be necessary or appropriate to authorize the transactions contemplated hereby;

(c) The Underwriters shall have the right to terminate or, subject to agreement by the Issuer, delay without liability, by notification to Issuer, the Underwriters' obligations hereunder to purchase, to accept delivery of and to pay for the Bonds if after execution hereof and prior to the Closing Date, in the reasonable judgment of the Representative, any of the following events shall occur:

(1) the market price or marketability of the Bonds, or the ability of the Underwriters to enforce contracts for the sale of the Bonds, shall be materially adversely affected by any of the following events:

(i)(A) Legislation enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to alter, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Tax-Exempt Bonds, or the interest evidenced by the Tax-Exempt Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated herein or (B) legislation introduced or enacted, or a decision rendered as to matters of State law, or any order, ruling or regulation issued or proposed by or on behalf of the State by an official, agency or department thereof, with the purpose or effect of, directly or indirectly, imposing California personal income taxation upon such interest as would be received by the owners of the Tax-Exempt Bonds;

(ii) There shall have occurred: (A) any new outbreak of hostilities (including, without limitation, an act of terrorism); (B) the escalation of hostilities existing prior to the date hereof; (C) any other extraordinary event, material national or international calamity or crisis or resurgence thereof, or any material adverse change in the financial, political or economic conditions affecting the United States, the State of California or the Issuer; (D) a downgrade of the sovereign debt rating of the United States by any major credit rating agency or payment default on United States Treasury obligations; or (E) a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against any state of the United States or any city, county, or other political subdivision located in the United States having a population of over 1,000,000;

(iii) A general suspension of trading in securities on the New York Stock Exchange or any other major securities exchange, the establishment of minimum or maximum prices on any such national securities exchange, the establishment of material

restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, or any material increase of restrictions now in force (including, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters);

(iv) Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, or any comparable securities of the Issuer, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended (the “Securities Act”), or that the Trust Agreements are not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”);

(v) There shall have occurred any downgrading or published negative credit watch or similar published information, from a rating agency that at the date hereof has published a rating on any of the Issuer’s general obligation bonds (or has been asked to furnish a rating on the Bonds), which action reflects a change or possible change, in the ratings accorded any such obligations of the Issuer (including any rating to be accorded the Bonds); and

(vi) There shall have occurred since the date of this Purchase Agreement any materially adverse change in the operations, affairs or financial condition of the Issuer, except for changes the Official Statement discloses are expected to occur;

(2) Any event occurring, circumstance existing or information becoming known which, in the reasonable judgment of the Underwriters, makes untrue or incorrect in any material respect any statement or information contained in the Official Statement, or has the effect of causing the Official Statement to contain any untrue statement of a material fact, or omits to state a material fact required to be stated therein 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 (i) the Issuer refuses to permit the Official Statement to be supplemented to supply such statement or information in a manner satisfactory to the Underwriters or (ii) the effect of the Official Statement as so supplemented is, in the judgment of the Underwriters, to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale at the contemplated offering prices (or yields) of the Bonds;

(3) A general banking moratorium shall have been declared by federal, State of New York or State of California authorities having jurisdiction and shall be in force;

(4) A material disruption in securities settlement, payment or clearance services shall have occurred which the Underwriters determine would be reasonably likely to adversely affect the timely payment or delivery of the Bonds; and

(5) A decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws as of the Closing Date, including the Securities Act, the Securities Exchange Act of 1934, as amended, and the Trust Indenture Act.

(d) On or prior to the Closing Date, the Underwriters shall have received a copy of each of the following documents:

(1) One copy of each of the Issuer Documents (except the Bonds), each duly executed and delivered by the respective parties thereto;

(2) The approving opinion, dated the Closing Date and addressed to the Issuer, of Bond Counsel in substantially the form attached to the Preliminary Official Statement as Appendix G, and letters of such counsel in the customary form, dated the Closing Date and addressed to the Underwriters and the Trustee, respectively, to the effect that such opinion may be relied upon by the Underwriters and the Trustee to the same extent as if such opinion were addressed to them;

(3) The supplemental opinion, dated the Closing Date and addressed to the Underwriters, of Bond Counsel, substantially in the form attached hereto as Appendix C;

(4) The opinion of counsel to the Trustee, dated the Closing Date and addressed to the Underwriters, the Issuer and Bond Counsel, in a form acceptable to Underwriters' Counsel (defined herein) and Bond Counsel;

(5) The opinion of counsel to the Issuer, dated the Closing Date and addressed to the Underwriters, substantially in the form attached hereto as Appendix D;

(6) The opinion, dated the Closing Date and addressed to the Underwriters, of Curls Bartling P.C., Oakland, California, counsel for the Underwriters ("Underwriters' Counsel") to the effect that: (i) the Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Trust Agreements are exempt from qualification under the Trust Indenture Act of 1939, as amended; (ii) while Underwriters' Counsel has not undertaken to verify the accuracy, completeness or fairness of, or independently verified the information contained in the Official Statement, Underwriters' Counsel has participated in conferences prior to the date of the Official Statement, during which conferences the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed and that, based upon the information made available to Underwriters' Counsel in the course of its participation in such conferences, and review of the documents referred to above and the letters, certificates and opinions of counsel described in this Purchase Agreement, no information has come to the attention of Underwriters' Counsel which caused Underwriters' Counsel to believe that the

Preliminary Official Statement as of its date and as of the date hereof (excluding any information permitted to be omitted pursuant to Rule 15c2-12 and excluding therefrom the financial statements or other financial or statistical data or forecasts and the information concerning DTC and the book-entry only system, as to all of which no opinion is expressed), and the Official Statement as of its date and as of the Closing Date (excluding therefrom the financial statements or other financial or statistical data or forecasts and the information concerning DTC and the book-entry only system, as to all of which no opinion is expressed), contained or contains an untrue statement of material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (iii) assuming the due authorization and adoption of the Continuing Disclosure Agreement by the Issuer and the enforceability thereof, the Continuing Disclosure Agreement satisfies clause (b)(5)(i) of Rule 15c2-12 of the Securities Exchange Act, which requires an undertaking for the benefit of the holders, including beneficial owners, of the Bonds to provide annual updates of certain financial information and certain event notices to the MSRB at the times and in the manner required by such Rule 15c2-12;

(7) A certificate or certificates, dated the Closing Date signed by a duly authorized official of the Issuer, in form and substance satisfactory to the Underwriters, to the effect that: (i) the representations and warranties of the Issuer contained in this Purchase Agreement are true and correct on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) except as disclosed in the Preliminary Official Statement and the Official Statement, no litigation is pending or, to the best of such official's knowledge, threatened against the Issuer (a) to prohibit, restrain or enjoin the sale or delivery of the Bonds; (b) in any way contesting or affecting the validity of the Issuer Documents to which the Issuer is a party; or (c) in any way contesting the existence or powers of the Issuer; and (iii) no event affecting the Issuer has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing Date any statement or information contained in the Official Statement relating to the Issuer (excluding therefrom information relating to DTC and the book-entry system, and the information under the caption "UNDERWRITING,") or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein relating to the Issuer not misleading;

(8) A certificate of U.S. Bank Trust Company, National Association as the Trustee, the Escrow Agent and dissemination agent, dated the Closing Date, signed by a duly authorized official of the Trustee, satisfactory in form and substance to the Underwriters, to the effect that: (i) it is duly organized and existing under and by virtue of the laws of the United States of America, having the full power and qualified to enter into and perform its duties under the Trust Agreements, the Escrow Agreement and the Continuing Disclosure Agreement; (ii) the execution and delivery of the Trust Agreements, the Escrow Agreement and the Continuing Disclosure Agreement and compliance therewith, will not conflict with or constitute a breach by it of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or is otherwise subject; and (iii) it has not been served with any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public

board or body, nor is any such action, to the best of such official's knowledge after reasonable investigation, threatened against it, affecting its existence, the titles of its officers to their respective offices, or contesting or affecting the validity or enforceability of the Trust Agreements, the Escrow Agreement or the Continuing Disclosure Agreement, or contesting its power or authority to enter into, adopt or perform its obligations under the foregoing, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Trust Agreements, the Escrow Agreement or the Continuing Disclosure Agreement;

(9) A certified copy of the general resolution of by-laws of the Trustee authorizing the execution and delivery of the Trust Agreements;

(10) The Preliminary Official Statement, a certificate pursuant to Rule 15c2-12 related to the Preliminary Official Statement signed on behalf of the Issuer by authorized representatives thereof, and the Official Statement, executed on behalf of the Issuer by authorized representatives thereof;

(11) A certified copy of the Resolutions authorizing the execution and delivery of the Issuer Documents, the Official Statement and the issuance of the Bonds;

(12) A copy of the Blanket Letter of Representation to DTC relating to the Issuer;

(13) Tax Certificate of the Issuer in form and substance acceptable to Bond Counsel and the Underwriters, setting forth, among other things, the use of proceeds of the Tax-Exempt Bonds, and sufficient facts, estimates and circumstances (including covenants of and by the Issuer) in existence on the Closing Date, to support the conclusion that (i) it is not expected that the proceeds of the Tax-Exempt Bonds will be used in a manner that would cause the Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations, temporary regulations and proposed regulations promulgated with respect thereto, and (ii) to the best knowledge of the Issuer, there are no other facts, estimates, or circumstances that would materially affect such expectations;

(14) The Blue Sky Memorandum with respect to the Bonds prepared by Underwriters' Counsel;

(15) A verification report relating to the Refunded Bonds of _____, as verification agent, addressed to the Representative, in form and substance acceptable to Bond Counsel and Underwriters' Counsel;

(16) Evidence satisfactory to the Representative that [Fitch Ratings], has assigned a rating of "_____" to the Bonds and Moody's Investors Service has assigned a rating of "Aaa" to the Bonds, and that all such ratings are in full force and effect as of the Closing Date; and

(17) Such additional legal opinions, certificates, proceedings and other documents as the Underwriters, Underwriters' Counsel or Bond Counsel may reasonably

request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the representations of the Issuer herein and of the statements and information contained in the Official Statement, and the due performance or satisfaction by the Trustee and the Issuer at or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied by any of them in connection with the transactions contemplated hereby and by the other Issuer Documents.

All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Purchase Agreement shall be in the form set forth as attached hereto, or reasonably satisfactory in legal form and effect to the Representative.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in the form and substance set forth as attached hereto, or such other form and substance as may be satisfactory to the Representative.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Agreement, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriters nor the Issuer shall be under any further obligation hereunder. Thereafter, no party hereto shall have any further rights against any other party hereunder, except that each party shall pay their respective expenses as set forth in Section 10 (Expenses).

10. Expenses.

(a) The Underwriters shall be under no obligation to pay, and the Issuer shall pay all expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to: (i) the cost of preparation and printing of the Bonds, the Preliminary Official Statement, the Official Statement and any amendment or supplement thereto; (ii) the fees and disbursements of Bond Counsel and Disclosure Counsel; (iii) the fees and disbursements of any municipal advisor to the Issuer, including Sperry Capital Inc.; (iv) the fees and disbursements of the Trustee, the Escrow Agent, verification agent and any engineers, accountants, or other experts, consultants or advisers retained by the Issuer, if any; and (v) all fees and expenses in connection with obtaining ratings on the Bonds, including all necessary travel, dining, and related expenses incurred on behalf of Issuer personnel. The Issuer shall also pay for any expenses upon issuance of the Bonds (included in the expense component of the Underwriters' discount) incurred by the Underwriters which are incidental to the negotiation, marketing, issuance and delivery of the Bonds, including, but not limited to, internet roadshow (if any), and meals, transportation, and lodging, if any, incurred by or on behalf of the Issuer and its representatives or employees, and any other miscellaneous closing costs. In the event that the Underwriters incur or advance the cost of any expense for which the Issuer is responsible hereunder, the Issuer shall reimburse the Underwriters at or prior to the Closing Date; if on the Closing Date, reimbursement may be included in the expense component of the Underwriters' discount.

(b) The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

(c) Except as provided for above, the Underwriters shall pay (from the expense component of the Underwriters' discount): (i) the cost of preparation and printing of this Purchase Agreement and the Blue Sky Memorandum; (ii) certain advertising expenses in connection with the public offering of the Bonds; (iii) fees and expenses of Underwriters' Counsel; (iv) regulatory fees (e.g. California Debt and Investment Advisory Commission); and (v) all other expenses incurred by them in connection with the public offering of the Bonds. Notwithstanding that the fees of the California Debt and Investment Advisory Commission are solely the legal obligation of the Underwriters, the Issuer agrees to reimburse the Underwriters for such fees.

(d) If the Underwriters or the Issuer shall bring an action to enforce any part of the Purchase Agreement against the other, each party shall bear its attorneys' fees and costs incurred in connection with such action.

11. Notices. Any notice or other communication to be given to the parties to this Purchase Agreement may be given by delivering the same in writing to the respective party at the following address:

Underwriters: Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, 36th Floor
San Francisco, CA 94104
Attention: Erica Gonzalez, Managing Director

Issuer: San Francisco Bay Area Rapid Transit District
2150 Webster Street, 10th Floor
Oakland, California 94612
Attention: Interim Controller/Treasurer

12. Parties in Interest. This Purchase Agreement is made solely for the benefit of the Issuer and the Underwriters (including the successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the Issuer's representations, warranties and agreements contained in this Purchase Agreement shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds pursuant to this Purchase Agreement; and (iii) any termination of this Purchase Agreement.

13. Business Day. For purposes of this Purchase Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

14. Effectiveness. This Purchase Agreement shall become effective upon the execution of the acceptance herein by a duly authorized officer of the Issuer and shall be valid and enforceable at the time of such acceptance.

15. Governing Law. This Purchase Agreement shall be construed in accordance with the laws of the State of California.

16. Severability. If any provision of this Purchase Agreement shall be held to be invalid, illegal or unenforceable in any respect, then such provision shall be deemed severable from the remaining provisions contained in this Purchase Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Purchase Agreement.

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

18. Counterparts. This Purchase Agreement may be executed in one or more counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document. This Purchase Agreement may be executed by the exchange of faxed executed copies, certified electronic signatures, or copies delivered by electronic mail in Adobe PDF or similar format, and any signature transmitted by such means for the purpose of executing this Purchase Agreement shall be deemed an original signature for purposes of this Purchase Agreement.

19. Entire Agreement. This Purchase Agreement, including the exhibits and appendices attached hereto, constitute the entire agreement between the parties hereto with respect to the matters covered hereby, and supersedes all prior agreements and understandings between the parties regarding the transaction contemplated by this Purchase Agreement and the process leading thereto. This Purchase Agreement shall only be amended, supplemented or modified in a writing signed by both of the parties hereto.

[Remainder of Page Intentionally Left Blank]

If you agree with the foregoing, please sign the enclosed counterpart of this Purchase Agreement and return it to the Underwriters. This Purchase Agreement shall become a binding agreement between you and the Underwriters when at least the counterpart of this Purchase Agreement shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED,
as Representative of the Underwriters**

By: _____
Name: Erica Gonzalez, Managing Director

ACCEPTANCE:

ACCEPTED at _____ a.m./p.m. California time, this _____ day of _____ 2022.

**SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT**

By: _____
Name: Chris Gan, Interim Controller/Treasurer

[Signature page of Bond Purchase Agreement]

LIST OF UNDERWRITERS

Stifel, Nicolaus & Company, Incorporated

Barclays Capital Inc.
Citigroup

J.P. Morgan Securities LLC
Siebert Williams Shank & Co., LLC

MATURITY SCHEDULES

\$ _____
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016)
2022 SERIES D-1 BONDS (GREEN BONDS)

\$ _____ Serial Bonds

Maturity <u>Date</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	Yield	CUSIP
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\$ _____ % Term Bond due August 1, 20__; Yield _____%; CUSIP _____

\$ _____
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016)
2022 SERIES D-2 BONDS (FEDERALLY TAXABLE)
(GREEN BONDS)

Maturity <u>Date</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
---------------------------------	------------------------------------	---------------------------------	---------------------	---------------------

\$ _____
**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
 GENERAL OBLIGATION BONDS (ELECTION OF 2004),
 2022 REFUNDING SERIES H (FEDERALLY TAXABLE)
 (GREEN BONDS)**

\$ _____ Serial Bonds

Maturity <u>Date</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
---------------------------------	------------------------------------	---------------------------------	---------------------	---------------------

\$ _____ % Term Bond due August 1, 20__; Yield _____ %; CUSIP _____

Redemption Provisions

The 2022D Bonds

Optional Redemption.

The 2022D-2 Bonds shall not be subject to redemption prior to their stated maturity date.

The 2022D-1 Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturity dates. The 2022D-1 Bonds maturing on and after August 1, 20__ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part, on any date on or after August 1, 20__ at the principal amount of the 2022D-1 Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium. If less than all of the 2022D-1 Bonds are called for redemption, the 2022D-1 Bonds shall be redeemed in such maturities as is directed by the District, and if less than all of the 2022D-1 Bonds of any given maturity are called for redemption, the portions of 2022D-1 Bonds of a given maturity to be redeemed shall be determined by lot.

Mandatory Redemption.

The 2022D-1 Term Bond maturing on August 1, _____, is also subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

**Mandatory
Sinking Fund
Payment Date
(August 1)**

**Mandatory
Sinking Fund
Payment Amount**

_____†

\$ _____

† Final Maturity

[Remainder of Page Intentionally Left Blank]

The 2022D-1 Term Bond maturing on August 1, _____, is also subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

Mandatory Sinking Fund Payment Date (<u>August 1</u>)	<u>Mandatory Sinking Fund Payment Amount</u>
_____	\$ _____
_____	_____
_____†	_____
_____	_____

† Final Maturity

The principal amount of each mandatory sinking fund payment of any maturity shall be reduced as specified by the District, in \$5,000 increments, by the amount of any 2022D-1 Bonds of that maturity optionally redeemed prior to the mandatory sinking fund payment date.

The Refunding Bonds

Optional Redemption. The Refunding Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturity dates.

The Refunding Bonds maturing on and after August 1, 20__ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part, on any date on or after August 1, 20__ at the principal amount of the Refunding Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium. If less than all of the Refunding Bonds are called for redemption, the Refunding Bonds shall be redeemed in such maturities as is directed by the District, and if less than all of the Refunding Bonds of any given maturity are called for redemption, the Trustee shall select the Refunding Bonds or any given portion thereof to be redeemed from the Refunding Bonds Outstanding or such given portion thereof not previously called for redemption, among the owners on a pro rata pass through distribution of principal basis (subject to \$5,000 denominations). If the Refunding Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of the Refunding Bonds, if less than all of the Refunding Bonds of a maturity are called for prior redemption, the particular Refunding Bonds or portions thereof to be redeemed shall be selected on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the Refunding Bonds are held in book-entry form, the selection for redemption of such Refunding Bonds shall be made in accordance with the operational arrangements of DTC then in effect.

Mandatory Redemption. The Refunding Term Bond maturing on August 1, _____, is also subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

**Mandatory
Sinking Fund
Payment Date
(August 1)**

**Mandatory
Sinking Fund
Payment Amount**

_____†

\$ _____

† Final Maturity

The principal amount of each mandatory sinking fund payment of any maturity shall be reduced on a pro rata basis, in \$5,000 increments, by the amount of any Refunding Bonds of that maturity optionally redeemed prior to the mandatory sinking fund payment date.

[Remainder of Page Intentionally Left Blank]

FORM OF ISSUE PRICE CERTIFICATE

\$ _____
**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
 GENERAL OBLIGATION BONDS
 (ELECTION OF 2016),
 2022 SERIES D-1 (GREEN BONDS)**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (the “Representative”), on behalf of itself and on behalf of the other underwriters named in the list attached as Schedule 1 to the Bond Purchase Agreement, dated _____, 2022 relating to the above-captioned obligations (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the Bonds/General Rule Maturities.*** As of the date of this Certificate, for each Maturity of the Bonds/General Rule Maturities, the first single price at which 10% of such Maturity was sold to the Public is the respective price listed in Schedule A attached hereto.

2. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Bonds where issue price was established under Treasury Regulations § 1.148-1(f)(2)(i), as shown in Schedule A hereto as the “*General Rule Maturities*.”

(b) ***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 or CUSIP identification numbers, are treated as separate maturities.

(c) ***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.

(d) ***Related Party*** means any entity if an Underwriter and the entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) *Sale Date* means the date of execution of a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2022.

(f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the San Francisco Bay Area Rapid Transit (the “Issuer”), as accepted and agreed by its Controller/Treasurer, (or with the lead underwriter(s) for the Bonds to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a 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, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick Herrington & Sutcliffe LLP, as bond counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excludable from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

Dated: _____, 2022

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED,**

as Representative of the Underwriters

By: _____

Name: _____

Title: _____

**SCHEDULE A
TO ISSUE PRICE CERTIFICATE
GENERAL RULE MATURITIES**

\$ _____
**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016)
2022 SERIES D-1 BONDS (GREEN BONDS)**

\$ _____ **SERIAL BONDS**

Maturity <u>Date</u>	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>
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\$ _____ % Term Bond due August 1, 20__; Yield _____ %; CUSIP _____

\$ _____ % Term Bond due August 1, 20__; Yield _____ %; CUSIP _____

Form of Supplemental Opinion

[Closing Date]

Stifel, Nicolaus & Company, Incorporated,
and the Underwriters listed in Schedule I
San Francisco, California

<p>San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016) 2022 Series D-1 (Green Bonds)</p>	<p>San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016) 2022 Series D-2 (Federally Taxable) (Green Bonds)</p>
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San Francisco Bay Area Rapid Transit District
General Obligation Bonds (Election of 2004),
2022 Refunding Series H (Federally Taxable)
(Green Bonds)

(Supplemental Opinion)

Ladies and Gentlemen:

This letter is addressed to you as underwriters (the “Underwriters”) identified in Schedule I attached hereto, pursuant to Section 9(d)(3) of the Bond Purchase Agreement, dated _____, 2022 (the “Purchase Agreement”), between you and the San Francisco Bay Area Rapid Transit District (the “District”), providing for the purchase of \$ _____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds) (the “2022D-1 Bonds”) and \$ _____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-2 (Federally Taxable) (Green Bonds) (the “2022D-2 Bonds” and, together with the 2022D-1 Bonds, the “2022D Bonds”) and \$ _____ aggregate principal amount of San Francisco Bay Area Rapid Transit District, General Obligation Bonds (Election 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds) (the “Refunding Bonds” and together with the 2022D Bonds, the “Bonds”).

The 2022D Bonds represent part of an issue, in the aggregate principal amount of \$3.5 billion, authorized at an election held in the District on November 8, 2016 and issued under and pursuant to the provisions of Article 4.5 of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California and other applicable law. The 2022D Bonds are issued under and pursuant to a resolution of the Board of Directors of the District adopted on [April 28, 2022] (the “2022D Resolution”), and in accordance with the terms of a Trust Agreement (Measure RR), dated

as of June 1, 2017, as supplemented and amended, including by a Third Supplemental Trust Agreement (Measure RR), dated as of [May] 1, 2022 (collectively, the “Measure RR Trust Agreement”), each by and between the District and U.S. Bank Trust Company, National Association, as successor trustee to U.S. Bank National Association (the “Trustee”).

The Refunding Bonds are issued under and pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California and other applicable law. The Refunding Bonds are issued under and pursuant to a resolution of the Board of Directors of the District adopted on [April 28], 2022 (the “Refunding Resolution” and, together with the 2022D Resolution, the “Resolutions”), and in accordance with the terms of a Trust Agreement (Measure AA), dated as of June 1, 2017 as supplemented and amended, including by a Second Supplemental Trust Agreement (Measure AA), dated as of [May] 1, 2022 (collectively, the “Measure AA Trust Agreement,” and together with the Measure RR Trust Agreement, the “Trust Agreements”), between the District and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the respective Trust Agreements or, if not defined in the Trust Agreements, in the Purchase Agreement.

We have delivered our final legal opinion (the “Bond Opinion”) as bond counsel to the District concerning the validity of the Bonds and certain other matters, dated the date hereof and addressed to the District. You may rely on such opinion as though the same were addressed to you.

In connection with our role as bond counsel to the District, we have reviewed the Purchase Agreement, the Trust Agreements, the Tax Certificate, the Escrow Agreement, the preliminary official statement of the District, dated _____, 2022, with respect to the Bonds (the “Preliminary Official Statement”), the official statement of the District, dated _____, 2022, with respect to the Bonds (the “Official Statement”) opinions of counsel to the District and the Trustee, certificates of the District, the Trustee and others and such other documents, opinions and matters to the extent we deemed necessary to render the opinions and conclusions set forth herein.

The opinions and conclusions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions or conclusions may be affected by actions taken or omitted or events occurring after the original delivery of the Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken, or omitted, or events do occur or any other matters come to our attention after the original delivery of the Bonds on the date hereof. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinions referred to in the third paragraph hereof. We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Resolutions, the Trust Agreements, the Escrow Agreement, Tax Certificate, and the Purchase Agreement and their enforceability may be subject to bankruptcy, insolvency, reorganization, receivership, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal

remedies against public transit districts in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or to have the effect of a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions and conclusions:

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

2. The Purchase Agreement has been duly executed and delivered by, and constitutes a valid and binding obligation of, the District.

3. The statements contained in the Official Statement under the captions “THE 2022 BONDS” (excluding “Purpose and Application of Proceeds” and “Book-Entry-Only System”), “SECURITY AND SOURCE OF PAYMENT FOR THE 2022 BONDS - General,” “TAX MATTERS,” and APPENDIX H – “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENTS,” as of its date and as of the date hereof, excluding any material that may be treated as included under such captions by cross-reference or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Bonds, the Trust Agreements or set out the content of our Bond Opinion are accurate in all material respects.

4. We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or (except as explicitly stated in paragraph 3 above) in the Official Statement, and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. In our capacity as bond counsel to the District in connection with issuance of the Bonds, we participated in conferences with your representatives, your counsel, Sperry Capital Inc., as municipal advisor to the District, representatives of the District and others, during which the contents of the Preliminary Official Statement or the Official Statement and related matters were discussed. Based on our participation in the above-mentioned conferences (which, with respect to the Preliminary Official Statement, did not extend beyond the date of the Purchase Agreement, and with respect to the Official Statement, did not extend beyond its date), and in reliance thereon, on oral and written statements and representations of the District and others and on the records, documents, certificates, opinions and matters herein mentioned, subject to the limitations on our role as bond counsel to the District, we advise you as a matter of fact and not opinion that (a) no facts had come to the attention of the attorneys in our firm rendering legal services with respect to the Preliminary Official Statement which caused us to believe as of the date of the Purchase Agreement, based on the documents, drafts and facts in existence and reviewed as of that date, the Preliminary Official Statement contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except any information marked as preliminary or subject to change, any information permitted to be omitted by Securities and Exchange Commission Rule 15c2-12 or otherwise left blank and any other differences with the information in the Official

Statement), and (b) no facts had come to the attention of the attorneys in our firm rendering legal service with respect to the Official Statement which caused us to believe as of the date of the Official Statement and as of the date hereof that the Official Statement contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, we expressly exclude from the scope of this paragraph and express no opinion or conclusion with respect to both the Preliminary Official Statement and the Official Statement, about any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any management discussion and analysis, any statements about compliance with prior continuing disclosure undertakings, or any information about book-entry, DTC, Cede & Co., ratings, rating agencies, municipal advisor, Underwriters, Underwriting and the information contained in Appendices B, C, D and E included or referred to therein or omitted therefrom. No responsibility is undertaken or conclusion expressed with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Preliminary Official Statement or the Official Statement.

This letter is furnished by us as bond counsel to the District. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter. We disclaim any obligation to update this letter. This letter is delivered to you as Underwriters of the Bonds, is solely for your benefit as such Underwriters in connection with the original delivery of the Bonds on the date hereof, and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

LIST OF UNDERWRITERS

Stifel, Nicolaus & Company, Incorporated

Barclays Capital Inc.

Citigroup

J.P. Morgan Securities LLC

Siebert Williams Shank & Co., LLC

Form of District Counsel Opinion

[Closing Date]

Stifel, Nicolaus & Company, Incorporated,
as Representative of the Underwriters
San Francisco, California

Orrick Herrington & Sutcliffe, LLP
San Francisco, California

**SAN FRANCISCO BAY AREA
RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016),
2022 SERIES D-1
(GREEN BONDS)**

**SAN FRANCISCO BAY AREA
RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016),
2022 SERIES D-2 (FEDERALLY TAXABLE)
(GREEN BONDS)**

**SAN FRANCISCO BAY AREA
RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS (ELECTION OF 2004),
2022 REFUNDING SERIES H (FEDERALLY TAXABLE)
(GREEN BONDS)**

Ladies and Gentlemen:

This opinion is furnished in connection with the issuance by the San Francisco Bay Area Rapid Transit District (the “District”) of \$_____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds) (the “2022D-1 Bonds”) and \$_____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-2 (Federally Taxable) (Green Bonds) (the “2022D-2 Bonds” and, together with the 2022D-1 Bonds, the “2022D Bonds”) and \$_____ aggregate principal amount of San Francisco Bay Area Rapid Transit District, General Obligation Bonds (Election 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds) (the “Refunding Bonds” and together with the 2022D Bonds, the “Bonds”).

The 2022D Bonds represent part of an issue, in the aggregate principal amount of \$3.5 billion, authorized at an election held in the District on November 8, 2016, and are being issued under and pursuant to the provisions of Article 4.5 of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53506 and other applicable

law. The 2022D Bonds are issued under and pursuant to a resolution of the Board of Directors of the District adopted on [April 28, 2022] (the “2022D Resolution”), and in accordance with the terms of a Trust Agreement (Measure RR), dated as of June 1, 2017, as supplemented and amended, including by a Third Supplemental Trust Agreement (Measure RR), dated as of [May] 1, 2022 (collectively, the “Measure RR Trust Agreement”), each by and between the District and U.S. Bank Trust Company, National Association, as successor trustee to U.S. Bank National Association (the “Trustee”).

The Refunding Bonds are being issued under and pursuant to Articles 9 and 11 of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California (collectively with Article 4.5 of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California, the “Act”) and other applicable law. The Refunding Bonds are issued under and pursuant to a resolution of the Board of Directors of the District adopted on [April 28], 2022 (the “Refunding Resolution” and, together with the 2022D Resolution, the “Resolutions”), and in accordance with the terms of a Trust Agreement (Measure AA), dated as of June 1, 2017 as supplemented and amended, including by a Second Supplemental Trust Agreement (Measure AA), dated as of [May] 1, 2022 (collectively, the “Measure AA Trust Agreement” and together, with the Measure RR Trust Agreement, the “Trust Agreements”), between the District and the Trustee.

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the respective Trust Agreements or, if not defined in the Trust Agreements, in the hereinafter defined Bond Purchase Agreement.

In my capacity as general counsel to the District, I have examined the Resolutions, the Bonds, the Trust Agreements, the Continuing Disclosure Agreement, dated the date hereof (the “Continuing Disclosure Agreement”), between the District and U.S. Bank Trust Company, National Association, as dissemination agent, the Escrow Agreement, dated as of [May] 1, 2022 (the “Escrow Agreement”), between the District and U.S. Bank Trust Company, National Association, as escrow agent, the Bond Purchase Agreement, dated _____, 2022 (the “Bond Purchase Agreement”), between the District and Stifel, Nicolaus & Company, Incorporated, acting on behalf of itself and as representative of the underwriters (the “Underwriters”) identified in Schedule I attached hereto, as Underwriters of the Bonds, and the Tax Certificate, dated the date hereof (the “Tax Certificate”), delivered by the District, the Act, certifications of the District and others as to certain factual matters, and such other documents, opinions and matters as I deemed necessary to render the opinions set forth herein.

In reviewing the documents and matters referred to above, I have assumed the genuineness of all signatures (other than signatures of officials of the District) thereto, and I have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified therein. In addition, I call attention to the fact that the rights and obligations under the Bonds, the Trust Agreements, the Continuing Disclosure Agreement, the Escrow Agreement, the Tax Certificate and the Bond Purchase Agreement (hereinafter collectively referred to as the “District Documents”) and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public transit districts in the State of California.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, I am of the following opinions:

1. The District is a public transit district duly organized and validly existing under the laws of the State of California, and has all requisite power and authority thereunder: (a) to adopt the Resolution and to enter into and perform its covenants and agreements under the Bonds and the District Documents; (b) to approve and authorize the use and distribution of the Preliminary Official Statement, dated _____, 2022 (as supplemented and amended, the “Preliminary Official Statement”) and the Official Statement, dated _____, 2022 (the “Official Statement”); (c) to issue the Bonds; and (d) to cause the *ad valorem* taxes to be levied and collected to pay the Bonds in the manner provided by law.

2. The Resolutions were duly adopted at a meeting of the Board of Directors of the District which was called and held pursuant to law and with all required notice and in accordance with all applicable open meetings laws and at which a quorum was present and acting at the time of the adoption of such Resolutions. The Resolutions have not been modified, amended or rescinded since the date of its adoption, and the Resolutions are in full force and effect on the date hereof.

3. The Bonds have been duly authorized, executed and delivered by the District and constitute the legal, valid and binding obligations of the District enforceable in accordance with their terms.

4. The District Documents have been duly authorized, executed and delivered by the District, and, assuming due authorization, execution and delivery by the other parties thereto, constitute the legal, valid and binding obligations of the District enforceable in accordance with their respective terms.

5. No authorization, approval, consent or other order of the State of California or any other governmental authority or agency within the State of California having jurisdiction over the District is required for the valid authorization, execution, delivery and the performance by the District of the District Documents to which the District is a party, or the Official Statement or for the adoption of the Resolutions which has not been obtained.

6. The statements contained under the captions “THE 2022 BONDS – Authority for Issuance,” “SECURITY AND SOURCE OF PAYMENT FOR THE 2022 BONDS,” “ABSENCE OF MATERIAL LITIGATION,” and in APPENDIX A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION” in the Preliminary Official Statement, as of its date and as of the date of the Bond Purchase Agreement (excluding any information permitted to be omitted pursuant to Rule 15c2-12), and in the Official Statement as of its date and as of the Closing Date, are true and correct and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided that no opinion is expressed with respect to any financial, demographic or statistical information or data contained therein.

7. To the best of my knowledge after diligent inquiry, there is no litigation, proceeding, action, suit or investigation at law or in equity before or by any court, regulatory agency, governmental authority or body, pending or threatened against the District (i) challenging the creation, organization or existence of the District or the titles of its officers to their respective offices, or (ii) seeking to restrain or enjoin the issuance or payment of the Bonds, or (iii) in any way contesting or affecting the validity of the Bonds or the District Documents or contesting the authority of the District to enter into or perform its obligations under any of the District Documents, or (iv) under which a determination adverse to the District would have a material adverse impact upon the transactions contemplated by the District Documents, the financial condition of the District or the ability of the District to maintain and operate the System, or (v) which affects the right or ability of the District to levy and collect or cause to be levied and collected the *ad valorem* taxes securing the Bonds, or (vi) contesting the completeness, accuracy or use of the Official Statement or asserting that the Official Statement contains an untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statement therein, in the light of the circumstances under which they were made, not misleading.

8. Based upon the information provided to me in the course of my participation in the preparation of the Preliminary Official Statement and the Official Statement and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Preliminary Official Statement and the Official Statement, I have no reason to believe that the Preliminary Official Statement (except for the information permitted to be omitted pursuant to Rule 15c2-12) as of the date of the Preliminary Official Statement and as of the date of the Bond Purchase Agreement or the Official Statement as of its date and as of the date hereof 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.

9. The District has consented to the use of the Preliminary Official Statement in connection with the sale of the Bonds and has approved the Official Statement and authorized its distribution.

10. The adoption of the Resolutions and the execution and delivery by the District of the Bonds and the District Documents, and compliance with the provisions thereof, do not in any material respect conflict with or constitute on the part of the District a breach or default under any agreement or other instrument to which the District is a party (and of which such counsel is aware after reasonable investigation), or by which it is bound (and of which such counsel is aware after reasonable investigation), or, any existing law, regulation, court order or consent decree to which the District is subject (and of which such counsel is aware after reasonable investigation) (except that no opinion is expressed by such counsel with respect to federal securities laws or any federal, state or local tax law).

I express no opinion as to any matter other than as expressly set forth above. Without limiting the generality of the foregoing, I specifically express no opinion as to the status of the Bonds or the interest thereon or the District Documents under any federal securities laws or any state securities or “Blue Sky” law or any federal, state or local tax law. Further, I express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including

any remedy deemed to constitute a penalty), choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the District Documents and I express no opinion on the laws of any jurisdiction other than the State of California and the United States of America.

This opinion is delivered to each of the addressees listed above and is solely for their benefit and is not to be used, circulated, quoted, or otherwise referred to or relied upon by any other person or for any other purpose; provided, however, that this opinion may be included in the transcript of closing documents prepared in connection with this financing.

Very truly yours,

Matthew Burrows, Esq.
General Counsel

LIST OF UNDERWRITERS

Stifel, Nicolaus & Company, Incorporated

Barclays Capital Inc.

Citigroup

J.P. Morgan Securities LLC

Siebert Williams Shank & Co., LLC

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered by the San Francisco Bay Area Rapid Transit District (the “Issuer”) and U.S. Bank Trust Company, National Association, as dissemination agent (the “Dissemination Agent”), in connection with the issuance of \$_____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds) and 2022 Series D-2 (Federally Taxable) (Green Bonds) (together, the “2022D Bonds”), and \$_____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds) (the “2022H Bonds” and, together with the 2022D Bonds, the “2022 Bonds”). The 2022D Bonds are being issued pursuant to Resolution No. [____], adopted by the Board of Directors of the Issuer on April 28, 2022, and according to the terms and in the manner set forth in the Trust Agreement (Measure RR), dated as of June 1, 2017, as supplemented by the First Supplemental Trust Agreement (Measure RR), dated as of August 1, 2019, as further supplemented by the Second Supplemental Trust Agreement (Measure RR), dated as of August 1, 2020, and as further supplemented by the Third Supplemental Trust Agreement (Measure RR), dated as of May 1, 2022 (as supplemented, the “Measure RR Trust Agreement”), each between the Issuer and U.S. Bank Trust Company, National Association, as Trustee (the “Trustee”). The 2022H Bonds are being issued pursuant to Resolution No. [____], adopted by the Board of Directors of the Issuer on April 28, 2022, and according to the terms and in the manner set forth in the Trust Agreement (Measure AA), dated as of June 1, 2017, as supplemented by the First Supplemental Trust Agreement (Measure AA), dated as of August 1, 2019, and as further supplemented by the Second Supplemental Trust Agreement (Measure AA), dated as of May 1, 2022 (as supplemented, the “Measure AA Trust Agreement” and, together with the Measure RR Trust Agreement, the “Trust Agreement”), each between the Issuer and the Trustee. The Issuer and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and the Dissemination Agent for the benefit of the Holders and the Beneficial Owners (as hereinafter defined) of the 2022 Bonds and in order to assist the Participating Underwriters (as hereinafter defined) in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the applicable Trust Agreement, which apply to any capitalized term used in this Disclosure Agreement and not otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any 2022 Bonds (including persons holding 2022 Bonds through nominees, depositories or other intermediaries).

“Disclosure Representative” shall mean the Controller/Treasurer or Interim Controller/Treasurer of the Issuer or their designee, or such other officer or employee of the Issuer as the Controller/Treasurer or Interim Controller/Treasurer of the Issuer shall designate in writing to the Trustee and the Dissemination Agent from time to time.

“Dissemination Agent” shall mean U.S. Bank Trust Company, National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 5(a)(10) and 5(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Holder” shall mean the person in whose name any 2022 Bond shall be registered.

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

“MSRB” shall mean the Municipal Securities Rulemaking Board 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 Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Participating Underwriter” shall mean any of the original underwriters of the 2022 Bonds required to comply with the Rule in connection with offering of the 2022 Bonds.

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

“SEC” shall mean the Securities and Exchange Commission or any successor agency thereto.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than eight (8) months after the end of the Issuer’s fiscal year (presently June 30), commencing with the Annual Report for the fiscal year of the Issuer ending June 30, 2022, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Each Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may include by reference other information as

provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. Neither the Trustee nor the Dissemination Agent shall have any duties or responsibilities with respect to the contents of the Annual Report. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Issuer shall provide the Annual Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer to determine if the Issuer is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice, in electronic format, to the MSRB, such notice to be in substantially the form attached as Exhibit A.

(d) If the Annual Report is delivered to the Dissemination Agent for filing, the Dissemination Agent shall file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided.

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

(a) The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer'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 Official Statement, dated _____, 2022, relating to the 2022 Bonds (the "Official Statement"), and the audited financial statements shall be filed in the same manner as the Annual Report when such audited financial statements become available.

(b) An update (as of the most recently ended fiscal year of the Issuer) for the table set forth in the Official Statement under the caption "Debt Service Schedules" and an update for the tables entitled "San Francisco Bay Area Rapid Transit District Assessed Valuation" and "San Francisco Bay Area Rapid Transit District Secured Tax Charges and Delinquencies," each set forth in the Official Statement under the caption "Security and Source of Payment for the 2022 Bonds."

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been filed with the MSRB or the SEC. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 2022 Bonds not later than ten business days after the occurrence of the event:

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 or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event 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 the Issuer, any of which reflect financial difficulties.

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.

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 2022 Bonds, if material, not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the 2022 Bonds or other material events affecting the tax status of the 2022 Bonds;

2. Modifications to rights of bond holders;
3. Optional, unscheduled or contingent bond calls;
4. Release, substitution, or sale of property securing repayment of the 2022 Bonds;
5. Non-payment related defaults;
6. 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;
7. Appointment of a successor or additional trustee or the change of name of a trustee; or
8. Incurrence of a Financial Obligation of the Issuer, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders.

(c) The Issuer shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3, as provided in Section 3(b).

(d) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the Issuer shall determine if such event would be material under applicable federal securities laws.

(e) If the Issuer learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the Issuer shall within ten business days of the occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected 2022 Bonds pursuant to the applicable Trust Agreement.

(f) The Issuer intends to comply with respect to the Listed Events described in Section 5(a)(10) and Section 5(b)(8), and the definition of “Financial Obligation” in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Commission in its Release No. 34-83885 dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.

SECTION 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The obligations of the Issuer and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2022 Bonds. If such termination occurs prior to the final maturity of the 2022 Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing thirty (30) days written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the form or content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Issuer, provided the Dissemination Agent shall not be obligated to enter into any such amendment that modifies or increases its duties or obligations hereunder), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 2022 Bonds, or the type of business conducted;

(b) This Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2022 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the 2022 Bonds in the same manner as provided in the applicable Trust Agreement for amendments to the applicable Trust Agreement with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the 2022 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e), and (ii) the Annual

Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

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

SECTION 11. Default. In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee, at the written request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding 2022 Bonds, shall, 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, fees and expenses of its attorneys, or any Owner or Beneficial Owner of the 2022 Bonds, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the applicable Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article VIII of the applicable Trust Agreement is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the applicable Trust Agreement and the Trustee and the Dissemination Agent shall be entitled to the protections, limitations from liability and indemnities afforded the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer agrees to indemnify and save the Dissemination Agent and the Trustee and their officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their 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 Trustee's or the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the Issuer for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The obligations of the Issuer under this Section shall survive resignation or removal of the Trustee or the Dissemination Agent and payment of the

2022 Bonds. The Dissemination Agent has no power to enforce performance on the part of the Issuer under this Disclosure Agreement.

The Dissemination Agent agrees to accept and act upon instructions or directions pursuant to this Disclosure Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Dissemination Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Dissemination Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Dissemination Agent acts upon such instructions, the Dissemination Agent's understanding of such instructions shall be deemed controlling. The Dissemination Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Dissemination Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer agrees: (i) to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Dissemination Agent, including without limitation the risk of the Dissemination Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Dissemination Agent and that there may be more secure methods of transmitting instructions than the method(s) selected by the Issuer; and (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

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

- (i) If to the Issuer:
San Francisco Bay Area Rapid Transit District
2150 Webster Street
Oakland, California 94612
Attention: Interim Controller/Treasurer
Telephone: (510) 464-6070
Fax: (510) 464-6011
- (ii) If to the Dissemination Agent:
U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Global Corporate Trust
Telephone: (415) 677-3596
Fax: (415) 677-3769

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent. Notices may also be given by electronic means.

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the 2022 Bonds, and shall create no rights in any other person or entity.

SECTION 15. Governing Law. This Disclosure Agreement shall be governed under the laws of the State of California.

SECTION 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: _____, 2022.

SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT

By _____
Interim Controller/Treasurer

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Dissemination Agent

By _____
Authorized Officer

Exhibit A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: San Francisco Bay Area Rapid Transit District

Name of Bond Issue: San Francisco Bay Area Rapid Transit District
General Obligation Bonds (Election of 2016), 2022
Series D-1 (Green Bonds)
San Francisco Bay Area Rapid Transit District
General Obligation Bonds (Election of 2016), 2022
Series D-2 (Federally Taxable) (Green Bonds)
San Francisco Bay Area Rapid Transit District
General Obligation Bonds (Election of 2004), 2022
Refunding Series H (Federally Taxable)
(Green Bonds)

Date of Issuance of Bonds: _____, 2022

NOTICE IS HEREBY GIVEN that the San Francisco Bay Area Rapid Transit District (the “Issuer”) has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Agreement, dated _____, 2022, between the Issuer and U.S. Bank Trust Company, National Association, as dissemination agent. [The Issuer anticipates that the Annual Report will be filed by _____.]

Dated: _____

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Dissemination Agent on behalf of the San
Francisco Bay Area Rapid Transit District

cc: Issuer

ESCROW AGREEMENT
(2013C/2015D BONDS)

between

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
as Escrow Agent

Dated as of May 1, 2022

RELATING TO:

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS (ELECTION OF 2004), 2013 SERIES C

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS (ELECTION OF 2004), 2015 REFUNDING SERIES D

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ESCROW AGREEMENT

THIS ESCROW AGREEMENT (2013C/2015D BONDS), dated as of May 1, 2022, is entered into by the San Francisco Bay Area Rapid Transit District, a transit district duly organized and existing under the laws of the State of California (the “District”), 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”) and as escrow agent (the “Escrow Agent”).

WITNESSETH:

WHEREAS, pursuant to the Trust Agreement (Measure AA), dated as of June 1, 2017 (the “Master Trust Agreement”), between the District and the Trustee, as successor trustee to U.S. Bank National Association, as supplemented, including by the Second Supplemental Trust Agreement (Measure AA), dated as of May 1, 2022, between the District and the Trustee (the “Second Supplemental Trust Agreement” and, together with the Master Trust Agreement, the “Trust Agreement”), the District has duly issued \$[2022H PAR] principal amount of the San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds) (the “Refunding Bonds”), for the purpose, among others, of providing funds for the defeasance and redemption of (i) a portion of the outstanding San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2013 Series C (the “Outstanding 2013C Bonds”) and (ii) a portion of the outstanding San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2015 Refunding Series D (the “Outstanding 2015D Bonds” and, together with the Outstanding 2013C Bonds, the “Outstanding Bonds”), as described in Schedule II;

WHEREAS, a portion of the Outstanding 2013C Bonds will be defeased (such refunded portion of the Outstanding 2013C Bonds being hereinafter referred to as the “Refunded 2013C Bonds”) and a portion of the Outstanding 2015D Bonds will be defeased (such refunded portion of the Outstanding 2015D Bonds being hereinafter referred to as the “Refunded 2015D Bonds” and, together with the Refunded 2013C Bonds, the “Refunded Bonds”) pursuant to the terms thereof and pursuant to the Trust Agreement (which amended and restated in its entirety the Paying Agent Agreement, dated as of May 1, 2005, as supplemented, under which such Refunded Bonds were issued) and will be redeemed on the first date upon which such Refunded Bonds are subject to redemption;

WHEREAS, U.S. Bank Trust Company, National Association, is acting hereunder as escrow agent with respect to the Refunded Bonds to be defeased, and in such capacity is herein referred to as the “Escrow Agent”;

WHEREAS, the Trust Agreement provides for the deposit in the Escrow Fund (established pursuant to Section 1 hereof) of certain of the proceeds of the Refunding Bonds for payment of debt service on the Refunded Bonds;

WHEREAS, the District has taken action to cause to be issued to the Escrow Agent for deposit in or credit to said Escrow Fund certain cash or United States Treasury notes, bonds, bills or certificates of indebtedness, or obligations for which the faith and credit of the United

States are pledged for the payment of principal and interest (the “Escrow Securities”), initially consisting of the securities and cash amounts as listed on Schedule I attached hereto and made a part hereof, in an amount which, together with the income or increment to accrue on such Escrow Securities, will be sufficient, as certified by a certified public accountant licensed to practice in the State of California, to pay the amounts required pursuant to Section 3;

WHEREAS, such investment together with the initial cash deposit and the income or increment to accrue on such Escrow Securities, will be sufficient, as certified pursuant to a verification report dated the date of issuance of the Refunding Bonds (the “Verification Report”) by Causey Demgen & Moore P.C., a firm with an independent certified public accountant licensed to practice in the State of California, to pay the amounts required pursuant to Section 3;

WHEREAS, the Trustee confirms that the Refunded Bonds are outstanding as of the date hereof and have not been previously refunded and the District hereby confirms that the right to redeem the Refunded Bonds has not been sold or previously exercised;

NOW, THEREFORE, the District and the Escrow Agent hereby agree as follows (capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Trust Agreement):

Section 1. Establishment, Funding and Maintenance of Escrow Fund. The Escrow Agent hereby agrees to establish and maintain a fund until all of the Refunded Bonds have been paid as provided herein, designated as the “Escrow Fund,” and to hold the securities, investments and moneys therein at all times as a special fund and an irrevocable escrow fund. All securities, investments and moneys in the Escrow Fund are hereby irrevocably pledged, subject to the provisions of Section 2 and Section 6 hereof, to secure the payment of the Refunded Bonds.

On the date of delivery, [CLOSING DATE] (the “Closing Date”), of the Refunding Bonds, the District has caused to be delivered \$[ESCROW PROCEEDS] from the proceeds of the Refunding Bonds to the Escrow Agent.

Section 2. Investment of Money in the Escrow Fund.

(a) The District and the Escrow Agent each shall take all remaining necessary action to have the Escrow Securities listed in Schedule I hereto issued and registered in the name of the Escrow Agent, for the account of the Escrow Fund. The Escrow Agent shall use proceeds of the Refunding Bonds to purchase the Escrow Securities listed in Schedule I.

(b) Except as set forth below, the Escrow Agent shall not reinvest any cash portion of the Escrow Fund; provided, however, that after being provided with an unqualified legal opinion of nationally recognized bond counsel that such reinvestment will not result in the breach of any covenant of the District contained in the Resolution or the Trust Agreement, the Escrow Agent may reinvest, at the written direction of the District, any cash portion of the Escrow Fund in Escrow Securities. Any such reinvestment shall be made in Escrow Securities the principal of and interest on which are payable at such times and in such amounts as will be sufficient (together with the other securities, investments and moneys in the Escrow Fund) to pay the Refunded Bonds in accordance with Section 3 and consistent with the then-currently applicable report of a certified public accountant licensed to practice in the State of California, delivered with respect to the

Escrow Fund. The Escrow Agent shall not be liable or responsible for any loss resulting from any investment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

Section 3. Payment and Redemption of Refunded Bonds. The District hereby irrevocably directs the Escrow Agent, and the Escrow Agent hereby agrees, to collect and deposit in the Escrow Fund the principal of and interest on all Escrow Securities held for the account of the Escrow Fund promptly as such principal and interest become due, and to transfer such principal and interest, together with other moneys and the principal of and interest on other securities deposited in the Escrow Fund, to the Trustee for payment of the principal of and interest on and redemption price of the Refunded Bonds when due. The Trustee will pay from such amounts transferred to it by the Escrow Agent the debt service requirements of the Refunded 2013C Bonds on each scheduled payment date through and including August 1, 2023 and will redeem the Refunded 2013C Bonds at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date, on August 1, 2023, which is the first optional redemption date for the Refunded 2013C Bonds, as provided in Schedule III hereto. The Trustee will additionally pay from such amounts transferred to it by the Escrow Agent the debt service requirements of the Refunded 2015D Bonds on each scheduled payment date through and including August 1, 2025 and will redeem the Refunded 2015D Bonds at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date, on August 1, 2025, which is the first optional redemption date for the Refunded 2015D Bonds, as provided in Schedule III hereto.

On August 1, 2025, the Escrow Agent shall transfer any moneys or securities remaining in the Escrow Fund, to the extent not governed by Section 6 hereof and not required for any fees or expenses of the Escrow Agent, to the Trustee for the Refunding Bonds for deposit to the Interest and Sinking Fund of the District, for payment of the Refunding Bonds or any other general obligation bonds of the District payable from said fund.

The maturity schedule of the Refunded Bonds to be refunded and defeased is set forth in Schedule II.

Section 4. Notice of Redemption and Defeasance. The District hereby directs that the Trustee give the notice of the defeasance of the Refunded Bonds in the form set forth in Exhibit A and further irrevocably instructs and directs the Trustee to, and requests that the Trustee confirm that it has been irrevocably instructed to, give notice of redemption of the Refunded Bonds being refunded scheduled to occur as described in Section 3, in the form set forth in Exhibit B and in the time and manner specified by the Trust Agreement, and that as Dissemination Agent it confirms filing of the notice of defeasance and agrees it will file the notice of redemption at the time of the giving of such notice on EMMA as required by any Continuing Disclosure Agreement relating to the Refunded Bonds.

Section 5. Possible Deficiencies. If at any time the Escrow Agent shall have actual notice that the moneys in the Escrow Fund, including the anticipated proceeds of the Escrow Securities, will not be sufficient to make all payments required by Section 3 hereof from such Escrow Fund, the Escrow Agent shall notify the District and the Trustee in writing as soon as reasonably practicable of such fact and the amount of such deficiency. The Escrow Agent shall in

no manner be responsible for any deficiencies in the Escrow Fund, other than as a result of its own negligence or willful misconduct. The Escrow Agent may conclusively rely on the report of a nationally recognized firm of independent certified public accountants delivered with respect to the Escrow Fund as to the sufficiency of the principal of and interest on the Escrow Securities to pay interest on and principal and redemption price of the Refunded Bonds in accordance with Section 3.

Section 6. Unclaimed Moneys. Any moneys held by the Escrow Agent for the payment and discharge of the Refunded Bonds which remain unclaimed after August 1, 2025 shall be transferred to the Trustee for deposit to the Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from said fund; or, if no such bonds of the District are at such time outstanding, said moneys shall be transferred to the general fund of the District as provided and permitted by law.

Section 7. Substitution of Securities. Upon the written direction of the District, subject to the conditions and limitations hereinafter set forth and applicable government rules and regulations, the Escrow Agent shall sell, redeem or otherwise dispose of the securities in the Escrow Fund, if there are substituted therefor, from the proceeds of such securities, other Escrow Securities as hereinafter provided. The Escrow Agent shall dispose of the securities in the Escrow Fund and purchase substitute Escrow Securities only upon receipt of a written report of a certified public accountant, licensed to practice in the State of California, to the effect that the substitute Escrow Securities will mature in such principal amounts and earn interest in such amounts and at such times so that sufficient moneys will be available to pay, as the same become due, to and including the redemption dates set forth in Section 3, all principal, premium, if any, and interest on the Refunded Bonds.

Section 8. Fees and Expenses of Escrow Agent. The District, by this Escrow Agreement, agrees to pay amounts equal to the reasonable fees and expenses of the Escrow Agent incurred as a result of this Escrow Agreement and the acceptance thereof by the Escrow Agent; provided, however, that in no event shall such fees or expenses incurred by the Escrow Agent be deducted from, or constitute a lien against, the Escrow Fund until the retirement or redemption of the Refunded Bonds pursuant to Section 3 hereof.

Section 9. Liabilities and Obligations of Escrow Agent. (a) The Escrow Agent shall have no obligation to make any payments or disbursement of any type or incur any financial liability in the performance of its duties under this Escrow Agreement unless the District shall have deposited sufficient funds therefor with the Escrow Agent. The Escrow Agent may rely and shall be protected in acting upon the written instructions of the District and its officers and agents relating to any matter or action as Escrow Agent under this Escrow Agreement.

(b) The District, to the extent permitted by law, covenants to indemnify and hold harmless the Escrow Agent against any loss, liability, claim, cost, suit, judgment or expense, including legal fees and expenses, incurred in connection with the performance of any of its duties hereunder, except the Escrow Agent shall not be indemnified against any loss, liability, claim, cost, suit, judgment or expense resulting from its negligence or willful misconduct.

(c) The Escrow Agent may consult with counsel of its own choice (which may be counsel to the District) and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action in accordance with such opinion of counsel.

(d) The recitals contained herein shall be taken as the statements of the District, and the Escrow Agent assumes no responsibility for their correctness.

(e) The Escrow Agent shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys or Escrow Securities deposited with it to pay the principal of or interest on the Refunding Bonds or the principal of or interest or redemption premiums, if any, on the Refunded Bonds.

(f) The Escrow Agent shall not be liable for any action or omission of the District or the Trustee under this Escrow Agreement, the Resolution or the Trust Agreement.

(g) Whenever in the administration of this Escrow Agreement, the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be deemed to be conclusively proved and established by a certificate of an authorized representative of the District, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be full warrant to the Escrow Agent for any action taken or suffered by it in good faith under the provisions of this Escrow Agreement.

(h) The Escrow Agent may conclusively rely, as to the truth or accuracy of the statements and correctness of the opinions and calculations provided, and shall be protected and indemnified, in acting, or refraining from acting, upon any written notice (including notice given by electronic means), instruction, request, certificate, document or opinion furnished to the Escrow Agent signed or presented by the proper party, and it need not investigate any fact or matter stated in such notice, instruction, request, certificate or opinion.

(i) The Escrow Agent may at any time resign by giving written notice to the District of such resignation. The District shall promptly appoint a successor Escrow Agent by the resignation date. Resignation of the Escrow Agent will be effective only upon acceptance of appointment by a successor Escrow Agent. If the District does not appoint a successor within 90 days of having receipt of such notice from the Escrow Agent, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, after such notice, if any, as it may deem proper and prescribe, and as may be required by law, appoint a successor Escrow Agent. After receiving a notice of resignation of an Escrow Agent, the District may appoint a temporary Escrow Agent to replace the resigning Escrow Agent until the District appoints a successor Escrow Agent. Any such temporary Escrow Agent so appointed by the District shall immediately and without further act be replaced by the successor Escrow Agent so appointed.

(j) The Escrow Agent undertakes to perform such duties and only such duties as are specifically set forth in this Escrow Agreement, and no implied covenants or obligations shall be read into this Escrow Agreement against the Escrow Agent. Neither the Escrow Agent

nor any of its officers, directors, employees or agents shall be liable for any action taken or omitted under this Escrow Agreement or in connection herewith except to the extent caused by the Escrow Agent's negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review. The Escrow Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed. Anything in this Escrow Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

The Escrow Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Escrow Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

(k) The Escrow Agent will furnish the District and the Controller/Treasurer or Interim Controller/Treasurer (each hereinafter referred to as the "Controller/Treasurer") periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Agent or brokers selected by the District or any investment advisor. Upon the District's and Controller/Treasurer's election, such statements will be delivered via the Escrow Agent's online service and upon electing such service, paper statements will be provided only upon request. The District waives the right to receive brokerage confirmations of security transactions effected by the Escrow Agent as they occur, to the extent permitted by law, the District further understands that trade confirmations for securities transactions effected by the Escrow Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

Section 10. Merger or Consolidation. Any company into which the Escrow Agent 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 Escrow Agent may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Escrow Agent, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 11. Amendment. This Escrow Agreement may not be revoked or amended by the parties hereto unless there shall first have been filed with the District and the Escrow Agent the written consent of all the registered owners of the Refunded Bonds then outstanding unless such amendment is not materially adverse to the interests of the registered owners of the Refunded Bonds, as evidenced by an opinion of counsel.

Section 12. Notices. All notices and communications hereunder shall be in writing and shall be deemed to be duly given if received or sent by first class mail, as follows. Any written instruction given hereunder may be given by fax or other electronic means.

If to the District:

San Francisco Bay Area Rapid Transit District
2150 Webster Street, 10th Floor
Oakland, CA 94612
Attention: Controller/Treasurer

If to the Trustee/Escrow Agent:

U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, CA 94111
Attention: Global Corporate Trust

Section 13. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

Section 14. Governing Law. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 15. Execution. This Escrow Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same agreement.

IN WITNESS WHEREOF, the District and the Escrow Agent have caused this Escrow Agreement to be executed each on its behalf as of the day and year first above written.

SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT

By: _____
Interim Controller/Treasurer

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Escrow
Agent

By: _____
Authorized Officer

SCHEDULE I
ESCROW SECURITIES

1. CASH in the amount of \$[_____].
2. Securities as shown in the schedules below:

SCHEDULE II

SCHEDULE OF DEFEASED AND REFUNDED BONDS

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2004), 2013 SERIES C

Maturity Date (August 1)	Principal Amounts	Interest Rates
--------------------------------	----------------------	-------------------

[[‡] Term Bond.]

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2004), 2015 REFUNDING SERIES D

Maturity Date (August 1)	Principal Amounts	Interest Rates
--------------------------------	----------------------	-------------------

[[‡] Term Bond.]

SCHEDULE III

SCHEDULE OF ESCROW REQUIREMENTS

ESCROW ACCOUNT DISBURSEMENT REQUIREMENTS FOR
REFUNDED GENERAL OBLIGATION BONDS
(ELECTION OF 2004), 2013 SERIES C
AS OF May 1, 2022

Redemption Date: August 1, 2023

ESCROW ACCOUNT DISBURSEMENT REQUIREMENTS FOR
REFUNDED GENERAL OBLIGATION BONDS
(ELECTION OF 2004), 2015 REFUNDING SERIES D
AS OF May 1, 2022

Redemption Date: August 1, 2025

EXHIBIT A

FORM OF NOTICE OF DEFEASANCE

**S.E.C. RULE 15C2-12
NOTICE OF LISTED EVENT**

The San Francisco Bay Area Rapid Transit District (the “District”) hereby provides notice of the following events related to the San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2013 Series C (the “2013C Bonds”) and the San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2015 Refunding Series D (the “2015D Bonds”) listed on Schedule I hereto.

Events:

All of the 2013C Bonds maturing August 1, 20[___] through August 1, 20[___], as set forth in Schedule I attached hereto have been defeased on [CLOSING DATE], 2022 from the proceeds of the District’s General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds) (the “Refunding Bonds”) and will be called for redemption on August 1, 2023.

All of the 2015D Bonds maturing August 1, 20[___] through August 1, 20[___], as set forth in Schedule II attached hereto have been defeased on [CLOSING DATE], 2022 from the proceeds of the Refunding Bonds and will be called for redemption on August 1, 2025.

Other Matters:

This notice is provided solely for the purposes of the Continuing Disclosure Agreements delivered in connection with the above-referenced Bonds. The filing of this notice does not constitute or imply any representation: (i) that the foregoing Specified Event is material to investors; (ii) regarding any other financial, operating or other information about the District or the Bonds; or (iii) that no other circumstances or events have occurred or that no other information exists concerning the District, the Bonds or the Specified Event, which may have a bearing on the District’s financial condition, the security for the Bonds, or an investor’s decision to buy, sell, or hold the Bonds.

Dated: [CLOSING DATE], 2022

SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT

By: _____
Interim Controller/Treasurer

SCHEDULE I

DEFEASED 2013 SERIES C BONDS

**San Francisco Bay Area Rapid Transit District
General Obligation Bonds (Election of 2004), 2013 Series C
Redemption Date: August 1, 2023
Redemption Price: 100%**

Maturity Date (August 1)	Principal Amounts	Interest Rates	CUSIP* (797661)
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SCHEDULE II

DEFEASED 2015 SERIES D BONDS

**San Francisco Bay Area Rapid Transit District
General Obligation Bonds (Election of 2004), 2015 Refunding Series D
Redemption Date: August 1, 2025
Redemption Price: 100%**

Maturity Date (August 1)	Principal Amounts	Interest Rates	CUSIP* (797661)
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EXHIBIT B-1

FORM OF NOTICE OF REDEMPTION

**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2004), 2013 SERIES C
Issue Date: November 21, 2013**

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP* (797661)
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NOTICE IS HEREBY GIVEN pursuant to Section 4.01 of that certain Trust Agreement (Measure AA), dated as of June 1, 2017 (including as supplemented, the "Trust Agreement"), by and between the San Francisco Bay Area Rapid Transit District (the "District") and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee" and "Escrow Agent"), that the District hereby calls for redemption on August 1, 2023 (the "Redemption Date") the above-referenced bonds (the "Bonds"). The Bonds will be redeemed at a redemption price (the "Redemption Price") equal to 100% of principal amount of the Bonds, plus accrued and unpaid interest thereon, if any, to the Redemption Date, without premium. Capitalized terms used herein and not defined have the meaning assigned thereto in the Trust Agreement.

From and after the Redemption Date, provided that moneys for the payment of the Redemption Price of the Bonds from the source identified below are on deposit with the Escrow Agent, together with interest accrued thereon to the Redemption Date, the Bonds will become due and payable on the Redemption Date and interest on the Bonds shall cease to accrue thereafter.

The redemption of the Bonds will be paid from the proceeds of refunding bonds issued by the District on deposit in an escrow fund held by the Escrow Agent.

Payment of the Redemption Price on the Bonds called for redemption will be paid only upon presentation and surrender thereof at the office of the Trustee in the following manner:

Delivery Instructions:

U.S. Bank Trust Company, National Association
Global Corporate Trust
111 Fillmore Avenue E
St. Paul, MN 55107
1-800-934-6802

If delivery is by mail, registered mail with return receipt requested is recommended.

Notice is hereby further given that if money for the Redemption Price of the Bonds is held by the Escrow Agent on the Redemption Date, then on the Redemption Date the Bonds shall become due and payable and, from and after the Redemption Date, interest on the Bonds subject to redemption shall cease to accrue on the Bonds and the Owners of the Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof in accordance with the provisions of Section 4.01 of the Trust Agreement.

Failure to receive this notice shall not invalidate any of the proceedings for redemption of the Bonds.

Dated: _____, 2023

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Escrow Agent

IMPORTANT NOTICE

Withholding of 24% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), unless the Escrow Agent has the correct taxpayer identification number (social security or employer

identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

**NOTE: The District and the Escrow Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.*

EXHIBIT B-2

FORM OF NOTICE OF REDEMPTION

**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2004), 2015 REFUNDING SERIES D
Issue Date: October 8, 2015**

<u>Maturity Date (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP* (797661)</u>
-------------------------------------	-----------------------------	--------------------------	----------------------------

NOTICE IS HEREBY GIVEN pursuant to Section 4.01 of that certain Trust Agreement (Measure AA), dated as of June 1, 2017 (including as supplemented, the "Trust Agreement"), by and between the San Francisco Bay Area Rapid Transit District (the "District") and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee" and "Escrow Agent"), that the District hereby calls for redemption on August 1, 2025 (the "Redemption Date") the above-referenced bonds (the "Bonds"). The Bonds will be redeemed at a redemption price (the "Redemption Price") equal to 100% of principal amount of the Bonds, plus accrued and unpaid interest thereon, if any, to the Redemption Date, without premium. Capitalized terms used herein and not defined have the meaning assigned thereto in the Trust Agreement.

From and after the Redemption Date, provided that moneys for the payment of the Redemption Price of the Bonds from the source identified below are on deposit with the Escrow Agent, together with interest accrued thereon to the Redemption Date, the Bonds will become due and payable on the Redemption Date and interest on the Bonds shall cease to accrue thereafter.

The redemption of the Bonds will be paid from the proceeds of refunding bonds issued by the District on deposit in an escrow fund held by the Escrow Agent.

Payment of the Redemption Price on the Bonds called for redemption will be paid only upon presentation and surrender thereof at the office of the Trustee in the following manner:

Delivery Instructions:

U.S. Bank Trust Company, National Association
Global Corporate Trust
111 Fillmore Avenue E
St. Paul, MN 55107
1-800-934-6802

If delivery is by mail, registered mail with return receipt requested is recommended.

Notice is hereby further given that if money for the Redemption Price of the Bonds is held by the Escrow Agent on the Redemption Date, then on the Redemption Date the Bonds shall become due and payable and, from and after the Redemption Date, interest on the Bonds subject to redemption shall cease to accrue on the Bonds and the Owners of the Bonds shall have no rights in respect thereof except to receive payment of the Redemption Price thereof in accordance with the provisions of Section 4.01 of the Trust Agreement.

Failure to receive this notice shall not invalidate any of the proceedings for redemption of the Bonds.

Dated: _____, 2025

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Escrow Agent

IMPORTANT NOTICE

Withholding of 24% of gross redemption proceeds of any payment made within the United States may be required by the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), unless the Escrow Agent has the correct taxpayer identification number (social security or employer

identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

**NOTE: The District and the Escrow Agent shall not be responsible for the selection or use of the CUSIP numbers selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.*

PRELIMINARY OFFICIAL STATEMENT DATED MAY [], 2022

NEW ISSUE – BOOK ENTRY ONLY

RATINGS:

Moody's: Aaa

[Fitch: []]

See "Ratings" herein.

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2022D-1 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the 2022D-1 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the 2022 Bonds is exempt from State of California personal income taxes. Bond Counsel further observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2022 Bonds. See "TAX MATTERS."



**§[2022 PAR]*
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS**



**§[2022D-1 PAR]*
(ELECTION OF 2016),
2022 SERIES D-1
(GREEN BONDS)**

**§[2022D-2 PAR]*
(ELECTION OF 2016),
2022 SERIES D-2
(FEDERALLY TAXABLE)
(GREEN BONDS)**

**§[2022H PAR]*
(ELECTION OF 2004),
2022 REFUNDING SERIES H
(FEDERALLY TAXABLE)
(GREEN BONDS)**

Dated: Date of Delivery

Due: As shown on inside cover

The San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds) (the "2022D-1 Bonds") and 2022 Series D-2 (Federally Taxable) (Green Bonds) (the "2022D-2 Bonds" and, together with the 2022D-1 Bonds, the "2022D Bonds") are being issued to finance specific acquisition, construction and improvement projects for District facilities approved by the voters and to pay the costs of issuance of the 2022D Bonds. The San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds) (the "2022H Bonds" and, together with the 2022D Bonds, the "2022 Bonds") are being issued to refund certain outstanding general obligation bonds of the District and to pay the costs of issuance of the 2022H Bonds. The 2022D-2 Bonds and the 2022H Bonds shall collectively be known as the "Taxable Bonds." The 2022 Bonds are deliverable in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases of the 2022 Bonds will be made in principal amounts of \$5,000 and integral multiples thereof and will be in book-entry form only. Purchasers of the 2022 Bonds will not receive bonds representing their beneficial ownership in the 2022 Bonds but will receive a credit balance on the books of their respective DTC Direct Participants or DTC Indirect Participants. The 2022 Bonds will not be transferable or exchangeable except for transfer to another nominee of DTC or as otherwise described herein.

Principal on the 2022 Bonds is payable in the amounts and on the dates set forth on the inside cover. Interest on the 2022D-1 Bonds and the 2022H Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2022, and interest on the 2022D-2 Bonds is paid on the maturity date thereof. The principal of the 2022 Bonds is payable by U.S. Bank Trust Company, National Association, as trustee, to Cede & Co., the registered owner of the 2022 Bonds, and such interest and principal payments are to be disbursed to the beneficial owners of the 2022 Bonds through their respective DTC Direct Participants or DTC Indirect Participants.

The 2022 Bonds are general obligations of the San Francisco Bay Area Rapid Transit District (the "District"), payable from and secured by *ad valorem* taxes to be levied upon all property subject to taxation by the District, without limitation as to rate or amount (except for certain personal property which is taxable at limited rates) levied in Alameda and Contra Costa Counties and the City and County of San Francisco, as more fully described herein. No other monies of the District other than certain proceeds of the 2022 Bonds are pledged to the payment of the 2022 Bonds.

The 2022D-1 Bonds and the 2022H Bonds are subject to optional and mandatory redemption prior to maturity as described herein.

This cover page contains certain information for reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The 2022 Bonds are offered when, as and if issued by the District and received by the Underwriters, subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the District. Certain legal matters will be passed upon for the Underwriters by their counsel, Curls Bartling P.C., and for the District by its General Counsel, Matthew Burrows, Esq., and by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the District. The 2022 Bonds in book-entry-only form are expected to be delivered through the facilities of DTC on or about May [], 2022.

Stifel

Barclays

Siebert Williams
Shank & Co., LLC

Citigroup

J.P. Morgan

Dated: _____, 2022

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. 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 the Bonds in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

MATURITY SCHEDULES

\$[2022D-1 PAR]*
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016), 2022 SERIES D-1 BONDS (GREEN BONDS)

\$[]* SERIAL BONDS

Maturity Date* (August 1)	Principal Amount*	Interest Rate	Yield	CUSIP (Base: 797661)†	ISIN (Base: US797661)†	Common Code‡
	\$					

\$ _____ * _____ % Term Bond due August 1, 20 ____; Yield _____ %; CUSIP† 797661 ____; ISIN† ____; Common Code‡ ____

\$ _____ * _____ % Term Bond due August 1, 20 ____; Yield _____ %; CUSIP† 797661 ____; ISIN† ____; Common Code‡ ____

\$[2022D-2 PAR]*
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016), 2022 SERIES D-2 BONDS (FEDERALLY TAXABLE) (GREEN BONDS)

Maturity Date* (1 _____)	Principal Amount*	Interest Rate	Yield	CUSIP (Base: 797661)†	ISIN (Base: US797661)†	Common Code‡
	\$					

* Preliminary, subject to change.

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‡ The Common Code is provided herein by Euroclear Bank S.A./N.V. Neither the District nor the Underwriters are responsible for the selection or use of this Common Code and no representation is made as to their correctness on the 2022 Bonds.

\$[2022H PAR]*
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2004), 2022 REFUNDING SERIES H BONDS
(FEDERALLY TAXABLE) (GREEN BONDS)

\$[]* SERIAL BONDS

Maturity Date* (August 1)	Principal Amount*	Interest Rate	Yield	CUSIP (Base: 797661)‡	ISIN (Base: US797661)†	Common Code‡
	\$					

\$ _____ * _____ % Term Bond due August 1, 20 ____; Yield _____ %; CUSIP† 797661 ____; ISIN† ____; Common Code‡ ____

* Preliminary, subject to change.

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‡ The Common Code is provided herein by Euroclear Bank S.A./N.V. Neither the District nor the Underwriters are responsible for the selection or use of this Common Code and no representation is made as to their correctness on the 2022 Bonds.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

**2150 Webster Street, 10th Floor
Oakland, California 94612**

BOARD OF DIRECTORS

Rebecca Saltzman <i>President</i>	Janice Li <i>Vice President</i>	Debora Allen <i>Director</i>
Elizabeth Ames <i>Director</i>	Bevan Dufty <i>Director</i>	Mark Foley <i>Director</i>
John McPartland <i>Director</i>	Robert Raburn <i>Director</i>	Lateefah Simon <i>Director</i>

PRINCIPAL OFFICERS

Robert Powers – *General Manager*
Christopher Gan – *Interim Controller/Treasurer*
Shane Edwards – *Interim Assistant General Manager, Operations*
Pamela Herhold – *Assistant General Manager, Performance and Budget*

GENERAL COUNSEL

Matthew Burrows, Esq.

TRUSTEE AND ESCROW AGENT

U.S. Bank Trust Company, National Association
San Francisco, California

BOND AND DISCLOSURE COUNSEL

Orrick, Herrington & Sutcliffe LLP
San Francisco, California

MUNICIPAL ADVISOR

Sperry Capital Inc.
Sausalito, California

ESCROW VERIFICATION

Causey Demgen & Moore P.C.
Denver, Colorado

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This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any offer or solicitation or sale of the 2022 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the San Francisco Bay Area Rapid Transit District (the “District”) or the underwriters identified on the cover page of this Official Statement (the “Underwriters”) to give any information or to make any representation other than that contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized. Neither the delivery of this Official Statement nor the sale of any of the 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 not to be construed as a contract with the purchasers of the 2022 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts. All summaries of statutes and documents are made subject to the provisions of such statutes and documents, respectively, and do not purport to be complete statements of any or all of such provisions.

The information set forth herein has been obtained from sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. 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. No representation, warranty or guarantee is made by the Municipal Advisor as to the accuracy or completeness of any information in this Official Statement, including, without limitation, the information contained in the appendices hereto, and nothing contained in this Official Statement is or shall be relied upon as a promise or representation by the Municipal Advisor.

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 2022 Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained therein, and have not been registered or qualified under the securities laws of any state.

The District maintains a website. 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 specifically indicated otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement and should not be relied upon in making investment decisions with respect to the 2022 Bonds.

IN CONNECTION WITH THE OFFERING OF THE 2022 BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2022 BONDS AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE 2022 BONDS TO CERTAIN SECURITIES DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENTS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

FORWARD-LOOKING STATEMENTS

This Official Statement, including the cover and inside cover page and all appendices hereto, contains forecasts, projections and estimates that are based on current expectations or assumptions. When included in this Official Statement, the words “expects,” “forecasts,” “projects,” “budgets,” “intends,” “anticipates,” “estimates,” “assumes” and analogous expressions are intended to identify forward-looking statements which speak only as of the date of this Official Statement. Any such statements inherently are subject to a variety of risks and uncertainties which could cause actual results to differ materially from those that have been projected. Such risks and uncertainties include, among others, changes in economic conditions, federal, state and local statutory and regulatory initiatives, litigation, seismic events, public health emergencies such as the COVID-19 pandemic and various other events, conditions and circumstances, many of which are beyond the control of the District. The inclusion in this Official Statement of such forecasts, projections and estimates should not be regarded as a representation by the District that such forecasts, projections and estimates will occur. Such forecasts, projections, budgets, and estimates are not intended as representations of fact or guarantees of results. The District disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in the District’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER “CONTINUING DISCLOSURE” HEREIN.

INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES

REFERENCES IN THIS SECTION TO THE “ISSUER” MEAN THE SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT AND REFERENCES TO “BONDS” OR “SECURITIES” MEAN THE 2022 BONDS OFFERED HEREBY. **NEITHER THE ISSUER NOR THE UNDERWRITERS ASSUME ANY RESPONSIBILITY FOR THE CONTENTS OF THIS SECTION.**

MINIMUM UNIT SALES

THE BONDS WILL TRADE AND SETTLE ON A UNIT BASIS (ONE UNIT EQUALING ONE BOND OF \$5,000 PRINCIPAL AMOUNT). FOR ANY SALES MADE OUTSIDE THE UNITED STATES, THE MINIMUM PURCHASE AND TRADING AMOUNT IS 30 UNITS (BEING 30 BONDS IN AN AGGREGATE PRINCIPAL AMOUNT OF \$150,000).

NOTICE TO PROSPECTIVE INVESTORS IN CANADA

THE BONDS MAY BE SOLD ONLY TO PURCHASERS PURCHASING, OR DEEMED TO BE PURCHASING, AS PRINCIPAL THAT ARE ACCREDITED INVESTORS, AS DEFINED IN NATIONAL INSTRUMENT 45-106 PROSPECTUS EXEMPTIONS OR SUBSECTION 73.3(1) OF THE SECURITIES ACT (ONTARIO), AND ARE PERMITTED CLIENTS, AS DEFINED IN NATIONAL INSTRUMENT 31-103 REGISTRATION REQUIREMENTS, EXEMPTIONS AND ONGOING REGISTRANT OBLIGATIONS. ANY RESALE OF THE BONDS MUST BE MADE IN ACCORDANCE WITH AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE PROSPECTUS REQUIREMENTS OF APPLICABLE SECURITIES LAWS.

SECURITIES LEGISLATION IN CERTAIN PROVINCES OR TERRITORIES OF CANADA MAY PROVIDE A PURCHASER WITH REMEDIES FOR RESCISSION OR DAMAGES IF THIS OFFICIAL STATEMENT (INCLUDING ANY AMENDMENT THERETO) CONTAINS A MISREPRESENTATION, PROVIDED THAT THE REMEDIES FOR RESCISSION OR DAMAGES ARE EXERCISED BY THE PURCHASER WITHIN THE TIME LIMIT PRESCRIBED BY THE SECURITIES LEGISLATION OF THE PURCHASER’S PROVINCE OR TERRITORY. THE PURCHASER SHOULD REFER TO ANY APPLICABLE PROVISIONS OF THE SECURITIES LEGISLATION OF THE PURCHASER’S PROVINCE OR TERRITORY FOR PARTICULARS OF THESE RIGHTS OR CONSULT WITH A LEGAL ADVISOR.

PURSUANT TO SECTION 3A.3 (OR, IN THE CASE OF SECURITIES ISSUED OR GUARANTEED BY THE GOVERNMENT OF A NON-CANADIAN JURISDICTION, SECTION 3A.4) OF NATIONAL INSTRUMENT 33-105 UNDERWRITING CONFLICTS (“NI 33-105”), THE UNDERWRITERS ARE NOT REQUIRED TO COMPLY WITH THE DISCLOSURE REQUIREMENTS OF NI 33-105 REGARDING UNDERWRITER CONFLICTS OF INTEREST IN CONNECTION WITH THIS OFFERING.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA (“EEA”) OR THE UNITED KINGDOM

THE BONDS ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR THE UNITED KINGDOM. FOR THESE PURPOSES, A “RETAIL INVESTOR” MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, “MIFID II”); (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 (THE “INSURANCE DISTRIBUTION DIRECTIVE”), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129 (THE “PROSPECTUS REGULATION”). CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO. 1286/2014 (AS AMENDED, THE “PRIIPS REGULATION”) FOR OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA OR IN THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE BONDS OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA OR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

THIS OFFICIAL STATEMENT IS NOT A PROSPECTUS FOR PURPOSES OF THE PROSPECTUS REGULATION. THIS OFFICIAL STATEMENT AND ANY OTHER OFFERING MATERIAL RELATING TO THE BONDS DESCRIBED HEREIN HAVE BEEN PREPARED ON THE BASIS THAT ALL OFFERS OF THE BONDS TO ANY PERSON THAT IS LOCATED WITHIN A MEMBER STATE OF THE EEA OR THE UNITED KINGDOM WILL BE MADE PURSUANT TO AN EXEMPTION UNDER ARTICLE 1(4) OF THE PROSPECTUS REGULATION FROM THE REQUIREMENT TO PRODUCE A PROSPECTUS FOR OFFERS OF THE BONDS. ACCORDINGLY, ANY PERSON MAKING OR INTENDING TO MAKE ANY OFFER IN THE EEA OR THE UNITED KINGDOM OF THE BONDS SHOULD ONLY DO SO IN CIRCUMSTANCES IN WHICH NO OBLIGATION ARISES FOR THE ISSUER OR ANY OF THE UNDERWRITERS TO PROVIDE A PROSPECTUS FOR SUCH OFFER. NEITHER THE ISSUER NOR THE UNDERWRITERS HAVE AUTHORIZED, NOR DO THEY AUTHORIZE, THE MAKING OF ANY OFFER OF BONDS THROUGH ANY FINANCIAL INTERMEDIARY, OTHER THAN OFFERS MADE BY THE UNDERWRITERS, WHICH CONSTITUTE THE FINAL PLACEMENT OF THE BONDS CONTEMPLATED IN THIS OFFICIAL STATEMENT.

THE OFFER OF ANY BONDS WHICH IS THE SUBJECT OF THE OFFERING CONTEMPLATED BY THIS OFFICIAL STATEMENT IS NOT BEING MADE AND WILL NOT BE MADE TO THE PUBLIC IN THE EEA OR THE UNITED KINGDOM, OTHER THAN: (A) TO ANY LEGAL ENTITY WHICH IS A “QUALIFIED INVESTOR” AS SUCH TERM IS DEFINED IN THE PROSPECTUS REGULATION; (B) TO FEWER THAN 150 NATURAL OR LEGAL PERSONS (OTHER THAN “QUALIFIED INVESTORS” AS SUCH TERM IS DEFINED IN THE PROSPECTUS REGULATION), SUBJECT TO OBTAINING THE PRIOR CONSENT OF THE RELEVANT UNDERWRITER OR THE ISSUER FOR ANY SUCH OFFER; OR (C) IN ANY OTHER CIRCUMSTANCES FALLING WITHIN ARTICLE

1(4) OF THE PROSPECTUS REGULATION; PROVIDED THAT NO SUCH OFFER OF THE BONDS SHALL REQUIRE THE ISSUER OR ANY UNDERWRITER TO PUBLISH A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS REGULATION OR A SUPPLEMENT TO A PROSPECTUS PURSUANT TO ARTICLE 23 OF THE PROSPECTUS REGULATION.

FOR THE PURPOSES OF THIS PROVISION, THE EXPRESSION AN “OFFER OF SECURITIES TO THE PUBLIC” IN RELATION TO THE BONDS IN ANY MEMBER STATE OF THE EEA OR THE UNITED KINGDOM MEANS THE COMMUNICATION IN ANY FORM AND BY ANY MEANS OF SUFFICIENT INFORMATION ON THE TERMS OF THE OFFER AND THE BONDS TO BE OFFERED SO AS TO ENABLE AN INVESTOR TO DECIDE TO PURCHASE THE BONDS OR SUBSCRIBE FOR THE BONDS.

EACH SUBSCRIBER FOR OR PURCHASER OF THE BONDS IN THE OFFERING LOCATED WITHIN A MEMBER STATE OF THE EEA OR THE UNITED KINGDOM WILL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED THAT IT IS A “QUALIFIED INVESTOR” AS DEFINED IN THE PROSPECTUS REGULATION. THE ISSUER AND EACH UNDERWRITER AND OTHERS WILL RELY ON THE TRUTH AND ACCURACY OF THE FOREGOING REPRESENTATION, ACKNOWLEDGEMENT AND AGREEMENT.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

THE ISSUE AND DISTRIBUTION OF THIS OFFICIAL STATEMENT IS RESTRICTED BY LAW. THIS OFFICIAL STATEMENT IS NOT BEING DISTRIBUTED BY, NOR HAS IT BEEN APPROVED FOR THE PURPOSES OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE “FSMA”) AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC IN ACCORDANCE WITH THE PROVISIONS OF SECTION 85 OF THE FSMA. THIS OFFICIAL STATEMENT IS FOR DISTRIBUTION ONLY TO, AND IS DIRECTED SOLELY AT, PERSONS WHO (I) ARE OUTSIDE THE UNITED KINGDOM, (II) ARE INVESTMENT PROFESSIONALS, AS SUCH TERM IS DEFINED IN ARTICLE 19(5) OF THE FSMA (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE “FINANCIAL PROMOTION ORDER”), (III) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE FINANCIAL PROMOTION ORDER, OR (IV) ARE PERSONS TO WHOM AN INVITATION OR INDUCEMENT TO ENGAGE IN INVESTMENT ACTIVITY (WITHIN THE MEANING OF SECTION 21 OF THE FSMA) IN CONNECTION WITH THE ISSUE OR SALE OF ANY SECURITIES MAY OTHERWISE BE LAWFULLY COMMUNICATED OR CAUSED TO BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “RELEVANT PERSONS”). THIS OFFICIAL STATEMENT IS DIRECTED ONLY AT RELEVANT PERSONS AND MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFICIAL STATEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. ANY PERSON WHO IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS OFFICIAL STATEMENT OR ANY OF ITS CONTENTS.

NO PART OF THIS OFFICIAL STATEMENT SHOULD BE PUBLISHED, REPRODUCED, DISTRIBUTED OR OTHERWISE MADE AVAILABLE IN WHOLE OR IN PART TO ANY OTHER PERSON WITHOUT THE PRIOR WRITTEN CONSENT OF THE ISSUER. THE BONDS ARE NOT BEING OFFERED OR SOLD TO ANY PERSON IN THE UK EXCEPT IN CIRCUMSTANCES WHICH WILL NOT RESULT IN AN OFFER OF SECURITIES TO THE PUBLIC IN THE UK WITHIN THE MEANING OF PART VI OF THE FSMA.

POTENTIAL INVESTORS IN THE UK ARE ADVISED THAT ALL, OR MOST, OF THE PROTECTIONS AFFORDED BY THE UK REGULATORY SYSTEM WILL NOT APPLY TO AN INVESTMENT IN THE BONDS AND THAT COMPENSATION WILL NOT BE AVAILABLE UNDER THE UK FINANCIAL SERVICES COMPENSATION SCHEME.

NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND

THIS OFFICIAL STATEMENT IS NOT INTENDED TO CONSTITUTE AN OFFER OR SOLICITATION TO PURCHASE OR INVEST IN THE BONDS. THE BONDS MAY NOT BE PUBLICLY OFFERED, SOLD OR ADVERTISED DIRECTLY OR INDIRECTLY, IN, INTO OR FROM SWITZERLAND WITHIN THE MEANING OF THE SWISS FINANCIAL SERVICES ACT (“FINSA”) AND NO APPLICATION HAS OR WILL BE MADE TO ADMIT THE BONDS TO TRADING ON ANY TRADING VENUE (EXCHANGE OR REGULATED TRADING FACILITY) IN SWITZERLAND. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE BONDS CONSTITUTES A PROSPECTUS OR A KEY INFORMATION DOCUMENT PURSUANT TO THE FINSA OR A LISTING PROSPECTUS WITHIN THE MEANING OF THE LISTING RULES OF THE SIX SWISS EXCHANGE LTD. OR ANY REGULATED TRADING FACILITY IN SWITZERLAND, AND NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE BONDS MAY BE PUBLICLY DISTRIBUTED OR OTHERWISE MADE PUBLICLY AVAILABLE IN SWITZERLAND.

ACCORDINGLY, THIS OFFICIAL STATEMENT IS COMMUNICATED IN OR FROM SWITZERLAND TO A LIMITED NUMBER OF SELECTED INVESTORS ONLY. NEITHER THIS OFFICIAL STATEMENT NOR ANY OTHER OFFERING OR MARKETING MATERIAL RELATING TO THE OFFERING, NOR THE ISSUER, NOR THE BONDS HAVE BEEN OR WILL BE FILED WITH OR APPROVED BY ANY SWISS REGULATORY AUTHORITY. THE BONDS ARE NOT SUBJECT TO SUPERVISION BY ANY SWISS REGULATORY AUTHORITY. AN INVESTOR IN THE BONDS WILL NOT BENEFIT FROM PROTECTION OR SUPERVISION BY ANY SUCH AUTHORITY.

THE BONDS DO NOT CONSTITUTE COLLECTIVE INVESTMENTS WITHIN THE MEANING OF THE SWISS FEDERAL ACT ON COLLECTIVE INVESTMENT SCHEMES (“CISA”). ACCORDINGLY, HOLDERS OF THE BONDS DO NOT BENEFIT FROM PROTECTION UNDER THE CISA OR FROM THE SUPERVISION OF THE SWISS FINANCIAL MARKET SUPERVISORY AUTHORITY. INVESTORS ARE EXPOSED TO THE DEFAULT RISK OF THE ISSUER.

NOTICE TO PROSPECTIVE INVESTORS IN HONG KONG

THE CONTENTS OF THIS OFFICIAL STATEMENT HAVE NOT BEEN REVIEWED BY ANY REGULATORY AUTHORITY IN HONG KONG. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFER OF THE BONDS. YOU ARE ADVISED TO EXERCISE CAUTION IN RELATION TO THE OFFERING CONTEMPLATED IN THIS OFFICIAL STATEMENT. IF YOU ARE IN ANY DOUBT ABOUT ANY OF THE CONTENTS OF THIS OFFICIAL STATEMENT, YOU SHOULD OBTAIN INDEPENDENT PROFESSIONAL ADVICE.

THIS OFFICIAL STATEMENT HAS NOT BEEN, AND WILL NOT BE, REGISTERED AS A PROSPECTUS (AS DEFINED IN THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CHAPTER 32 OF THE LAWS OF HONG KONG)) IN HONG KONG (THE “C(WUMP)O”) NOR HAS IT BEEN APPROVED BY THE SECURITIES AND FUTURES COMMISSION OF HONG KONG PURSUANT TO THE SECURITIES AND FUTURES ORDINANCE (CHAPTER 571 OF THE LAWS OF HONG KONG) (THE “SFO”). ACCORDINGLY, THE BONDS MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF THIS OFFICIAL STATEMENT OR ANY OTHER DOCUMENT, AND THIS OFFICIAL STATEMENT MUST NOT BE ISSUED, CIRCULATED OR DISTRIBUTED IN HONG KONG, OTHER THAN (A) TO ‘PROFESSIONAL INVESTORS’ AS DEFINED IN THE SFO AND ANY RULES AND REGULATIONS MADE UNDER THE SFO; OR (B) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THIS OFFICIAL STATEMENT OR ANY OTHER DOCUMENT BEING A “PROSPECTUS” AS DEFINED IN THE C(WUMP)O OR WHICH DO NOT CONSTITUTE AN OFFER OR INVITATION TO THE PUBLIC WITHIN THE MEANING OF THE C(WUMP)O. IN ADDITION, NO PERSON MAY ISSUE OR DISTRIBUTE OR HAVE IN ITS POSSESSION FOR THE PURPOSES OF ISSUE, WHETHER IN HONG KONG OR ELSEWHERE, ANY ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE BONDS, WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC OF HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE SECURITIES LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO THE BONDS WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY (A) TO PERSONS OUTSIDE HONG KONG, AND (B) TO ‘PROFESSIONAL INVESTORS’ AS DEFINED IN THE SFO AND ANY RULES OR REGULATIONS MADE UNDER THE SFO.

NOTICE TO PROSPECTIVE INVESTORS IN JAPAN

THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (ACT NO. 25 OF 1948, AS AMENDED, THE “FIEA”). NEITHER THE BONDS NOR ANY INTEREST THEREIN MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN (AS DEFINED UNDER ITEM 5, PARAGRAPH 1, ARTICLE 6 OF THE FOREIGN EXCHANGE AND FOREIGN TRADE ACT (ACT NO. 228 OF 1949, AS AMENDED)), OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH, THE FIEA AND ANY OTHER APPLICABLE LAWS, REGULATIONS AND MINISTERIAL GUIDELINES OF JAPAN.

THE PRIMARY OFFERING OF THE BONDS AND THE SOLICITATION OF AN OFFER FOR ACQUISITION THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER PARAGRAPH 1, ARTICLE 4 OF THE FIEA. AS IT IS A PRIMARY OFFERING, IN JAPAN, THE BONDS MAY ONLY BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY TO, OR FOR THE BENEFIT OF CERTAIN QUALIFIED INSTITUTIONAL INVESTORS AS DEFINED IN THE FIEA (“QIIS”). A QII WHO PURCHASED OR OTHERWISE OBTAINED THE BONDS CANNOT RESELL OR OTHERWISE TRANSFER THE BONDS IN JAPAN TO ANY PERSON EXCEPT ANOTHER QII.

NOTICE TO PROSPECTIVE INVESTORS IN TAIWAN

THE OFFER OF THE BONDS HAS NOT BEEN AND WILL NOT BE REGISTERED OR FILED WITH, OR APPROVED BY, THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN AND/OR OTHER REGULATORY AUTHORITY OF TAIWAN PURSUANT TO RELEVANT SECURITIES LAWS AND REGULATIONS OF TAIWAN, AND THE BONDS, INCLUDING ANY COPY OF THIS OFFICIAL STATEMENT OR ANY OTHER DOCUMENTS RELATING TO THE BONDS, MAY NOT BE OFFERED, ISSUED, SOLD, DELIVERED OR DISTRIBUTED IN TAIWAN THROUGH A PUBLIC OFFERING OR IN CIRCUMSTANCES WHICH CONSTITUTE AN OFFER WITHIN THE MEANING OF THE SECURITIES AND EXCHANGE ACT OF TAIWAN THAT REQUIRES THE REGISTRATION OR FILING WITH OR APPROVAL OF THE FINANCIAL SUPERVISORY COMMISSION OF TAIWAN. THE BONDS MAY BE MADE AVAILABLE OUTSIDE TAIWAN FOR PURCHASE BY INVESTORS RESIDING IN TAIWAN (EITHER DIRECTLY OR THROUGH PROPERLY LICENSED TAIWAN INTERMEDIARIES), BUT MAY NOT BE OFFERED OR SOLD IN TAIWAN EXCEPT TO QUALIFIED INVESTORS VIA A TAIWAN LICENSED INTERMEDIARY. ANY SUBSCRIPTIONS OF BONDS SHALL ONLY BECOME EFFECTIVE UPON ACCEPTANCE BY THE ISSUER OR THE RELEVANT DEALER OUTSIDE TAIWAN AND SHALL BE DEEMED A CONTRACT ENTERED INTO IN THE JURISDICTION OF INCORPORATION OF THE ISSUER OR RELEVANT DEALER, AS THE CASE MAY BE, UNLESS OTHERWISE SPECIFIED IN THE SUBSCRIPTION DOCUMENTS RELATING TO THE BONDS SIGNED BY THE INVESTORS. TAIWAN INVESTORS WHO SUBSCRIBE AND PURCHASE THE BONDS SHALL COMPLY WITH ALL RELEVANT SECURITIES, TAX AND FOREIGN EXCHANGE LAWS AND REGULATIONS IN EFFECT IN TAIWAN.

CERTIFICATION AS CLIMATE BONDS

The Climate Bonds Initiative has provided the following paragraphs for inclusion in this Official Statement: The certification of the 2022 Bonds as Climate Bonds by the Climate Bonds Initiative is based solely on the Climate Bond Standard and does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the 2022 Bonds or any nominated project, including but not limited to the Official Statement, the transaction documents, the District or the management of the District.

The certification of the 2022 Bonds as Climate Bonds by the Climate Bonds Initiative was addressed solely to the Board of Directors of the District and is not a recommendation to any person to purchase, hold or sell the 2022 Bonds and such certification does not address the market price or suitability of the 2022 Bonds for a particular investor. The certification also does not address the merits of the decision by the District or any third party to participate in any nominated project and does not express and should not be deemed to be an expression of an opinion as to the District or any aspect of any nominated project (including but not limited to the financial viability of any nominated project) other than with respect to conformance with the Climate Bond Standard.

In issuing or monitoring, as applicable, the certification, the Climate Bonds Initiative has assumed and relied upon and will assume and rely upon the accuracy and completeness in all material respects of the information supplied or otherwise made available to the Climate Bonds Initiative. The Climate Bonds Initiative does not assume or accept any responsibility to any person for independently verifying (and it has not verified) such information or to undertake (and it has not undertaken) any independent evaluation of any nominated project or the District. In addition, the Climate Bonds Initiative does not assume any obligation to conduct (and it has not conducted) any physical inspection of any nominated project. The certification may only be used with the 2022 Bonds and may not be used for any other purpose without the Climate Bonds Initiative's prior written consent.

The certification does not and is not in any way intended to address the likelihood of timely payment of interest when due on the 2022 Bonds and/or the payment of principal at maturity or any other date.

The certification may be withdrawn at any time in the Climate Bonds Initiative's sole and absolute discretion and there can be no assurance that such certification will not be withdrawn.

OFFICIAL STATEMENT

§[2022 PAR]* SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT GENERAL OBLIGATION BONDS

**§[2022D-1 PAR]*
(ELECTION OF 2016),
2022 SERIES D-1
(GREEN BONDS)**

**§[2022D-2 PAR]*
(ELECTION OF 2016),
2022 SERIES D-2
(FEDERALLY TAXABLE)
(GREEN BONDS)**

**§[2022H PAR]*
(ELECTION OF 2004),
2022 REFUNDING SERIES H
(FEDERALLY TAXABLE)
(GREEN BONDS)**

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to set forth certain information in connection with the issuance by the San Francisco Bay Area Rapid Transit District (the “District” or “BART”) of §[2022D-1 PAR]* aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds) (the “2022D-1 Bonds”), §[2022D-2 PAR]* aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-2 (Federally Taxable) (Green Bonds) (the “2022D-2 Bonds” and, together with the 2022D-1 Bonds, the “2022D Bonds”), and §[2022H PAR]* aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds) (the “2022H Bonds” and, together with the 2022D Bonds, the “2022 Bonds”). The 2022D-2 Bonds and the 2022H Bonds shall collectively be known as the “Taxable Bonds.”

The District was created in 1957 pursuant to the laws of the State of California (the “State”) to provide rapid transit service in the San Francisco Bay Area. The District is governed by an elected board of directors consisting of nine members, and is composed of all of the area in the Counties of Alameda and Contra Costa and the City and County of San Francisco (herein referred to as the “Three BART Counties”). In addition, the District operates facilities on District-owned property within the County of San Mateo and on property within the County of Santa Clara to which BART has obtained an easement. The District also acquired the right to use additional right of way and station locations in connection with the extension of its rapid transit system (the “BART System”) to the San Francisco International Airport (“SFO”) located in the County of San Mateo. The Counties of San Mateo and Santa Clara, however, are not part of the District’s tax base. The first phase of the extension of the BART System into the County of Santa Clara was completed in Fiscal Year 2019-20, as service to the Milpitas and Berryessa/North San José stations began on June 13, 2020. The District’s transit system extends over 130 miles and is the major transit provider of transbay traffic between the East Bay and downtown San Francisco, averaging historically over 227,000 transbay passengers each weekday and over 120 million passengers annually before the COVID-19 pandemic. BART System ridership has been seriously impacted by the COVID-19 pandemic that triggered shelter-in-place orders throughout the BART System and resulted in sharp ridership declines compared to customary ridership levels. Ridership as of March 2022 remained approximately 66% below March 2019 levels. For additional information concerning the District, see Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION.” For information relating to the COVID-19 pandemic, see “INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak” and Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – THE BART SYSTEM – Ridership” and “– Adopted Budget for Fiscal Year 2021-22 and Preliminary Budget for Fiscal Year 2022-23.” For information relating to economic conditions within the Three BART Counties and the State, see Appendix D – “THE ECONOMY OF THE THREE BART COUNTIES.”

* Preliminary, subject to change.

The 2022 Bonds are not payable from BART operating funds but represent general obligations of the District and will be payable solely from *ad valorem* taxes to be levied without limitation as to rate or amount upon all property subject to taxation within the Three BART Counties (except certain personal property which is taxable at limited rates). The estimated aggregate assessed value of property in the Three BART Counties for the fiscal year ending June 30, 2022 (“Fiscal Year 2021-22”) is \$889.8 billion.

U.S. Bank Trust Company, National Association will serve as trustee (the “Trustee”) for the 2022D Bonds pursuant to a Trust Agreement (Measure RR), dated as of June 1, 2017 between the District and the Trustee, as supplemented, including by a Third Supplemental Trust Agreement (Measure RR), dated as of May 1, 2022 between the District and the Trustee (as supplemented, the “Measure RR Trust Agreement”). All capitalized terms used and not otherwise defined herein relating to the 2022D Bonds shall have the meanings assigned to such terms in the Measure RR Trust Agreement.

The Trustee will serve as trustee for the 2022H Bonds pursuant to a Trust Agreement (Measure AA), dated as of June 1, 2017 between the District and the Trustee, as supplemented, including by a Second Supplemental Trust Agreement (Measure AA), dated as of May 1, 2022 between the District and the Trustee (as supplemented, the “Measure AA Trust Agreement” and, together with the Measure RR Trust Agreement, the “Trust Agreements”). All capitalized terms used and not otherwise defined herein relating to the 2022H Bonds shall have the meanings assigned to such terms in the Measure AA Trust Agreement.

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to the entire contents of this Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein, a full review of which should be made by potential investors. All descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. Copies of the Measure AA Trust Agreement and the Measure RR Trust Agreement are available upon request to the Interim Controller/Treasurer of the District. The offering of the 2022 Bonds is made only by means of this entire Official Statement and is subject in all respects to the information contained herein.

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PLAN OF FINANCE

Measure RR

The 2022D Bonds are part of a \$3.5 billion authorization approved at an election held on November 8, 2016, by over two-thirds of the qualified voters of the District voting on a ballot measure (“Measure RR”) titled “BART Safety, Reliability and Traffic Relief” which asked,

“To keep BART safe; prevent accidents/breakdowns/delays; relieve overcrowding; reduce traffic congestion/pollution; and improve earthquake safety and access for seniors/disabled by replacing and upgrading 90 miles of severely worn tracks; tunnels damaged by water intrusion; 44-year-old train control systems; and other deteriorating infrastructure, shall the Bay Area Rapid Transit District issue \$3.5 billion of bonds for acquisition or improvement of real property subject to independent oversight and annual audits?”

Measure RR was placed on the ballot to fund a portion of the System Renewal Program, introduced by BART in 2016 to address critical infrastructure needs (the “System Renewal Program”). See Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – BART FINANCINGS AND CAPITAL PROGRAMS – System Renewal Program and System Reinvestment Program.” The table below lists the Bonds the District has previously issued under Measure RR. Upon issuance of the 2022D Bonds, the District will have \$[1,440,000,000]* in remaining voter-approved authorization for future issuances under Measure RR.

Measure RR Bonds

Issue	Date of Issuance	Original Principal Amount	Amount Outstanding
2017 Series A-1 (Green Bonds)	June 1, 2017	\$271,600,000	\$252,155,000
2017 Series A-2 (Federally Taxable) (Green Bonds)	June 1, 2017	28,400,000	-
2019 Series B-1 (Green Bonds)	August 14, 2019	313,205,000	302,500,000
2019 Series B-2 (Federally Taxable) (Green Bonds)	August 14, 2019	46,795,000	-
2020 Series C-1 (Green Bonds)	August 27, 2020	625,005,000	625,005,000
2020 Series C-2 (Federally Taxable) (Green Bonds)	August 27, 2020	74,995,000	-
Total		\$1,360,000,000	\$1,179,660,000

The 2022D Bonds are being issued pursuant to the Measure RR authorization to finance projects approved by Measure RR. In light of reduced ridership on the BART System due to the COVID-19 pandemic, the District is accelerating its Measure RR projects, and is issuing the 2022D Bonds to provide funding for such projects. See Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – THE BART SYSTEM – Ridership.”

Premium received by the District is required to be applied to debt service. In order to more efficiently utilize the [net] original issue premium on the District’s 2022D-1 Bonds, the District is issuing the 2022D-2 Bonds.

* Preliminary, subject to change.

Measure AA

The 2022H Bonds are being issued to refund \$[_____] * principal amount of the San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2013 Series C (the “2013C Bonds” and, the portion thereof being refunded, the “Prior 2013C Bonds”) and \$[_____] * principal amount of the San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2015 Refunding Series D (the “2015D Bonds” and, the portion thereof being refunded, the “Prior 2015D Bonds”). The Prior 2013C Bonds and the Prior 2015D Bonds are herein referred to collectively as the “Prior Bonds.” The Prior Bonds are part of a \$980 million authorization approved at an election held on November 2, 2004, by at least two-thirds of the qualified voters of the District voting on a ballot measure (“Measure AA”), titled “BART Earthquake Safety Bond” which asked,

“To protect public safety and keep Bay Area traffic moving in the aftermath of an earthquake or other disaster, shall BART, the San Francisco Bay Area Rapid Transit District, be authorized to issue bonds not to exceed \$980 million dollars to make earthquake safety improvements to BART facilities in Contra Costa, San Francisco and Alameda Counties, including strengthening tunnels, bridges, overhead tracks and underwater Transbay Tube, and establish an independent citizens’ oversight committee to verify bond revenues are spent as promised?”

Measure AA was placed on the ballot to fund a portion of the Earthquake Safety Program, adopted by BART in 2004 (the “Earthquake Safety Program”). See Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – BART FINANCINGS AND CAPITAL PROGRAMS – Earthquake Safety Program.” The tables below list the Bonds the District has previously issued under Measure AA (collectively, the “Measure AA Bonds”).

New Money Measure AA Bonds

Issue	Date of Issuance	Original Principal Amount	Amount Outstanding
2005 Series A	May 26, 2005	\$100,000,000	-
2007 Series B	August 2, 2007	400,000,000	-
2013 Series C	November 21, 2013	240,000,000	\$73,490,000
2019 Series F-1 (Green Bonds)	August 14, 2019	205,100,000	205,100,000
2019 Series F-2 (Federally Taxable) (Green Bonds)	August 14, 2019	34,900,000	-
Total		\$980,000,000	\$278,590,000

Refunding Measure AA Bonds

Issue	Refunded Bonds	Date of Issuance	Original Principal Amount	Amount Outstanding
2015 Refunding Series D	2005 Series A (all) and 2007 Series B (portion)	September 24, 2015	\$276,805,000	\$264,155,000
2017 Refunding Series E (Green Bonds)	2007 Series B (portion)	June 1, 2017	84,735,000	68,935,000
2019 Refunding Series G (Federally Taxable) (Green Bonds)	2013 Series C (portion)	August 14, 2019	43,500,000	43,500,000
Total			\$405,040,000	\$376,590,000

* Preliminary, subject to change.

The moneys required to refund the Prior Bonds will be derived from the net proceeds of the 2022H Bonds and other available funds. The Prior 2013C Bonds will be redeemed on August 1, 2023 and the Prior 2015D Bonds will be redeemed on August 1, 2025. Pursuant to the Escrow Agreement to be entered into between the District and U.S. Bank Trust Company, National Association, as escrow agent for the Prior Bonds (the “Escrow Agent”), such moneys will be deposited in the escrow fund established for the Prior Bonds (the “Escrow Fund”) and held in cash or applied to purchase direct obligations of the United States of America or obligations for which the faith and credit of the United States are pledged (the “Government Securities”) to the respective redemption dates. The Government Securities will be purchased and held by the Escrow Agent in the Escrow Fund in an amount sufficient to redeem the Prior Bonds to be refunded on their respective redemption date, at a redemption price equal to the principal amount of the Prior Bonds to be redeemed, plus interest thereon to their respective redemption date. See “VERIFICATION OF MATHEMATICAL ACCURACY.”

The 2013C Bonds to be redeemed or defeased upon issuance of the 2022H Bonds are set forth below.*

**San Francisco Bay Area Rapid Transit District
General Obligation Bonds (Election of 2004), 2013 Series C
Redemption Date: August 1, 2023
Redemption Price: 100%**

Maturity Date (August 1)	Interest Rate	Principal Amount	CUSIP [†] (797661)
	%	\$	
[[‡]] Total		\$	

The 2013C Bonds that will not be defeased upon issuance of the 2022H Bonds consist of the unrefunded 2013C Bonds set forth below.*

Unrefunded 2013C Bonds

Maturity Date (August 1)	Interest Rate	Principal Amount	CUSIP [†] (797661)
	%	\$	
[[‡]] Total		\$	

* Preliminary, subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright © 2022 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers are provided for convenience only and neither the District nor the Underwriters takes any responsibility for the accuracy thereof.

[‡] [Term Bond.]

The 2015D Bonds to be redeemed or defeased upon issuance of the 2022H Bonds are set forth below.*

**San Francisco Bay Area Rapid Transit District
General Obligation Bonds (Election of 2004), 2015 Refunding Series D
Redemption Date: August 1, 2025
Redemption Price: 100%**

Maturity Date (August 1)	Interest Rate	Principal Amount	CUSIP [†] (797661)
	%	\$	
Total		\$	

The 2015D Bonds that will not be defeased upon issuance of the 2022H Bonds consist of the unrefunded 2015D Bonds set forth below.*

Unrefunded 2015D Bonds

Maturity Date (August 1)	Interest Rate	Principal Amount	CUSIP [†] (797661)
	%	\$	
Total		\$	

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* Preliminary, subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright © 2022 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers are provided for convenience only and neither the District nor the Underwriters takes any responsibility for the accuracy thereof.

ESTIMATED SOURCES AND USES OF FUNDS*

The proceeds of the sale of the 2022 Bonds are expected to be applied as follows:

	<u>2022D Bonds</u>	<u>2022H Bonds</u>
<u>Sources of Funds</u>		
Principal Amount		
[Net] Original Issue Premium		
[Excess Debt Service Deposits]		
Total Sources		
<u>Uses of Funds</u>		
Project Fund		
Escrow Deposit for Prior Bonds		
Costs of Issuance [†]		
Interest and Sinking Fund [‡]		
Total Uses		

[†] Includes Underwriters' discount, rating agency fees, trustee fees, trustee counsel fees, escrow agent fees, verification agent fees, climate bond certification fees, printing costs, Bond and Disclosure Counsel and Municipal Advisor fees and expenses, and other miscellaneous expenses. For details regarding the Underwriters' discount, see "UNDERWRITING."

[‡] [To be applied to pay debt service on the 2022D-2 Bonds at maturity on [_____], and a portion of interest due on the 2022D-1 Bonds through [August 1, 2022].]

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* Preliminary, subject to change.

DESIGNATION AS GREEN BONDS / CLIMATE BOND CERTIFIED

The information set forth below concerning (1) the Climate Bonds Initiative (the “Climate Bonds Initiative”) and the process for obtaining Climate Bond Certification (the “Climate Bond Certification”), and (2) First Environment, Inc. (“First Environment”) in its role as a verifier with respect to the Climate Bond Certification, all as more fully described below, has been extracted from materials provided by the Climate Bonds Initiative and First Environment, respectively, for such purposes, and none of such information is guaranteed as to accuracy or completeness or is to be construed as a representation by the District or the Underwriters. Additional information relating to the Climate Bonds Initiative, the Climate Bond Standard, the Certification Process (defined herein) and the process for obtaining Climate Bond Certification can be found at www.climatebonds.net. The link in the preceding sentence is included for reference only and the information contained therein is not incorporated by reference in this Official Statement.

Designation as Green Bonds. BART is committed to advancing regional sustainability by providing safe, affordable, equitable, and environmentally-friendly transit to move people to jobs, recreation, and services. BART maintains a Sustainability Policy and a Sustainability Action Plan. These plans, among other sustainability-related information and an annual sustainability report, are available at www.bart.gov/sustainability. In addition, BART maintains a Green Bond Framework which sets forth how BART proposes to use the proceeds of its Bonds that are designated as green bonds for the financing or refinancing of eligible projects in the BART System in a manner consistent with BART’s sustainability practices. BART’s Green Bond Framework is available at <https://www.bart.gov/about/financials>. BART is issuing the 2022 Bonds as Green Bonds based on the environmentally sustainable elements of the projects being undertaken. BART’s Green Bonds designation is designed to track the “Green Bond Principles” promulgated by the International Capital Market Association (“ICMA”), updated most recently in June 2021. By reference to the ICMA’s “Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals” (June 2020), BART’s Green Bonds aim to further several of the United Nations Sustainable Development Goals. Specifically, the projects discussed herein primarily aim to address goals 8 (Decent Work and Economic Growth), 9 (Industry, Innovation and Infrastructure) and 11 (Sustainable Cities and Communities).

The terms “Climate Bond Certified” and “green bonds” are neither defined in, nor related to the Resolutions (defined below), and their use herein is for identification purposes only and is not intended to provide or imply that a holder of the 2022 Bonds is entitled to any additional security other than as provided in the Resolutions and the Trust Agreements. The District has no continuing legal obligation to maintain the Climate Bond Certification of the 2022 Bonds.

The Climate Bonds Initiative and Climate Bond Certification. Green Bonds, also known as Climate Bonds, were popularized in 2008 as a method for raising capital for climate-friendly projects across the globe. In 2021, \$517.4 billion in Climate Bonds were issued worldwide, according to the Climate Bonds Initiative, an international nongovernmental, nonprofit organization dedicated to stimulating investment in projects and assets supporting environmental sustainability. The District has requested, and the Climate Bonds Standard Board has approved, the labeling of the 2022 Bonds as “Climate Bond Certified” based on the Climate Bonds Standard Verification Statement provided by First Environment. First Environment’s factual findings assessed that eligible projects included in Measure RR and Measure AA conform to the Climate Bonds – Low Carbon Land Transport Standard.

The District applied to the Climate Bonds Initiative under the Climate Bonds Standard & Certification Scheme (the “Certification Process”) to obtain (i) a programmatic certification that the District’s projects under Measure RR and Measure AA are consistent with the Low Carbon Land Transport Standard; and (ii) a designation of the 2022 Bonds as “Climate Bond Certified.” The Certification Process is a voluntary verification initiative which allows the District to demonstrate to the investor market, the users of the District’s

transportation system, and other stakeholders that the 2022 Bonds meet international standards for climate integrity, management of proceeds and transparency. The Certification Process provides a scientific framework for determining which projects and assets are consistent with a low carbon and climate resilient economy and, therefore, eligible for inclusion in a Certified Climate Bond. The Certification Process relating to the 2022 Bonds includes pre-issuance and post-issuance requirements.

The pre-issuance requirements are designed to ensure that the District has established appropriate internal processes and controls prior to issuance of the 2022 Bonds, and that these internal processes and controls are sufficient to enable conformance with the Certification Process after the 2022 Bonds have been issued and bond proceeds are expended.

Use of Proceeds. The 2022 Bonds are being issued to (a) finance certain projects under Measure RR that assist the District in providing mass transit services primarily using an electrified railway that provides a low-carbon alternative to automobile travel, and (b) refinance a portion of the District’s substantial investment in projects under Measure AA to enhance resiliency measures and reduce the susceptibility of BART’s assets to earthquakes. See “PLAN OF FINANCE” and Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – BART FINANCINGS AND CAPITAL PROGRAMS – System Renewal Program and System Reinvestment Program” and “– Earthquake Safety Program”. BART’s broader sustainability statistics and highlights include the following estimates:

- (i) 363,611,135 passenger miles traveled in calendar year 2021;
- (ii) 78,541 average weekday exits in calendar year 2021;
- (iii) 15-mile average trip length in calendar year 2021;
- (iv) 15,448 gallons of gasoline saved from all riders for one typical weekday in calendar year 2021;
- (v) 301,493 pounds of carbon dioxide equivalent emissions avoided from automobiles otherwise used by riders for one typical weekday;
- (vi) 944,721,770 megajoules of traction energy in calendar year 2021;
- (vii) The vast majority of BART trains are 100% electric, except for trains on BART’s Antioch Extension (“eBART”), which was commissioned in May 2018 and relies on renewable diesel as a propulsion fuel;
- (viii) In calendar year 2021, 100% of electric traction power was greenhouse gas-free, sourced from hydroelectric, wind facilities and photovoltaic solar facilities;
- (ix) In 2021, BART was recognized by the U.S. Environmental Protection Agency’s Green Power Partnership, featured as number 58 in its “National Top 100” of public and private organizations demonstrating leadership in clean energy procurement;
- (x) Since 1993, BART’s Transit-Oriented Development Program has built approximately 3,251 residential units, including 901 affordable units, and 643,690 square feet of office and commercial space. The MacArthur Transit Village, which includes 877 high-density residential units, approximately 35,000 square feet of commercial space, and a 481-space BART parking garage, was completed in calendar year 2020;

- (xi) In Fiscal Year 2019-20, BART and Valley Transportation Authority opened the Milpitas and Berryessa/North San José stations for passenger service. The Berryessa/North San José station was awarded the Envision Platinum Award by The Institute for Sustainable Infrastructure’s awards program;
- (xii) In calendar year 2020, BART began participating in the Metropolitan Transportation Commission’s new means-based fare program called Clipper START. The 18-month pilot program provides discounts to riders between ages 19 and 64 with household incomes no more than twice the federal poverty rate; and
- (xiii) BART is currently undertaking the replacement of its legacy fleet of rail cars with its new Fleet of the Future rail cars, which are designed to be at least 7% more energy efficient and have features such as LED lighting, improved regenerative braking, and lightweight exteriors. As of April 1, 2022, the District has received 307 new Fleet of the Future rail cars. See Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – BART FINANCINGS AND CAPITAL PROGRAMS – Rail Vehicle Replacement Program.”

No representation is made as to the suitability of any 2022 Bonds to fulfill environmental and/or sustainability criteria required by prospective investors. Each potential purchaser of 2022 Bonds should determine for itself the relevance of the information contained or referred to herein or in the Resolutions regarding the use of proceeds and its purchase of 2022 Bonds should be based upon such investigation as it deems necessary. See INVESTMENT CONSIDERATIONS – Green Bonds Suitability.”

Project Evaluation and Selection. As described in “PLAN OF FINANCE”, BART developed its Capital Programs in response to systemwide operational and resiliency needs. Both Measure RR and Measure AA were approved by over two-thirds of the voters on the respective measures. Measure RR was placed on the ballot to fund a portion of the System Renewal Program, introduced by BART in 2016 to address critical infrastructure needs. Measure AA was placed on the ballot to fund a portion of the Earthquake Safety Program, adopted by BART in 2004.

Management of Proceeds. Proceeds of the 2022D Bonds will be deposited into the Project Fund and may be invested in any investments permitted by the District’s investment policy or in Investment Securities as such term is defined in the Measure RR Trust Agreement. See “THE 2022 BONDS – Purpose and Application of Proceeds”.

Green Bond Reporting. As required by the Certification Process, the District will provide an annual post-issuance verification of compliance to the Climate Bonds Initiative, as well as an annual statement with respect to the Measure RR and Measure AA programs certifying, to the best of its knowledge, the District’s conformance with the certification requirements of the Climate Bonds Standard. The District will also provide an annual report to bondholders of the 2022 Bonds regarding the projects financed by proceeds of the 2022 Bonds and may voluntarily, but is not obligated to, file such report on EMMA (as defined herein).

THE 2022 BONDS

Purpose and Application of Proceeds

The 2022D Bonds are being issued to finance improvements to BART facilities authorized under Measure RR and the System Renewal Program (the “Project”). See Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – BART FINANCINGS AND CAPITAL PROGRAMS – System Renewal Program and System Reinvestment Program.”

Proceeds will be applied to (i) finance the Project, (ii) pay a portion of debt service on the 2022D Bonds through [August 1, 2022], including the debt service in full on the 2022D-2 Bonds, and (iii) pay costs of issuance of the 2022D Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS.” Proceeds of the 2022D Bonds deposited into the Project Fund may be invested in any investments permitted by the District’s investment policy or in Investment Securities as such term is defined in the Measure RR Trust Agreement. See Appendix H – “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENTS” herein. Other funds held by the Trustee will be invested by the Trustee at the direction of the District in Investment Securities as such term is defined in the Measure RR Trust Agreement.

The 2022H Bonds are being issued to (i) refund the Prior Bonds and (ii) pay costs of issuance of the 2022H Bonds. Proceeds of the 2022H Bonds to refund the Prior Bonds will be deposited in the Escrow Fund. See “PLAN OF FINANCE” above.

Authority for Issuance

The 2022D Bonds are authorized pursuant to the provisions of Part 2 of Division 10 of the Public Utilities Code of the State of California, commencing with Section 28500, and are being issued pursuant to Article 4.5 of Chapter 3 of Division 2 of Title 5 of the California Government Code (the “Government Code”), commencing with Section 53506 and other applicable law, and according to the terms and in the manner set forth in the Measure RR Trust Agreement, as authorized by Resolution No. [] adopted by the Board of Directors of the District on April 28, 2022 (the “2022D Resolution”).

The 2022H Bonds are being issued pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, the refunding bond provisions of the Government Code, to refund certain of the Measure AA Bonds issued pursuant to the provisions of Part 2 of Division 10 of the Public Utilities Code of the State of California, commencing with Section 28500, Article 4.5 of Chapter 3 of Division 2 of Title 5 of the Government Code, commencing with Section 53506 and other applicable law, and according to the terms and in the manner set forth in the Measure AA Trust Agreement, as authorized by Resolution No. [] adopted by the Board of Directors of the District on April 28, 2022 (the “2022H Resolution and, together with the 2022D Resolution, the “Resolutions”).

Description of the 2022 Bonds

The 2022 Bonds will be dated their date of delivery and will mature at the times and in the principal amounts as set forth on the inside cover page of the Official Statement. Interest on the 2022D-1 Bonds and the 2022H Bonds shall be payable on February 1 and August 1 of each year, commencing August 1, 2022. Interest on the 2022D-2 Bonds will be paid on the maturity date of such bonds. Interest on the 2022 Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

Book-Entry-Only System

The 2022 Bonds will be delivered in fully registered form only and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the 2022 Bonds. Beneficial ownership interests in the 2022 Bonds may be purchased by or through a DTC Direct Participant (as such term is defined in Appendix E – “CLEARING SYSTEMS”) in book-entry-only form in denominations of \$5,000 or any integral multiple thereof. See Appendix E – “CLEARING SYSTEMS.”

DTC will act as securities depository for the 2022 Bonds. See Appendix E – “CLEARING SYSTEMS – Book Entry-Only System.” Payments of interest on, principal of and premium, if any, on the 2022 Bonds will be made by the Trustee to DTC or its nominee, Cede & Co., as registered owner of the 2022 Bonds. Each such

payment to DTC or its nominee will be valid and effective to fully discharge all liability of the District or the Trustee with respect to the principal or redemption price of or interest on the 2022 Bonds to the extent of the sum or sums so paid.

The District and the Trustee cannot and do not give any assurances that (1) DTC will distribute payments of principal of, premium if any, and interest on the 2022 Bonds, or redemption or other notices, to participants (“Participants”) of the Clearing Systems (as such term is defined in Appendix E – “CLEARING SYSTEMS”); (2) Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the 2022 Bonds), or redemption or other notices, to the Beneficial Owners (as such term is defined in Appendix E – “CLEARING SYSTEMS”), or that they will do so on a timely basis; or (3) DTC or the other Clearing Systems will serve and act in the manner described in this Official Statement. So long as the 2022 Bonds are held in the book-entry-only system of DTC, the registered owner of the 2022 Bonds will be DTC, and not the beneficial owner.

Payments, Transfers and Exchanges Upon Abandonment of Book-Entry-Only System

The book-entry system for registration of the ownership of the 2022 Bonds in book-entry-only form may be discontinued at any time if: (1) DTC resigns as securities depository for the 2022 Bonds; or (2) the District determines that a continuation of the system of book-entry transfers through DTC (or through a successor securities depository) is not in the best interests of the District. In each of such events (unless the District appoints a successor securities depository), the 2022 Bonds shall be delivered in such denominations and registered in the names of such persons as are requested in a certificate of the District, but without any liability on the part of the District or the Trustee for the accuracy of such designation. Whenever DTC requests the District and the Trustee to do so, the District and the Trustee shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of or to print bonds evidencing the 2022 Bonds. Thereafter, all 2022 Bonds are transferable or exchangeable as described in the Trust Agreements.

In the event that the book-entry-only system is no longer used with respect to the 2022 Bonds, payment of interest on the 2022D-1 Bonds and the 2022H Bonds will be made on each interest payment date to the person whose name appears on the bond registration books of the Trustee as the registered owner of the 2022D-1 Bonds and the 2022H Bonds, respectively, as of the close of business on the fifteenth day of the month prior to such interest payment date, whether or not such day is a Business Day (the “Record Date”). Payment of the interest on any 2022D-1 Bond or 2022H Bond will be made by check or draft mailed by first class mail to the registered owner of such 2022D-1 Bond or 2022H Bond at such owner’s address as it appears on the bond registration books of the Trustee or at such address as such owner may have filed with the Trustee for that purpose; or, upon the written request of the registered owner of 2022D-1 Bonds or 2022H Bonds aggregating not less than \$1,000,000 in principal amount, given no later than the Record Date preceding the applicable interest payment date, by wire transfer in immediately available funds to an account maintained in the United States at such wire address as such owner shall specify in its written notice. Principal of, and premium, if any, on the 2022 Bonds, and interest on the 2022D-2 Bonds, will be payable on the maturity date thereof or the date such 2022D-1 Bond or 2022H Bond is called for redemption, in lawful money of the United States of America to the registered owner thereof, upon surrender thereof at the principal corporate trust office of the Trustee or at such other location as the Trustee may designate. The 2022 Bonds will be in the form of fully registered 2022 Bonds and will be issued in denominations of \$5,000 or any integral multiple thereof.

Redemption Provisions*

Optional Redemption. The 2022D-2 Bonds are not subject to redemption prior to their stated maturity date. The 2022D-1 Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturity dates. The 2022D-1 Bonds maturing on and after August 1, 20__ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part, on any date on or after August 1, 20__ at the principal amount of the 2022D-1 Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium. If less than all of the 2022D-1 Bonds are called for redemption, the 2022D-1 Bonds shall be redeemed in such maturities as is directed by the District, and if less than all of the 2022D-1 Bonds of any given maturity are called for redemption, the portions of 2022D-1 Bonds of a given maturity to be redeemed shall be determined by lot.

The 2022H Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturity dates. The 2022H Bonds maturing on and after August 1, 20__ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part, on any date on or after August 1, 20__ at the principal amount of such 2022H Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium. If less than all of the 2022H Bonds are called for redemption, the 2022H Bonds shall be redeemed in such maturities as is directed by the District.

Make-Whole Redemption. The 2022H Bonds may be redeemed in whole or in part at the election of the District on any date before August 1, 20__, from any moneys that may be provided for such purpose, at a redemption price for such 2022H Bonds to be redeemed determined by a Reference Treasury Dealer appointed by the District (the “Designated Investment Banker”) equal to the greater of (i) 100% of the principal amount of such 2022H Bonds to be redeemed, or (ii) an amount equal to the sum of the present values of the remaining scheduled payments of principal and interest on each of such 2022H Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2022H Bonds are to be redeemed, discounted to the date on which such 2022H Bonds are to be redeemed on a semi-annual compounding basis, assuming a 360-day year consisting of twelve 30-day months, at the applicable Treasury Rate plus five (5) basis points for 2022H Bonds maturing through 2025, plus ten (10) basis points for 2022H Bonds maturing in 2026, 2027, and 2028, and plus fifteen (15) basis points for 2022H Bonds maturing in or after 2029, plus in each case accrued and unpaid interest on the 2022H Bonds to be redeemed on the redemption date.

“Comparable Treasury Issue” means, with respect to any redemption date for a particular 2022H Bond, the U.S. Treasury security or securities selected by the Designated Investment Banker that has or have an actual maturity closest to (one equal to or one earlier and one later than) the remaining average life of the 2022H Bonds to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of such 2022H Bonds to be redeemed.

“Comparable Treasury Price” means, with respect to any redemption date for a particular 2022H Bond, the average of five Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or if the Designated Investment Banker obtains fewer than five Reference Treasury Dealer Quotations, the average of all such quotations.

“Designated Investment Banker” means a Reference Treasury Dealer appointed by the District.

* Preliminary, subject to change.

“Reference Treasury Dealer” means each of five firms, specified by the District from time to time, that are primary U.S. Treasury securities dealers in the City of New York (each, a “Primary Treasury Dealer”); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the District will substitute another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date for a particular 2022H Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue or Comparable Treasury Issues, as applicable (expressed in each case as a percentage of its principal amount), quoted in writing to the District and the Trustee by such Reference Treasury Dealer at 3:30 p.m. (New York City time) on the Valuation Date.

“Treasury Rate” means, with respect to any redemption date for particular 2022H Bonds, the rate per annum, expressed as a percentage of the principal amount, equal to the actual or interpolated rate based on (a) the most recent yield data for the Comparable Treasury Issue, as applicable, from the Federal Reserve Statistical Release H.15 Daily Update (or any comparable or successor publication) reported, as of 11:00 a.m. New York City time, on the Valuation Date; or (b) if the yield described in (a) above is not reported as of such date and time or the yield reported as of such date and time is not ascertainable, the semi-annual equivalent yield to maturity of the Comparable Treasury Issue or Comparable Treasury Issues on the valuation date, assuming that such Comparable Treasury Issue or Comparable Treasury Issues are purchased on the redemption date for a price equal to the applicable Comparable Treasury Price, as calculated by the Designated Investment Banker.

“U.S. Treasury” means any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged.

“Valuation Date” means a date, as determined by the District, after consultation with the Designated Investment Banker, that is no earlier than 45 days prior to the redemption date.

Mandatory Redemption. The 2022D-1 Term Bond maturing on August 1, 20__, is also subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

**Mandatory
Sinking Fund
Payment Date
(August 1)**

**Mandatory
Sinking Fund
Payment Amount**

†

† Final Maturity

The 2022D-1 Term Bond maturing on August 1, 20__, is also subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

**Mandatory
Sinking Fund
Payment Date
(August 1)**

**Mandatory
Sinking Fund
Payment Amount**

†

† Final Maturity

The principal amount of each mandatory sinking fund payment of any maturity shall be reduced as specified by the District, in \$5,000 increments, by the amount of any 2022D-1 Bonds of that maturity optionally redeemed prior to the mandatory sinking fund payment date.

The 2022H Term Bond maturing on August 1, 20__, is also subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

**Mandatory
Sinking Fund
Payment Date
(August 1)**

**Mandatory
Sinking Fund
Payment Amount**

†

† Final Maturity

The principal amount of each mandatory sinking fund payment of any maturity shall be reduced as specified by the District, in \$5,000 increments, by the amount of any 2022H Bonds of that maturity optionally redeemed prior to the mandatory sinking fund payment date.

Selection of Redemption. If less than all of the 2022D-1 Bonds are called for redemption, such 2022D-1 Bonds shall be redeemed in such maturities as is directed by the District. Whenever less than all of the 2022D-1 Bonds of any one maturity are designated for redemption, the Trustee shall select the 2022D-1 Bonds to be redeemed by lot in any manner deemed fair by the Trustee. For purposes of such selection, each 2022D-1 Bond shall be deemed to consist of individual 2022D-1 Bonds of \$5,000 denominations each, which may be separately redeemed.

If less than all of the 2022H Bonds of a single maturity are called for optional redemption, the Trustee shall select the 2022H Bonds or any given portion thereof to be redeemed from the 2022H Bonds Outstanding or such given portion thereof not previously called for redemption, among the owners on a *pro rata* pass through distribution of principal basis (subject to \$5,000 denominations). If the 2022H Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of the 2022H Bonds, if less than all of the 2022H Bonds of a maturity are called for prior redemption, the particular 2022H Bonds or portions thereof to be redeemed shall be selected on a *pro rata* pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the 2022H Bonds are held in book-entry form, the selection for redemption of such 2022H Bonds shall be made in accordance with the operational arrangements of DTC then in effect. It is the District's intent that redemption allocations made by DTC be made on a *pro rata* pass-through distribution of principal basis as described above. However, the District can provide no assurance that DTC, DTC's direct and indirect participants or any other intermediary will allocate the redemption of 2022H Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the 2022H Bonds on a *pro rata* pass-through distribution of principal basis as discussed above, then the 2022H Bonds will be selected for redemption randomly, in accordance with DTC procedures, by lot. The District can provide no assurance how DTC and other parties allocate redemption payments.

Notice and Effect of Redemption. Notice of any redemption of any 2022 Bonds shall be given by the Trustee upon written request of the District by first class mail to the registered owners of any 2022 Bonds designated for redemption at least twenty (20) but not more than sixty (60) days prior to the redemption date. Each notice of redemption shall contain all of the following information: (i) the date of such notice; (ii) the name of the 2022 Bonds and the date of issue of the 2022 Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity of the 2022 Bonds to be redeemed; (vi) (if less than all of the 2022 Bonds of any maturity are to be redeemed) the distinctive numbers of the 2022 Bonds of each maturity to be redeemed; (vii) (in the case of 2022 Bonds redeemed in part only) the respective portions of the principal amount of the 2022 Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of 2022 Bonds to be redeemed; (ix) a statement that such 2022 Bonds must be surrendered by the Owners (as such term is defined in Appendix H – “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENTS”) at the principal corporate trust office of the Trustee, or at such other place or places designated by the Trustee; and (x) notice that further interest on such 2022 Bonds will not accrue from and after the designated redemption date. A certificate of the Trustee or the District that notice of redemption has been given to Owners and to the appropriate securities depositories and as may be further required in the Continuing Disclosure Agreement shall be conclusive as against all parties. The actual receipt by the Owner of any Bond or by any securities depository or any other party of notice of redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, shall not affect the validity of the proceedings for the redemption of such 2022 Bonds or the cessation of interest on the date fixed for redemption. When notice of redemption has been given substantially as provided for in the applicable Trust Agreement, and when the redemption price of the 2022 Bonds called for redemption is set aside as provided in the applicable Trust Agreement, the 2022 Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such 2022 Bonds at the place specified in the notice of redemption, such 2022 Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such 2022 Bonds so called for redemption after such redemption date shall look for the payment of such 2022 Bonds and the redemption premium thereon, if any, only to the interest and sinking fund of the District (the “Interest and Sinking Fund”) or the escrow fund established for such purpose. All 2022 Bonds redeemed shall be cancelled forthwith by the Trustee and shall not be reissued.

Conditional Notice. Any notice of optional redemption delivered with respect to the 2022 Bonds may be conditioned on any fact or circumstance stated therein, and if such condition stated in the notice of redemption will not have been satisfied on or prior to the redemption date, said notice will be of no force and effect, the redemption will be cancelled, and the District will not be required to redeem the 2022 Bonds that were the subject of the notice. The Trustee will within a reasonable time thereafter give notice of such cancellation to the persons and in the manner in which notice of redemption was originally given, that such condition or conditions were not met and that the redemption was cancelled. The actual receipt by the Owner of any 2022 Bond of notice of such cancellation will not be a condition precedent to cancellation, and failure to receive such notice or any defect in such notice will not affect the validity of the cancellation.

Right to Rescind Notice of Redemption. The District may rescind any optional redemption and notice thereof for any reason on any date on or prior to the date fixed for optional redemption by causing written notice of the rescission to be given to the registered owners of the 2022 Bonds so called for redemption. In addition, any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the Interest and Sinking Fund established pursuant to the applicable Trust Agreement or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the 2022 Bonds called for redemption. Any notice of rescission shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the registered owner of any 2022 Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

Defeasance

If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the registered owners of all outstanding 2022 Bonds all of the principal, interest and premium, if any, represented by 2022 Bonds at the times and in the manner provided in the applicable Trust Agreement and in the 2022 Bonds, or as provided pursuant to the provisions of the applicable Trust Agreement described in the following paragraph, or as otherwise provided by law consistent with the applicable Trust Agreement, then such registered owners shall cease to be entitled to the obligation of the District to levy taxes for payment of the 2022 Bonds as described in the applicable Trust Agreement, and such obligation and all agreements and covenants of the District to such registered owners under the applicable Trust Agreement and under the 2022 Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal of and premium, if any, and interest on the 2022 Bonds, but only out of monies or securities on deposit in the Interest and Sinking Fund or otherwise held in trust for such payment.

Pursuant to each Trust Agreement, the District may pay and discharge any or all of the 2022 Bonds by depositing in trust with the Trustee (or an escrow agent) at or before maturity, lawful money of the United States of America or non-callable Investment Securities described in clauses (i), (ii) or (vi) of the definition thereof, in an amount which, together with the interest to accrue thereon, will be fully sufficient to pay and discharge the indebtedness on such 2022 Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates. See Appendix H – “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENTS” herein.

DEBT SERVICE SCHEDULES

The following table sets forth annual debt service on the 2022D Bonds together with the annual debt service of the prior series of bonds issued pursuant to Measure RR:

Year Ending August 1	Outstanding Measure RR Bonds Debt Service	2022D Bonds ⁽¹⁾		Total 2022D Bonds Debt Service	Aggregate Measure RR Bonds Debt Service
		Principal	Interest		
2022	\$54,626,500.00			(2)	(2)
2023	54,626,350.00				
2024	64,185,250.00				
2025	64,184,500.00				
2026	64,180,500.00				
2027	64,185,750.00				
2028	64,182,000.00				
2029	64,186,750.00				
2030	64,181,500.00				
2031	64,181,500.00				
2032	64,186,650.00				
2033	64,185,700.00				
2034	64,186,500.00				
2035	64,185,250.00				
2036	64,185,650.00				
2037	64,181,300.00				
2038	64,181,300.00				
2039	72,043,400.00				
2040	72,044,900.00				
2041	72,042,050.00				
2042	72,043,800.00				
2043	72,043,600.00				
2044	72,045,000.00				
2045	72,046,100.00				
2046	72,042,600.00				
2047	72,044,050.00				
2048	72,043,550.00				
2049	72,045,650.00				
2050	72,043,350.00				
Total⁽¹⁾	\$1,936,541,000.00				

⁽¹⁾ Totals may reflect rounding.

⁽²⁾ Includes debt service to be paid from a portion of proceeds of the 2022D Bonds through [August 1, 2022].

The following table sets forth annual debt service on the 2022H Bonds together with the annual debt service of the prior series of bonds issued pursuant to Measure AA, as well as the annual debt service of the District's bonds issued pursuant to Measure RR and the combined annual debt service of the District's bonds issued pursuant to Measure AA and Measure RR:

Year Ending August 1	Outstanding Measure AA Bonds Debt Service ⁽²⁾	2022H Bonds ⁽¹⁾		Total 2022H Bonds Debt Service	Aggregate Measure AA Bonds Debt Service	Aggregate Measure RR Bonds Debt Service	Aggregate GO Bonds Debt Service
		Principal	Interest				
2022	\$54,655,593.66			(3)	(3)	(4)	(3)(4)
2023	54,655,343.66						
2024	54,656,843.66						
2025	54,655,293.66						
2026	54,657,643.66						
2027	54,655,593.66						
2028	54,656,093.66						
2029	54,654,343.66						
2030	54,656,101.86						
2031	54,658,065.76						
2032	54,653,762.76						
2033	54,652,833.86						
2034	54,655,660.26						
2035	54,656,544.76						
2036	54,653,452.50						
2037	54,656,946.50						
2038	54,656,950.00						
2039	-						
2040	-						
2041	-						
2042	-						
2043	-						
2044	-						
2045	-						
2046	-						
2047	-						
2048	-						
2049	-						
2050	-						
Total⁽¹⁾	\$929,147,067.54						

⁽¹⁾ Totals may reflect rounding.

⁽²⁾ Includes debt service of bonds to be redeemed or defeased upon issuance of the 2022H Bonds.

⁽³⁾ Includes debt service to be paid from a portion of proceeds of the 2022H Bonds through [August 1, 2022].

⁽⁴⁾ Includes debt service to be paid from a portion of proceeds of the 2022D Bonds through [August 1, 2022].

SECURITY AND SOURCE OF PAYMENT FOR THE 2022 BONDS

General

In order to provide sufficient funds for repayment of principal and interest when due on the 2022 Bonds, the District is empowered and is obligated to annually levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to all other taxes levied upon property within the District. Such taxes, when collected and received by the respective BART county collecting such taxes on behalf of the District, will be deposited in the applicable Interest and Sinking Fund for the bonds authorized by Measure RR, including the 2022D Bonds, and for the bonds authorized by Measure AA, including the 2022H Bonds.

The District, in the Measure RR Trust Agreement and the Measure AA Trust Agreement, pledges all revenues from the property taxes collected from the levy for the payment of the 2022D Bonds and 2022H Bonds, respectively, and amounts on deposit in the respective Interest and Sinking Fund to the payment of the principal or redemption price of, and interest on, such Bonds. Each Trust Agreement provides that the pledge will be valid and binding from the date of such Trust Agreement for the benefit of the owners of the related Bonds and successors thereto. The property taxes and amounts held in such Interest and Sinking Fund will be immediately subject to this pledge, and the pledge will constitute a lien and security interest which will immediately attach to the property taxes and amounts held in such Interest and Sinking Fund to secure the payment of the related Bonds and will be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. “Bonds” for purpose of the pledge contained in each Trust Agreement means all bonds of the District heretofore or hereafter issued pursuant to the applicable voter-approved Measure RR or Measure AA of the District, including the 2022D Bonds and the 2022H Bonds, respectively.

California Government Code Section 53515 (enacted by California Senate Bill 222 (2015), effective January 1, 2016), provides that general obligation bonds are secured by a statutory lien on the *ad valorem* taxes levied and collected to pay principal and interest thereon. For more information, see “INVESTMENT CONSIDERATIONS – Limitation on Remedies” herein.

Property Taxation System

Local property taxation is the responsibility of the District and various officers of each of the Three BART Counties. In each county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding Bonds in each year, the District computes the rate of tax necessary to pay such debt service and transmits that information to each county auditor-controller. Each county auditor-controller prepares the tax rolls, and presents those rolls (including rates of tax for all taxing jurisdictions in the county) to the county board of supervisors for approval. Each county treasurer-tax collector prepares and mails bills to taxpayers and collects the taxes. The treasurer-tax collectors of Alameda County, Contra Costa County and the City and County of San Francisco transmit the tax revenues collected to pay the District’s outstanding general obligation bonds directly to the Trustee. The State Board of Equalization also assesses certain special classes of property, as described later in this section.

Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the Three BART Counties. The District levies taxes through the combination of its own actions and the actions of county officers as described above for payment of voter-approved bonds. The District receives an additional allocation of property taxes for general operating purposes which constitute a part of each county’s general 1% levy. These taxes are deposited in the District’s

general fund, are used by the District for operations, and are not pledged to or available as security for the Bonds.

Assessed Valuation of Property Within the Three BART Counties

As required by the law of the State, the District utilizes the services of each of the Three BART Counties for the assessment and collection of *ad valorem* taxes on property, as discussed above. Such District taxes are collected at the same time and on the same tax rolls as are county, school district, and other special district taxes. The Three BART Counties have each adopted, subject to certain limitations, an Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (each, a “Teeter Plan”), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code, as described under “—Tax Rates, Collections and Delinquencies” and “—Teeter Plans” below.

Under Proposition 13, an amendment adopted in 1978 which added Article XIII A to the California Constitution (“Article XIII A”), the county assessor’s valuation of real property is established as shown on the Fiscal Year 1975-76 tax bill, or, thereafter, as the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. Assessed value of property not otherwise adjusted may be increased annually to reflect inflation at a rate not to exceed 2% per year, or reduced to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or in the event of declining property value caused by substantial damage, destruction, market forces or other factors. As a result of these rules, real property that has been owned by the same taxpayer for many years can have an assessed value that is much lower than that of similar properties more recently sold, and that may be lower than its own market value. Likewise, changes in ownership of property and reassessment of such property to market value commonly will lead to increases in aggregate assessed value even when the rate of inflation or consumer price index would not permit the full 2% increase on any property that has not changed ownership, such as in Fiscal Year 2021-22.

Proposition 13 has had the effect of stabilizing assessed valuation such that it does not fluctuate as significantly as the market value of property, but instead gradually changes as longer owned residential properties are transferred and reassessed upon such transfer. Residences newly constructed or acquired prior to a downturn in the housing market may substantially decrease in assessed value. Other factors which may affect the value of property and cause it to decline are substantial damage, destruction, or inflation. See “CONSTITUTIONAL LIMITATIONS” and “INVESTMENT CONSIDERATIONS” below.

State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions. State law also exempts from taxation \$7,000 of the full cash value of an owner-occupied dwelling provided that the owner files for such exemption.

The greater the assessed value of taxable property in the Three BART Counties, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the District’s Bonds.

The following table shows a recent history of the assessed valuation of property in the Three BART Counties (“Fiscal Year” refers to fiscal years of July 1 through the following June 30 of the years indicated). Since *ad valorem* assessed value is determined as of January 1, the Fiscal Year 2021-22 assessed valuation data presented below is the first data reflecting any impact of the COVID-19 pandemic.

San Francisco Bay Area Rapid Transit District
Assessed Valuation
(Fiscal Years Ending June 30)

<u>Fiscal Year</u>	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>	<u>% Change</u>
<u>City and County of San Francisco Portion</u>					
2007-08	\$120,790,890,780	\$145,235,265	\$7,721,465,207	\$128,657,591,252	8.50%
2008-09	130,824,730,768	79,163,963	9,061,373,546	139,965,268,277	8.79
2009-10	139,453,860,923	50,879,439	10,405,985,652	149,910,726,014	7.11
2010-11	146,680,168,492	43,565,042	9,446,789,960	156,170,523,494	4.18
2011-12	147,612,367,616	41,527,475	9,249,419,572	156,903,314,663	0.47
2012-13	153,348,031,902	46,515,990	9,764,668,943	163,159,216,835	3.99
2013-14	160,650,767,471	35,943,747	9,867,122,786	170,553,834,004	4.53
2014-15	169,001,854,462	32,843,747	10,734,859,006	179,769,557,215	5.40
2015-16	180,311,079,707	250,473,678	11,784,296,408	192,345,849,793	7.00
2016-17	195,319,718,011	242,464,205	13,750,364,838	209,312,547,054	8.82
2017-18	217,167,706,689	456,895,690	14,017,474,513	231,642,076,892	10.67
2018-19	241,800,535,728	453,925,863	14,410,415,905	256,664,877,496	10.80
2019-20	261,018,657,481	437,144,893	17,009,940,509	278,465,742,883	8.49
2020-21	280,818,331,421	433,728,865	17,524,316,683	298,776,376,969	7.29
2021-22	291,894,672,529	440,718,111	16,771,714,976	309,107,105,616	3.46
<u>Alameda County Portion</u>					
2007-08	\$181,740,424,095	\$98,093,459	\$10,462,574,321	\$192,301,091,875	7.96%
2008-09	190,471,878,466	94,381,821	10,984,359,699	201,550,619,986	4.81
2009-10	184,783,512,536	98,948,510	11,426,546,149	196,309,007,195	-2.60
2010-11	181,685,580,407	97,581,171	11,448,265,391	193,231,426,969	-1.57
2011-12	181,858,450,818	71,523,308	11,273,954,399	193,203,928,525	-0.01
2012-13	185,782,114,251	261,640,769	11,629,397,550	197,673,152,570	2.31
2013-14	195,515,528,517	969,629,855	11,531,178,412	208,016,336,784	5.23
2014-15	208,003,389,831	770,033,506	11,695,232,865	220,468,656,202	5.99
2015-16	224,219,586,188	758,810,176	12,564,441,697	237,542,838,061	7.74
2016-17	240,518,829,251	726,989,170	12,841,386,839	254,087,205,260	6.96
2017-18	257,329,548,075	597,814,349	13,101,928,319	271,029,290,743	6.67
2018-19	275,571,099,438	560,652,352	13,666,895,652	289,798,647,442	6.93
2019-20	294,758,415,232	543,751,013	15,049,638,027	310,351,804,272	7.09
2020-21	314,647,881,380	525,605,390	16,286,416,056	331,459,902,826	6.80
2021-22	329,589,202,788	556,267,619	16,472,724,533	346,618,194,940	4.57
<u>Contra Costa County Portion</u>					
2007-08	\$152,007,562,168	\$558,065,472	\$4,608,828,033	\$157,174,455,673	8.80%
2008-09	151,955,031,630	576,695,232	4,997,996,781	157,529,723,643	0.23
2009-10	140,354,485,948	557,056,345	5,288,096,603	146,199,638,896	-7.19
2010-11	135,669,128,300	560,296,728	5,037,631,621	141,267,056,649	-3.37
2011-12	134,765,284,339	539,960,865	5,240,695,911	140,545,941,115	-0.51
2012-13	135,755,672,418	590,750,775	5,454,953,657	141,801,376,850	0.89
2013-14	140,680,879,833	986,316,033	5,404,238,387	147,071,434,253	3.72
2014-15	153,890,877,314	1,093,614,055	5,485,371,422	160,469,862,791	9.11
2015-16	166,143,700,424	989,438,611	5,238,343,881	172,371,482,916	7.42
2016-17	176,545,464,148	969,779,069	5,145,073,152	182,660,316,369	5.97
2017-18	186,998,751,975	732,963,837	5,198,546,983	192,930,262,795	5.62
2018-19	198,900,921,175	660,996,279	5,490,387,706	205,052,305,160	6.28
2019-20	209,515,810,794	622,389,632	5,712,374,229	215,850,574,655	5.27
2020-21	219,762,711,807	566,730,999	5,955,036,112	226,284,478,918	4.83
2021-22	227,244,068,352	559,297,728	6,252,916,047	234,056,282,127	3.43
<u>Total</u>					
2007-08	\$454,538,877,043	\$801,394,196	\$22,792,867,561	\$478,133,138,800	8.38%
2008-09	473,251,640,864	750,241,016	25,043,730,026	499,045,611,906	4.37
2009-10	464,591,859,407	706,884,294	27,120,628,404	492,419,372,105	-1.33
2010-11	464,034,877,199	701,442,941	25,932,686,972	490,669,007,112	-0.36
2011-12	464,236,102,773	653,011,648	25,764,069,882	490,653,184,303	0.00
2012-13	474,885,818,571	898,907,534	26,849,020,150	502,633,746,255	2.44
2013-14	496,847,175,821	1,991,889,635	26,802,539,585	525,641,605,041	4.58
2014-15	530,896,121,607	1,896,491,308	27,915,463,293	560,708,076,208	6.67
2015-16	570,674,366,319	1,998,722,465	29,587,081,986	602,260,170,770	7.41
2016-17	612,384,011,410	1,939,232,444	31,736,824,829	646,060,068,683	7.27
2017-18	661,496,006,739	1,787,673,876	32,317,949,815	695,601,630,430	7.67
2018-19	716,272,556,341	1,675,574,494	33,567,699,263	751,515,830,098	8.04
2019-20	765,292,883,507	1,603,285,538	37,771,952,765	804,668,121,810	7.07
2020-21	815,228,924,608	1,526,065,254	39,765,768,851	856,520,758,713	6.44
2021-22	848,727,943,669	1,556,283,458	39,497,355,556	889,781,582,683	3.88

Source: California Municipal Statistics, Inc.

Based upon information provided by California Municipal Statistics, Inc., the assessed value of taxable property within the Three BART Counties is approximately \$889.8 billion in Fiscal Year 2021-22. Assessed value increased in Fiscal Year 2021-22 from Fiscal Year 2020-21 by approximately \$33.3 billion, or 3.88%. Assessed values could decline or rise due to factors beyond the District's control, including taxpayer appeal, general economic conditions, or earthquakes, tsunamis, wildfires, or other natural or manmade disasters. The assessed value has grown by approximately 86.1% over the last fifteen years, with a fifteen-year compound annual growth rate of approximately 4.83%. See "CONSTITUTIONAL LIMITATIONS" and "INVESTMENT CONSIDERATIONS," below, and Appendix D – "THE ECONOMY OF THE THREE BART COUNTIES."

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The following table gives the distribution of taxable property in the Three BART Counties by location.

**San Francisco Bay Area Rapid Transit District
2021-22 Assessed Valuation by Jurisdiction**

<u>Jurisdiction:</u>	<u>Assessed Valuation in District</u>	<u>% of District</u>	<u>Assessed Valuation of Jurisdiction</u>	<u>% of Jurisdiction in District</u>
City of Alameda	\$16,159,217,360	1.82%	\$16,159,217,360	100%
City of Albany	3,211,160,812	0.36	\$3,211,160,812	100%
City of Antioch	12,630,598,773	1.42	\$12,630,598,773	100%
City of Berkeley	23,356,392,552	2.62	\$23,356,392,552	100%
City of Brentwood	11,780,652,084	1.32	\$11,780,652,084	100%
City of Clayton	2,534,342,670	0.28	\$2,534,342,670	100%
City of Concord	19,511,536,431	2.19	\$19,511,536,431	100%
Town of Danville	15,084,893,191	1.70	\$15,084,893,191	100%
City of Dublin	19,982,039,274	2.25	\$19,982,039,274	100%
City of El Cerrito	5,127,378,194	0.58	\$5,127,378,194	100%
City of Emeryville	6,678,459,058	0.75	\$6,678,459,058	100%
City of Fremont	60,839,717,646	6.84	\$60,839,717,646	100%
City of Hayward	26,135,678,970	2.94	\$26,135,678,970	100%
City of Hercules	4,310,186,035	0.48	\$4,310,186,035	100%
City of Lafayette	9,747,859,703	1.10	\$9,747,859,703	100%
City of Livermore	22,172,608,303	2.49	\$22,172,608,303	100%
City of Martinez	6,847,997,720	0.77	\$6,847,997,720	100%
Town of Moraga	4,909,797,685	0.55	\$4,909,797,685	100%
City of Newark	11,864,436,268	1.33	\$11,864,436,268	100%
City of Oakland	74,099,351,478	8.33	\$74,099,351,478	100%
City of Oakley	5,435,979,062	0.61	\$5,435,979,062	100%
City of Orinda	8,165,502,472	0.92	\$8,165,502,472	100%
City of Piedmont	5,188,998,740	0.58	\$5,188,998,740	100%
City of Pinole	2,869,093,197	0.32	\$2,869,093,197	100%
City of Pittsburg	8,453,333,169	0.95	\$8,453,333,169	100%
City of Pleasant Hill	7,307,680,754	0.82	\$7,307,680,754	100%
City of Pleasanton	27,198,047,478	3.06	\$27,198,047,478	100%
City of Richmond	16,488,274,761	1.85	\$16,488,274,761	100%
City of San Francisco	309,107,105,616	34.74	\$309,107,105,616	100%
City of San Leandro	15,407,010,447	1.73	\$15,407,010,447	100%
City of San Pablo	2,198,392,340	0.25	\$2,198,392,340	100%
City of San Ramon	24,951,070,604	2.80	\$24,951,070,604	100%
City of Union City	11,793,463,954	1.33	\$11,793,463,954	100%
City of Walnut Creek	21,679,192,799	2.44	\$21,679,192,799	100%
Unincorporated Alameda County	22,531,612,600	2.53	\$22,531,612,600	100%
Unincorporated Contra Costa County	<u>44,022,520,483</u>	<u>4.95</u>	<u>\$44,022,520,483</u>	100%
Total District	\$889,781,582,683	100.00%		
<u>Summary by County:</u>				
Alameda County	\$346,618,194,940	38.96%	346,618,194,940	100%
Contra Costa County	234,056,282,127	26.30	234,056,282,127	100%
San Francisco City and County	<u>309,107,105,616</u>	<u>34.74</u>	309,107,105,616	100%
Total	\$889,781,582,683	100.00%		

Source: California Municipal Statistics, Inc.

The following table shows the per parcel assessed valuation for single family homes by property value in the Three BART Counties for Fiscal Year 2021-22, including the median and average assessed value per parcel.

Per Parcel 2021-22 Assessed Valuation of Single Family Homes

	No. of Parcels	2021-22 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	694,503	\$427,937,033,928	\$616,177	\$481,308

2021-22 Assessed Valuation	No. of Parcels ⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$99,999	56,854	8.186%	8.186%	\$ 3,917,299,997	0.915%	0.915%
\$100,000 - \$199,999	71,353	10.274	18.460	10,670,216,221	2.493	3.409
\$200,000 - \$299,999	77,977	11.228	29.688	19,589,550,620	4.578	7.986
\$300,000 - \$399,999	79,694	11.475	41.163	27,885,710,498	6.516	14.503
\$400,000 - \$499,999	74,831	10.775	51.938	33,617,097,533	7.856	22.358
\$500,000 - \$599,999	64,222	9.247	61.185	35,216,538,367	8.229	30.588
\$600,000 - \$699,999	52,867	7.612	68.797	34,265,910,168	8.007	38.595
\$700,000 - \$799,999	43,621	6.281	75.078	32,636,477,564	7.626	46.221
\$800,000 - \$899,999	35,547	5.118	80.196	30,157,046,899	7.047	53.269
\$900,000 - \$999,999	28,696	4.132	84.328	27,206,730,110	6.358	59.626
\$1,000,000 - \$1,099,999	21,329	3.071	87.399	22,331,276,173	5.218	64.845
\$1,100,000 - \$1,199,999	16,195	2.332	89.731	18,576,027,529	4.341	69.185
\$1,200,000 - \$1,299,999	13,255	1.909	91.640	16,529,011,441	3.862	73.048
\$1,300,000 - \$1,399,999	10,882	1.567	93.207	14,666,344,739	3.427	76.475
\$1,400,000 - \$1,499,999	8,455	1.217	94.424	12,238,945,830	2.860	79.335
\$1,500,000 - \$1,599,999	6,899	0.993	95.417	10,669,551,371	2.493	81.828
\$1,600,000 - \$1,699,999	5,306	0.764	96.181	8,737,785,296	2.042	83.870
\$1,700,000 - \$1,799,999	4,227	0.609	96.790	7,384,019,823	1.725	85.596
\$1,800,000 - \$1,899,999	3,405	0.490	97.280	6,287,212,341	1.469	87.065
\$1,900,000 - \$1,999,999	2,796	0.403	97.683	5,442,810,564	1.272	88.337
\$2,000,000 and greater	16,092	2.317	100.000	49,911,470,844	11.663	100.000
	694,503	100.000%		\$427,937,033,928	100.000%	

⁽¹⁾ Improved single family residential parcels. Excludes condominiums and parcels with multiple family units
Source: California Municipal Statistics, Inc.

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The following table shows the local secured assessed valuation and number of parcels by land use category for property in the Three BART Counties for Fiscal Year 2021-22.

**San Francisco Bay Area Rapid Transit District
Assessed Valuation and Parcels by Land Use**

	2021-22 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural/Rural	\$ 4,141,143,024	0.49%	5,851	0.56%
Commercial/Office	147,916,412,746	17.40	29,014	2.78
Vacant Commercial	2,551,462,418	0.30	2,163	0.21
Industrial	55,093,814,440	6.48	11,276	1.08
Vacant Industrial	2,289,233,431	0.27	2,422	0.23
Power Plants/Utility Roll	1,556,283,458	0.18	115	0.01
Recreational	2,678,517,559	0.32	2,363	0.23
Government/Social/Institutional	2,505,997,936	0.29	24,015	2.30
Miscellaneous	974,912,876	0.11	2,117	0.20
Subtotal Non-Residential	\$219,707,777,888	25.84%	79,336	7.60%
Residential:				
Single Family Residence	\$427,937,033,928	50.33%	694,503	66.51%
Condominium/Townhouse	92,745,933,492	10.91	153,299	14.68
Mobile Home	183,525,848	0.02	4,178	0.40
2-4 Residential Units	38,577,681,384	4.54	55,839	5.35
5+ Residential Units/Apartments	61,472,413,807	7.23	23,067	2.21
Timeshare Units	148,661,667	0.02	5,417	0.52
Vacant Residential	6,491,665,097	0.76	24,169	2.31
Subtotal Residential	\$627,556,915,223	73.81%	960,472	91.99%
Unclassified Vacant Parcels	\$3,019,534,016	0.36%	4,333	0.41%
Total	\$850,284,227,127	100.00%	1,044,141	100.00%

⁽¹⁾ Total secured assessed valuation, excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

Tax Rates, Collections and Delinquencies

Ad valorem taxes are levied for each Fiscal Year on taxable real and personal property on the tax rolls as of the preceding January 1. Real property which changes ownership or is newly constructed is revalued at the time the change occurs or the construction is completed and the current year's tax rate is applied to the reassessed value for the remainder of the tax year. The annual tax rate is limited to the 1% general county levy of the full cash value, plus the amount necessary to pay all obligations legally payable from *ad valorem* taxes in the current year, including the 2022 Bonds. The rate of tax necessary to pay fixed debt service on the 2022 Bonds in a given year will depend on the assessed value of taxable property in that year. Economic and other factors beyond the District's control, such as a general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, fire, flood, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the Three BART Counties and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the 2022 Bonds.

For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on the assessment roll. The "secured roll" is that part of the assessment roll

containing State-assessed property and real property secured by a lien which is sufficient, in the opinion of the applicable County Assessor if relating to property in Alameda County or Contra Costa County, or in the opinion of the Assessor-Recorder if relating to property in the City and County of San Francisco, to secure payment of the taxes. All other taxable property is assessed on the “unsecured roll” which generally comprises all property not attached to land, such as personal property or business equipment not otherwise exempt from taxation. State law requires that the assessment roll be finalized by August 20 of each year. Secured property assessed by the State Board of Equalization is commonly identified for taxation purposes as “utility” property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each Fiscal Year, and become delinquent on December 10 and April 10, respectively. A penalty of ten percent (10%) attaches immediately to all delinquent payments. Properties on the secured roll with respect to which taxes are delinquent become tax defaulted on or about June 30 of the Fiscal Year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five (5) years or more, the property is deeded to the State and then may be sold at public auction by the applicable County Treasurer-Tax Collector if relating to property in Alameda County or Contra Costa County and by the Assessor-Recorder if relating to property in the City and County of San Francisco.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent on August 31. A ten percent (10%) penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5 p.m. on October 31, an additional penalty of 1.5% attaches on the first day of each month until paid. Each of the Three BART Counties has four ways of collecting delinquent unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a judgment, such judgment to be filed in the office of the County Clerk-Recorder if relating to property in Alameda County or Contra Costa County, and to be filed in the office of the Assessor-Recorder if relating to property in the City and County of San Francisco, specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) recording a certificate of delinquency in the office of the County Clerk-Recorder if relating to property in Alameda County or Contra Costa County, and to be filed in the office of the Assessor-Recorder in the City and County of San Francisco if relating to property in the City and County of San Francisco in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the taxpayer.

Property owners have a right to appeal the county assessor’s valuation of their real property. See “INVESTMENT CONSIDERATIONS – Reassessments and Appeals of Assessed Values.”

Generally, once an installment of property tax becomes delinquent, penalties are assessed commencing on the applicable delinquency date until the delinquent installment(s) and all assessed penalties are paid. In the event of foreclosure and sale of property by a mortgage lender, all past due property taxes, penalties, and interest are required to be paid before such property is transferred to a purchaser or new owner.

Property tax delinquencies may be impacted by economic and other factors beyond the District’s control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the COVID-19 pandemic or other pandemic or natural or manmade disaster, such as earthquake, drought, flood, tsunami, fire, or toxic dumping. It is not possible for the District to make any representation regarding the extent to which an economic recession or depression, stemming from the effects of the COVID-19 pandemic or otherwise, could impact the ability or willingness of property owners within the Three BART Counties to pay property taxes in the future. See “– Largest Taxpayers in the Three BART Counties” below. For more information on the impact of the COVID-19 pandemic, see “INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak” and

Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – THE BART SYSTEM – Ridership” and “– Adopted Budget for Fiscal Year 2021-22 and Preliminary Budget for Fiscal Year 2022-23.”

The District cannot predict the extent of delinquencies and delayed tax collections, or the resulting impact on the District’s financial condition or operations. However, each of the Three BART Counties has adopted a Teeter Plan, and two of the Three BART Counties, Contra Costa County and the City and County of San Francisco, distribute to the District the amount levied instead of the amount actually collected. Alameda County does not apply the Teeter Plan to the payment of District general obligation bonds. Taxes levied to pay the 2022 Bonds in the City and County of San Francisco and Contra Costa County are included in their respective Teeter Plans. See “– Teeter Plans.” To address the potential delinquency risk, the District includes an estimated increase in the tax rate, historically in the 3-5 percent range, depending on current economic conditions, and determines the tax rate solely on the secured assessed value of property.

Pursuant to Section 4985.2 of the State Revenue and Taxation Code, the tax collector of each county may cancel any penalty, costs or other charges resulting from tax delinquency upon a finding that the late payment is due to reasonable cause and circumstances beyond the taxpayer’s control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect, provided the property taxes are paid within four fiscal years of such taxes coming due.

On May 6, 2020, the Governor signed Executive Order N-61-20, which suspended provisions of the State Revenue and Taxation Code requiring collection of interest, penalties, and costs through May 6, 2021, for certain property taxes that were not subject to impounds and were not delinquent prior to March 4, 2020, upon satisfaction of certain conditions set forth in such order. Such order formally expired on June 30, 2021. The District does not believe the order materially reduced the payments received by the District in Fiscal Year 2019-20 or 2020-21.

During the COVID-19 pandemic, the United States Centers for Disease Control and Prevention (the “CDC”), the State, the Three BART Counties and cities within the Three BART Counties instituted eviction moratoriums preventing landlords from evicting tenants who were unable to pay rent for qualifying reasons. In August 2021, the United States Supreme Court struck down the CDC’s eviction moratorium. On March 31, 2022, the State Legislature enacted Assembly Bill No. 2179 (“AB 2179”), which extended the State’s eviction moratorium to June 30, 2022 for certain tenants with pending applications for rental assistance through the State’s COVID-19 rent relief program. AB 2179 also altered eviction moratoriums previously adopted by local governments within the State. The eviction moratorium in Contra Costa County previously expired, and the eviction moratorium in the City and County of San Francisco was eliminated by the operation of AB 2179. The eviction moratorium in Alameda County is currently in effect, and certain local entities including Alameda County and the cities of Oakland and Fremont currently maintain emergency rental assistance programs for qualifying tenants which may partially offset the impacts of the eviction moratorium. The District is unable to predict the extent to which the end of the eviction moratoriums will cause increases in delinquency rates in the Three BART Counties, or other adverse effects on the local economy.

The following table shows recent history of real property tax collections and delinquencies in the District.

**San Francisco Bay Area Rapid Transit District
Secured Tax Charges and Delinquencies**

Fiscal Year	Secured Tax Charge ⁽¹⁾	Amount Delinquent as of June 30 ⁽²⁾	% Delinquent as of June 30
<u>City and County of San Francisco</u>			
2008-09	\$1,593,133,350	\$36,662,160	2.30%
2009-10	1,691,156,025	38,793,839	2.29
2010-11	1,768,368,141	29,102,564	1.65
2011-12	1,810,103,262	25,476,315	1.41
2012-13	1,878,868,414	20,668,235	1.10
2013-14	2,018,013,991	19,020,178	0.94
2014-15	1,996,955,408	15,959,828	0.80
2015-16	2,146,646,004	14,089,301	0.66
2016-17	2,310,696,197	12,020,054	0.52
2017-18	2,556,736,908	14,820,215	0.58
2018-19	2,824,518,111	17,721,353	0.63
2019-20	3,320,760,894	27,706,207	0.83
2020-21	3,627,167,123	36,315,872	1.00
<u>Alameda County</u>			
2008-09	\$2,678,200,557	\$120,458,280	4.50%
2009-10	2,672,803,086	87,299,945	3.27
2010-11	2,622,091,573	66,671,453	2.54
2011-12	2,677,341,749	57,514,916	2.15
2012-13	2,728,535,736	42,358,154	1.55
2013-14	2,881,348,672	36,423,504	1.26
2014-15	3,061,123,272	34,486,942	1.13
2015-16	3,246,190,994	41,818,285	1.29
2016-17	3,464,296,368	40,054,443	1.16
2017-18	3,769,332,149	35,390,342	0.94
2018-19	4,064,040,849	38,260,609	0.94
2019-20	4,345,460,533	48,992,167	1.13
2020-21	4,632,185,031	49,059,108	1.06
<u>Contra Costa County</u>			
2008-09	\$2,023,534,994	\$81,981,494	4.05%
2009-10	1,942,410,318	53,621,790	2.76
2010-11	1,871,495,451	34,561,134	1.85
2011-12	1,914,539,235	54,091,753	2.83
2012-13	1,910,681,659	20,720,820	1.08
2013-14	2,018,861,039	19,163,615	0.95
2014-15	2,198,680,361	18,988,337	0.86
2015-16	2,323,318,942	18,134,715	0.78
2016-17	2,443,499,532	18,332,203	0.75
2017-18	2,589,121,926	17,384,044	0.67
2018-19	2,755,201,406	19,550,849	0.71
2019-20	2,938,626,804	25,884,618	0.88
2020-21	3,051,193,547	23,264,075	0.76
<u>Total Three BART Counties</u>			
2008-09	\$6,294,868,901	\$239,101,934	3.80%
2009-10	6,306,369,429	179,715,574	2.85
2010-11	6,261,955,165	130,335,151	2.08
2011-12	6,401,984,246	137,082,984	2.14
2012-13	6,518,085,809	83,747,209	1.28
2013-14	6,918,223,702	74,607,294	1.08
2014-15	7,256,759,041	69,435,107	0.96
2015-16	7,716,155,940	74,042,301	0.96
2016-17	8,218,492,097	70,406,700	0.86
2017-18	8,915,190,983	67,594,601	0.76
2018-19	9,643,760,366	75,532,811	0.78
2019-20	10,604,848,231	102,582,993	0.97
2020-21	11,310,545,701	108,639,055	0.96

⁽¹⁾ All taxes levied by the county.

⁽²⁾ Each of the Three BART Counties has adopted a Teeter Plan. The City and County of San Francisco and the County of Contra Costa include taxes to pay the 2022 Bonds in their respective Teeter Plans. The County of Alameda does not apply its Teeter Plan to collections of taxes for general obligation bonds, including the 2022 Bonds. See “—Teeter Plans” below.

Source: California Municipal Statistics, Inc.

Teeter Plans

The City and County of San Francisco, the County of Alameda and the County of Contra Costa each adopted a Teeter Plan, as provided for in Section 4701 *et. seq.* of the California Revenue and Taxation Code. Under each Teeter Plan, each participating local agency levying property taxes is credited the amount of uncollected taxes in the same manner as if the amount credited had been collected. In return, the City and County of San Francisco, the County of Alameda and the County of Contra Costa receive and retain delinquent payments, penalties and interest as collected, that otherwise would have been due to the local agency. Taxes to pay the 2022 Bonds collected in the City and County of San Francisco and the County of Contra Costa are included in their respective Teeter Plans. The County of Alameda does not apply its Teeter Plan to collections of taxes for general obligation bonds, including the 2022 Bonds.

Each Teeter Plan is to remain in effect unless the Board of Supervisors of the applicable County orders its discontinuance or unless, prior to the commencement of a County's fiscal year (which commences on July 1), the Board of Supervisors of such County receives a petition for its discontinuance joined in by resolutions duly adopted by the governing boards of at least two-thirds of the participating revenue districts in such County. The applicable Board of Supervisors may, after holding a public hearing on the matter, discontinue the Teeter Plan with respect to any tax levying agency in such County if the rate of secured tax delinquency in that agency in any year exceeds three percent (3%) of the total of all taxes and assessments levied on the secured rolls in that agency. See "—Tax Rates, Collections and Delinquencies" above.

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Largest Taxpayers in the Three BART Counties

The following table shows the largest secured taxpayers in the Three BART Counties. No secured taxpayer accounts for more than one percent of total assessed value, and the top twenty taxpayers in the Three BART Counties account for approximately 2.85% of total property taxes.

San Francisco Bay Area Rapid Transit District Largest Local Secured Taxpayers Fiscal Year 2021-22

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>County</u>	<u>2021-22 Assessed Valuation</u>	<u>% of Total⁽¹⁾</u>
1.	Chevron USA Inc.	Industrial – Refinery	Contra Costa	\$ 3,038,176,824	0.36%
2.	Tesla Inc.	Industrial	Alameda	2,530,150,203	0.30
3.	Transbay Tower LLC	Office Building	San Francisco	1,803,015,744	0.21
4.	GSW Arena LLC	Sports Arena	San Francisco	1,677,416,832	0.20
5.	Essex Portfolio	Apartments	Alameda/Contra Costa/San Francisco	1,601,001,885	0.19
6.	HWA 555 Owners LLC	Office Building	San Francisco	1,320,550,417	0.16
7.	Martinez Refining Company LLC	Industrial – Refinery	Contra Costa	1,227,276,739	0.14
8.	Elm Property Venture LLC	Office Building	San Francisco	1,035,700,281	0.12
9.	SHR St. Francis LLC	Hotel	San Francisco	1,024,296,959	0.12
10.	Park Tower Owner LLC	Office Building	San Francisco	1,012,003,901	0.12
11.	Ponte Gadea California LLC	Office Building	San Francisco	948,624,250	0.11
12.	Phillips 66 Company	Industrial – Refinery	Contra Costa	900,697,804	0.11
13.	Kilroy Realty LP / Kilroy Realty 303 LLC	Office Building	San Francisco	885,150,713	0.10
14.	PPF Paramount One Market Plaza	Office Building	San Francisco	877,380,832	0.10
15.	KRE Exchange Owner LLC	Office Building	San Francisco	801,576,851	0.09
16.	Parkmerced Owner LLC	Apartments	San Francisco	797,249,261	0.09
17.	SFDC 50 Fremont LLC	Office Building	San Francisco	753,333,971	0.09
18.	Market Center Owner LP	Office Building	San Francisco	729,566,620	0.09
19.	Emporium Mall LLC	Shopping Center	San Francisco	650,358,095	0.08
20.	BCP-CG 650 Property LLC	Office Building	San Francisco	608,973,358	0.07
				<u>\$24,222,501,540</u>	<u>2.85%</u>

⁽¹⁾ 2021-22 Total Secured Assessed Valuation: \$850,284,227,127
Source: California Municipal Statistics, Inc.

Several large companies in the San Francisco Bay Area have announced headquarters relocations in recent years, including Tesla Motors Inc. (“Tesla”), one of the District’s top twenty secured taxpayers. On December 1, 2021, Tesla relocated its corporate headquarters from Palo Alto, Santa Clara County, California to Austin, Texas. Although Tesla relocated its corporate headquarters, it continues to operate facilities in the San Francisco Bay Area and aims to maximize manufacturing output from its factory located in Fremont, Alameda County, California. The District cannot predict the impact of Tesla’s corporate headquarters relocation on the assessed valuation of its other property located within the Three BART Counties. See “INVESTMENT CONSIDERATIONS – Reassessments and Appeals of Assessed Values” below.

In light of the shelter-in-place orders and remote working arrangements established during the COVID-19 pandemic, owners of large commercial real estate buildings have filed appeals regarding the assessed value of their property, positing that such conditions have caused the value of their property to decrease. Several of the District’s twenty largest secured taxpayers have recently filed appeals seeking to reduce the assessed valuation of their property located within the Three BART Counties. The District cannot predict whether such appeals will be successful. See “INVESTMENT CONSIDERATIONS – Reassessments and Appeals of Assessed Values” below.

Taxation of State-Assessed Utility Property

Under the Constitution, the State Board of Equalization assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The State Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the State Board of Equalization is allocated by a formula to local jurisdictions in the county and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the State Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the State Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how those assets are assessed, and which local agencies benefit from the property taxes derived.

The District is unable to predict future transfers of State-assessed property in the Three BART Counties, the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State's methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the District.

Direct and Overlapping Debt Report

Contained within the District's boundaries are numerous overlapping local agencies. Set forth on the following page is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. and dated April 1, 2022. The Debt Report speaks only as of its date and is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representations in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations are not payable from revenues of the District nor are they necessarily obligations secured by land within the District. The Debt Report does not include any information concerning any obligations authorized but not yet issued by any public agencies whose boundaries overlap the boundaries of the District in whole or in part.

The Debt Report does not include any information concerning sales tax revenue bonds issued by the District or obligations of the District, other than general obligation bonds, issued for the benefit of the District. For information concerning such sales tax revenue bonds and other obligations of the District, see Appendix A – "SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – BART FINANCINGS AND CAPITAL PROGRAMS."

The first column in the table set forth on the following page names each public agency which has outstanding debt as of the date of the Debt Report and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

San Francisco Bay Area Rapid Transit District **Schedule of Direct and Overlapping Bonded Debt**

2021-22 Assessed Valuation: \$889,781,582,683

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 4/1/22</u>
Bay Area Rapid Transit District	100. %	\$ 1,834,840,000⁽¹⁾
Alameda County	100.	183,745,000
City and County of San Francisco	100.	2,921,851,284
Community College Districts	0.395-100.	2,661,364,496
Oakland Unified School District	100.	1,112,170,000
San Francisco Unified School District	100.	969,800,000
West Contra Costa Unified School District	100.	1,244,985,065
Other Unified School Districts	1.624-100.	5,380,855,811
Union High School Districts	100.	287,579,470
Elementary School Districts	100.	334,531,652
City of Oakland	100.	637,540,000
Other Cities	100.	306,621,104
East Bay Regional Park District	100.	185,490,000
Healthcare Districts	100.	367,625,000
Recreation and Park Districts	100.	124,865,000
Community Facilities Districts	100.	1,268,863,162
1915 Act Bonds	100.	<u>281,086,141</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$20,103,813,185
 <u>OVERLAPPING GENERAL FUND DEBT:</u>	 <u>% Applicable</u>	 <u>Debt 4/1/22</u>
Alameda County General Fund Obligations	100. %	\$ 754,565,000
Contra Costa County General Fund and Pension Obligation Bonds	100.	299,495,000
City and County of San Francisco General Fund Obligations	100.	1,485,887,053
Community College District General Fund and Pension Obligation Bonds	100.	128,004,633
Unified School District General Fund Obligations	100.	185,709,272
Other School District Certificates of Participation	100.	5,797,306
City of Fremont Certificates of Participation	100.	81,730,000
City of Oakland General Fund and Pension Obligation Bonds	100.	245,545,442
City of Richmond General Fund and Pension Obligation Bonds	100.	153,181,745
Other City General Fund Obligations	100.	644,422,575
Fire Protection Districts General Fund and Pension Obligation Bonds	100.	63,156,960
Special District General Fund Obligations	100.	<u>33,460,000</u>
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		\$4,080,954,986
Less: Supported obligations		<u>88,977,588</u>
TOTAL NET OVERLAPPING GENERAL FUND DEBT		\$3,991,977,398
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>		 \$2,042,495,113
 GROSS COMBINED TOTAL DEBT		 \$26,227,263,284⁽²⁾
NET COMBINED TOTAL DEBT		\$26,138,285,696

(1) Excludes issue to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2021-22 Assessed Valuation:

Direct Debt (\$1,834,840,000)	0.21%
Total Direct and Overlapping Tax and Assessment Debt	2.26%
Gross Combined Total Debt	2.95%
Net Combined Total Debt	2.94%

Ratio to Redevelopment Incremental Valuation (\$115,292,248,509):

Total Overlapping Tax Increment Debt	1.77%
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Source: California Municipal Statistics, Inc.

CONSTITUTIONAL LIMITATIONS

Limitations on Tax Revenues

California Constitutional provisions allow for amendments by voter approval of qualified initiative petitions as well as legislative proposals. Over the years, such amendments have limited state and local taxing and spending powers, such as Proposition 98 that required approximately 48% of State general fund revenues to be expended on education. The following highlights certain provisions affecting the District.

Article XIII A of the California Constitution. Article XIII A of the State Constitution, adopted and known as Proposition 13, was approved by the voters in June 1978. Section 1(a) of Article XIII A limits the maximum *ad valorem* tax on real property to one percent of “full cash value,” and provides that such tax shall be collected by the counties and apportioned according to State law. Section 1(b) of Article XIII A provides that the one-percent (1%) limitation does not apply to *ad valorem* taxes levied to pay interest and redemption charges on (i) indebtedness approved by the voters prior to July 1, 1978, or (ii) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast on the proposition, or (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. The *ad valorem* tax for payment of the District’s general obligation bonds including the 2022D Bonds under the 2016 Measure RR and the 2022H Bonds under the 2004 Measure AA election falls within the exception for bonds approved by a two-thirds vote.

Section 2 of Article XIII A of the California Constitution defines “full cash value” to mean the county assessor’s valuation of real property as shown on the Fiscal Year 1975-76 tax bill, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. Proposition 8 (“Proposition 8”), approved by California voters in November of 1978, subsequently amended Article XIII A to permit reduction of the full cash value base in the event of declining property values caused by damage, destruction or other factors, and provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value, and assessments may be appealed by taxpayers seeking a reduction as a result of economic and other factors. See “INVESTMENT CONSIDERATIONS – Reassessments and Appeals of Assessed Values.” The California Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently “recapture” such value (up to the pre-decline value of the property) at an annual rate higher than two percent (2%), depending on the assessor’s measure of the restoration of value of the damaged property. The California courts have upheld the constitutionality of this procedure. Legislation enacted by the State Legislature to implement Article XIII A provides that, notwithstanding any other law, local agencies may not levy any *ad valorem* property tax except the one percent (1%) base tax levied by each county and taxes to pay debt service on indebtedness approved by the voters as described above.

Proposition 19, which was approved by the voters of the State on November 3, 2020, allows eligible homeowners to transfer their tax assessments anywhere within the State and allows tax assessments to be transferred to a more expensive home with an upward adjustment; requires that inherited homes that are not used as principal residences, such as second homes or rentals, be reassessed at market value when transferred; and allocates additional revenue or net savings resulting from the ballot measure to wildfire agencies and counties. The District is unable to predict the effect such measure may have on tax assessments within the District.

Since its adoption, Article XIII A has been amended a number of times. These amendments have created exceptions to the requirement that property be reassessed when purchased, newly constructed or a change in ownership has occurred. These exceptions include certain transfers of real property between family members, certain purchases of replacement dwellings for persons over age 55 and by property owners whose original property has been destroyed in a declared disaster, and certain improvements to accommodate disabled persons and for seismic upgrades to property.

Both the California Supreme Court and the United States Supreme Court have upheld the validity of Article XIII A.

Article XIIC and Article XIID of the California Constitution. On November 5, 1996, California voters approved an initiative known as the Right to Vote on Taxes Act (“Proposition 218”). Proposition 218 added Articles XIIC and XIID to the California Constitution. Article XIIC requires majority voter approval for the imposition, extension or increase of general taxes and two-thirds voter approval for the imposition, extension or increase of special taxes by a local government, which is defined to include local or regional governmental agencies such as the District. Article XIIC also removes limitations on the initiative power with regard to reducing or repealing previously authorized local taxes. Proposition 26, approved by the voters of California on November 2, 2010, also amended Article XIIC to define “tax” to include in the two-thirds voter approval requirement local levies, charges or exactions previously considered fees with certain specified exemptions.

Article XIID addresses assessments and property-related fees and charges. Article XIID explicitly provides that nothing in Article XIIC or XIID shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees imposed by the District.

The interpretation and application of Proposition 218 and Proposition 26 will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determinations.

Expenditures and Appropriations

Article XIIB of the California Constitution. State and local government agencies in California are each subject to annual “appropriations limits” imposed by Article XIIB of the Constitution of the State of California (“Article XIIB”). Article XIIB prohibits government agencies and the State from spending “appropriations subject to limitation” in excess of the appropriations limit imposed. “Appropriations subject to limitation” are authorizations to spend “proceeds of taxes,” which include all tax revenues and investment earnings thereon, certain state subventions and certain other funds, including proceeds received by an entity of local government from regulatory licenses, user charges or other user fees to the extent that such proceeds exceed “the cost reasonably borne by that entity in providing the regulation, product, or service.” “Appropriations subject to limitation” under Article XIIB do not include appropriations required to comply with mandates of courts or of the Federal government, appropriations for qualified outlay projects (as defined by the Legislature), or appropriations for debt service on indebtedness existing prior to the passage of Article XIIB or thereafter authorized by the voters.

As amended at the June 5, 1990 election by Proposition 111, Article XIIB provides that, in general terms, the District’s appropriations limit is based on the limit for the prior year adjusted annually to reflect changes in cost of living, population and, when appropriate, transfer of financial responsibility of providing services from one governmental unit to another. Proposition 111 liberalized the aforementioned adjustment factors as compared to the original provisions of Article XIIB. If revenues from “proceeds of taxes” during any two consecutive Fiscal Years exceed the combined appropriations

limits for those two years, the excess must be returned by a revision of tax rate or fee schedules within the two subsequent Fiscal Years.

Section 7900 et seq. of the Government Code of the State of California defines certain terms used in Article XIII B and sets forth the methods for determining the appropriations limits for local jurisdictions. The District's appropriations limit for the Fiscal Year ending June 30, 2022 is \$674,576,014 and the "appropriations subject to the limitation" are \$435,815,380, or \$238,760,634 under the limit. It is not anticipated that the District will ever reach its appropriations limit. However, if it were ever to reach such limit, amounts appropriated to pay debt service on the Bonds are considered appropriations for capital outlay projects and therefore not subject to the limit.

Prohibitions on Diverting Local Revenues for State Purposes

Proposition 22, an initiative constitutional amendment adopted at the November 2010 election, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting redevelopment agency property tax increment to any other local government, including school districts, or from temporarily shifting property taxes from cities, counties and special districts to schools. This was intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. One effect of this amendment is to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education. Because Proposition 22 reduces the State's authority to use or shift certain revenue sources, fees and taxes for State general fund purposes, the State may have to take other actions to balance its budget in some years which could adversely affect State funding for transportation projects. One of the actions taken by the State Legislature was to dissolve redevelopment agencies, which was accomplished through the enactment of Assembly Bill No. 26 (First Extraordinary Session) in 2011 and Assembly Bill No. 1484 in 2012. The dissolution of redevelopment agencies by the State has had a modest positive impact on the District's finances related to the District's receipt of a portion of the 1% countywide general tax levy, which is used for general operating purposes.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C, Article XIII D, as well as Propositions 22, 26, 98, 111 and 218 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting District revenues or the District's ability to expend revenues.

One such proposed voter initiative, titled "The Taxpayer Protection and Government Accountability Act" would amend the State Constitution to impose heightened barriers for State and local governments to impose taxes and fees. Certain important provisions of the proposed ballot measure are discussed below, but the District does not make any representation that such summary is complete. With respect to State taxes, the proposed ballot measure would raise the voting threshold to approve new State taxes by requiring approval by both two-thirds of the State Legislature and a majority vote in a statewide election. With respect to local taxes, the proposed ballot measure would require that both general and special taxes are approved by a two-thirds vote of the applicable legislative body, and by a majority vote in a general election in most cases. Additionally, the proposed ballot measure would expand the definition of a tax to include charges imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the State of conferring the benefit or granting the privilege to the payor. The proposed ballot measure would also impose new requirements for State and local tax measures, including requirements that they identify the type, amount or rate, and the duration of the tax, and how the revenue collected from such tax may be used. With respect to State and local fees, the proposed ballot measure would require that certain

fees are both reasonable, and do not exceed the actual costs of the State or local governmental entity providing the service. The proposed ballot measure would also require that State or local governmental entities bear the burden to prove by clear and convincing evidence that its fee is not a tax. Furthermore, the proposed ballot measure would require that local exempt charges may only be imposed by the local government's governing body imposing such charge via an ordinance subject to referendum, and must be approved by two-thirds of the governing body. Finally, the proposed ballot measure includes a provision that any tax or fee imposed after October 1, 2021 not in accordance with its provisions is void 12 months after the effective date of the proposed ballot measure, unless subsequently reenacted in accordance with its terms.

Proponents of The Taxpayer Protection and Government Accountability Act submitted the proposed ballot measure to the State Attorney General on October 1, 2021, and certified on March 16, 2022 that at least 25% of the required signatures have been obtained. The District cannot predict whether The Taxpayer Protection and Government Accountability Act will qualify for statewide election, or be approved by a majority of voters casting a ballot in such election.

INVESTMENT CONSIDERATIONS

Economy of the Three BART Counties and the State

Until the outbreak of COVID-19, and the adverse economic impact of shelter-in-place orders instituted in the Three BART Counties in response to the outbreak, the economy of the Three BART Counties had enjoyed a period of robust development and expansion as evidenced by increases in sales tax revenues, employment rates, housing costs, assessed valuations, and total personal income. Since the onset of the COVID-19 pandemic, assessed valuations in the Three BART Counties have continued to increase. See "SECURITY AND SOURCE OF PAYMENT FOR THE 2022 BONDS – Assessed Valuation of Property Within the Three BART Counties." The District's financial condition is dependent upon the level of economic activity in the Three BART Counties and in the State generally.

For information relating to the COVID-19 pandemic, see "INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak" and Appendix A – "SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – THE BART SYSTEM – Ridership" and " – Adopted Budget for Fiscal Year 2021-22 and Preliminary Budget for Fiscal Year 2022-23." For information relating to economic conditions within the Three BART Counties and the State, see Appendix D – "THE ECONOMY OF THE THREE BART COUNTIES." The extent of the impact of the COVID-19 pandemic is not fully reflected in the various statistics presented in Appendix D, so the historical data presented in Appendix D should not be interpreted as a reflection of current or future economic conditions in the Three BART Counties or in the San Francisco Bay Area.

Risk of Earthquake and Tsunami

The District is located in a seismically active region. Active earthquake faults underlie both the District and the surrounding Bay Area, most notably the Hayward Fault and the San Andreas Fault (both located within the District). On August 24, 2014, an earthquake occurred in Napa, California. The tremor's epicenter was located approximately 3.7 miles northwest of American Canyon near the West Napa Fault and registered 6.0 on the Richter scale of earthquake intensity. The Napa earthquake caused fires, damaged buildings and roads, and injured approximately 200 people. The Napa earthquake was the largest earthquake in the San Francisco Bay Area since the 1989 Loma Prieta earthquake on the San Andreas Fault, which was centered about 60 miles south of San Francisco, and it caused fires and collapse of and structural damage to buildings, highways and bridges in the San Francisco Bay Area. Neither earthquake caused damage to BART facilities.

In March 2015, the Working Group on California Earthquake Probabilities (a collaborative effort

of the U.S. Geological Survey (the “U.S.G.S.”), the California Geological Survey, and the Southern California Earthquake Center) reported that there is a 72% chance that one or more quakes of magnitude 6.7 or larger will occur in the San Francisco Bay Area before the year 2045. In addition, the U.S.G.S. released a report in April 2017 entitled the HayWired Earthquake Scenario (last updated in 2021), which estimates that in the first six months following a magnitude 7.0 earthquake on the Hayward Fault, property damages, utility outages, and ripple effects through supply chains could result in approximately \$44 billion of gross State product losses. The report also estimates that business continuity practices and economic resilience measures could reduce business interruption losses by approximately 40%, to approximately \$25 billion. Such earthquakes may be very destructive. Property within the Three BART Counties could sustain extensive damage in a major earthquake, District facilities could be damaged, and a major earthquake could adversely affect the area’s economic activity, in addition to adversely affecting the assessed value of property in the Three BART Counties.

The Three BART Counties may also experience the effects of a tsunami following a major seismic or volcanic event on the west coast of the United States or in other areas in the Pacific Ocean or the Pacific rim. In 2013, the U.S.G.S. and California Geological Survey released a report entitled the SAFRR (Science Application for Risk Reduction) Tsunami Scenario, which estimates property damage and business interruption losses in California (without resilience efforts) of approximately \$6 billion (in 2010 dollars) from a magnitude 9.1 earthquake offshore of the Alaskan peninsula. The study estimates wave heights in excess of six feet at the Golden Gate, which is predicted to cause flooding and damage to ports and other properties in the San Francisco Bay Area. In 2011, a magnitude 9.1 earthquake in Honshu, Japan caused tsunami damage in the San Francisco Bay Area, including to the Santa Cruz Harbor and the Berkeley Marina. Additionally, in January 2022, an underwater volcanic eruption offshore of Tonga triggered a tsunami that resulted in relatively minor flooding and damage to the San Francisco Bay Area. Neither event caused damage to BART facilities.

Climate Change

Hazards relating to climate change include sea level rise, flooding, heat wave, drought, wildfire and severe storm and wind, all of which may have adverse effects on economic activity and assessed valuation of properties located within the Three BART Counties. Any such events, if unmitigated, may also have major impacts to BART stations, trackway, traction power, train control and maintenance yard/shops, as well as wayside facilities. The impacts may directly impact patron safety, cause service disruptions and require prolonged recovery.

In recent years, portions of the State have experienced wildfires that have burned millions of acres and destroyed thousands of homes and structures. Property damage due to wildfire could result in a significant decrease in the assessed valuation of property in the Three BART Counties. It is not possible for the District to make any representation regarding the extent to which wildfires could cause reduced economic activity within the San Francisco Bay Area or the extent to which wildfires may impact the value of taxable property within the Three BART Counties. The District also faces some limited risks associated with the impact of wildfire on its portfolio of power supply resources and the transmission of electricity to the District. See Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – THE BART SYSTEM – Power Supply.”

BART is responding to climate change impacts by developing adaptation strategies and strengthening its infrastructure against such hazards. BART has analyzed the risks of sea level rise and concluded that damage resulting from storm surges and sea level rise could result in up to approximately \$650 million in damage without local and regional adaptation work, but that much of the damage could be mitigated by adaptation work valued at an estimated \$70 million.

Current efforts to mitigate the effects of climate change include water intrusion mitigation,

earthquake safety, erosion control, storm drainage treatment, power redundancy, and fire suppression. BART is also working with regional partners in the San Francisco Bay Area to plan for regional adaptation needs. No assurance can be given that such measures will be sufficient to protect against all impacts of climate change.

Infectious Disease Outbreak

The District's operations and financial results may be adversely impacted by the outbreak of an infectious disease, including but not limited to COVID-19. The District's financial results have been harmed and may continue to be harmed by the COVID-19 pandemic, which has impacted and is continuing to impact local and global economies, as governments, businesses, and citizens react to, plan for, and try to prevent or slow further transmission of the virus. Financial markets, including the stock market in the United States and globally, have seen significant volatility and decline that have been attributed to COVID-19 concerns. The CDC and the California Department of Public Health have been providing regular updates and guidelines to the public and to State and local governments. On March 4, 2020, as part of the State's response to address the outbreak, the Governor declared a state of emergency. On March 13, former President Donald Trump declared a national emergency, freeing up funding for federal assistance to state and local governments. On March 16, each of the Three BART Counties issued shelter-in-place orders.

On March 27, 2020, the U.S. House of Representatives approved and former President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). The CARES Act provided \$25 billion in supplemental Federal Transit Authority grants to transit agencies across the country, approximately \$1.3 billion of which was allocated to the San Francisco Bay Area. On April 22, 2020, the Metropolitan Transportation Commission (the "MTC"), as the designated recipient of such funds, approved sub-allocations of approximately \$780 million to various transit agencies in the San Francisco Bay Area, including approximately \$252 million for the District, subject to specific future allocations by the MTC. On July 22, 2020, the MTC approved sub-allocations of the balance of CARES Act funding, including approximately \$125 million for the District.

On December 27, 2020, H.R. 133 ("CRRSAA") was enacted, which included a \$900 billion COVID-19 relief package. CRRSAA provided \$14 billion in "Transit Infrastructure Grants" to assist the transit industry to "prevent, prepare for, and respond to the coronavirus," approximately \$983 million of which was allocated to the San Francisco Bay Area. On January 27, 2021, the MTC allocated approximately \$180 million of such funds as a "true up" to certain transit agencies in the San Francisco Bay Area that received less CARES Act funding than anticipated revenue losses, including approximately \$104 million for the District. On March 24, 2021, the MTC approved sub-allocations of the balance of CRRSAA funding, including approximately \$274 million for the District.

On March 11, 2021, the American Rescue Plan Act of 2021 (the "Rescue Plan Act"), a \$1.9 trillion COVID-19 relief package, was enacted. The Rescue Plan Act included approximately \$30.5 billion in grants to transit agencies, approximately \$1.7 billion of which was allocated to the San Francisco Bay Area. On July 28, 2021, the MTC approved sub-allocations of approximately \$912 million of such funds, including approximately \$331 million for the District. On October 27, 2021, the MTC approved additional sub-allocations of the Rescue Plan Act funding, including approximately \$251 million for the District. Finally, the Federal Transit Administration announced on March 7, 2022 that the District will receive approximately \$271 million in discretionary additional assistance funding pursuant to the Rescue Plan Act.

The District cannot predict the extent or future duration of the outbreak, or how long the effects of the COVID-19 pandemic will continue to negatively impact the District's financial condition and operations. For a discussion regarding some other impacts of the COVID-19 pandemic on the District, see Appendix A – "SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND

OPERATING INFORMATION – THE BART SYSTEM – Ridership” and “ – Adopted Budget for Fiscal Year 2021-22 and Preliminary Budget for Fiscal Year 2022-23.”

Other Force Majeure Events

Operation of the BART System is also at risk from other events of force majeure, such as damaging storms, winds and floods, fires and explosions, epidemics, pandemics, spills of hazardous substances, strikes and lockouts, sabotage, wars, blockades and riots. The District cannot predict the potential impact of such events on the financial condition of the District.

Limitation on Remedies

The opinion of Bond Counsel notes that the rights and obligations under the 2022 Bonds and their enforceability are subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public transit districts like BART. BART cannot be forced into bankruptcy by an involuntary bankruptcy petition being filed against BART but, because it is a municipal governmental entity, BART may be eligible to file a voluntary bankruptcy petition under Chapter 9 (“Chapter 9”) of the United States Bankruptcy Code under certain circumstances. Chapter 9 specifies that it does not limit or impair the power of the applicable state to control its municipalities in the exercise of the political or governmental powers of such municipality, including expenditures for such exercise. In addition, Chapter 9 provides that a bankruptcy court may not interfere with the political or governmental powers of the debtor, unless the debtor consents to that action or the plan so provides. California law provides that the *ad valorem* taxes levied for BART's general obligation bonds must be used for no other purpose than the payment of principal of and interest on the 2022 Bonds. If this law is respected in a bankruptcy proceeding, then the tax revenues could not be used by BART for any purpose other than to make payments on the 2022 Bonds. No assurance can be given, however, that a bankruptcy court would not conclude otherwise.

If BART is in bankruptcy, the parties (including the Trustee and the holders of the 2022 Bonds) may be prohibited from taking any action to collect any amount payable by BART or to enforce any obligation of BART, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the holders of the 2022 Bonds from funds in the Trustee's possession. In addition, the obligation of BART and the Three BART Counties to raise taxes if necessary to pay the 2022 Bonds may no longer be enforceable if BART is in bankruptcy.

In a bankruptcy case, as part of its plan of adjustment in bankruptcy, BART may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the 2022 Bonds and other transaction documents related to the 2022 Bonds, including the obligation of BART and the Three BART Counties to raise taxes if necessary to pay the 2022 Bonds, if the bankruptcy court determines that the plan is fair and equitable and otherwise complies with the Bankruptcy Code.

Possible adverse effects of a bankruptcy of BART include delays or reductions in payments on the 2022 Bonds or other losses to the holders of the 2022 Bonds. Regardless of any specific adverse determinations in a bankruptcy proceeding, the fact of a bankruptcy of BART could have an adverse effect on the liquidity and value of the 2022 Bonds.

Statutory Lien. All general obligation bonds issued by local agencies in California, including the 2022 Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* property tax. State law provides that the lien automatically arises, without the need for any action or authorization by the local agency or its governing board, and is valid and binding from the

time the bonds are executed and delivered. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by BART, the automatic stay provisions of the Bankruptcy Code would apply, preventing holders of the 2022 Bonds from enforcing their rights to payment from such taxes, so payments that become due and owing on the 2022 Bonds during the pendency of the Chapter 9 proceeding could be delayed.

Special Revenues. If the *ad valorem* tax revenues that are pledged to the payment of the 2022 Bonds are determined to be “special revenues” within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay. “Special revenues” are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. BART has specifically pledged the *ad valorem* taxes for payment of the 2022 Bonds. Additionally, the *ad valorem* taxes levied for payment of the 2022 Bonds are permitted under the State Constitution only if the applicable bond proposition is approved by two-thirds of voters and such bonds must be issued for the acquisition or improvement of real property. Because State law prohibits the use of the tax proceeds for any purpose other than payment of the bonds and the bond proceeds can only be used to fund the acquisition or improvement of real property, such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* tax revenues collected for the payments of general obligation bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

The Bankruptcy Code provides that there is no stay of application of pledged special revenues to payment of indebtedness secured by such revenues. The United States Court of Appeals for the First Circuit, in a case arising out of the insolvency proceedings of Puerto Rico, held that this provision permitted voluntary payments of debt service by the issuer of bonds backed by special revenues, but did not permit the bondholders to compel the issuer to make payments of debt service from special revenues. If this decision is followed by other courts, the holders of the 2022 Bonds may be prohibited from taking any action to require BART or any of the Three BART Counties to make payments on the 2022 Bonds without the bankruptcy court’s permission. This could result in substantial delays or reductions in payments on the Series 2022 Bonds.

In addition, even if the *ad valorem* tax revenues are determined to be “special revenues,” the Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, a bankruptcy court could determine that BART is entitled to use the *ad valorem* tax revenues to pay necessary operating expenses of BART, before the remaining revenues are paid to the owners of the 2022 Bonds.

If BART goes into bankruptcy and BART or any of the Three BART Counties has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if BART or any of the Three BART Counties, as applicable, does not voluntarily pay such tax revenues to the holders of the 2022 Bonds, it is not entirely clear what procedures the holders of the 2022 Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. A similar risk would exist if any of the Three BART Counties goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy).

No Acceleration Provision

The Trust Agreements do not contain a provision allowing for the acceleration of the 2022 Bonds in the event of a default in the payment of principal and interest on the 2022 Bonds when due. In the

event of a default by the District, each holder of a 2022 Bond will have the right to exercise the remedies, subject to the limitations thereon, set forth in the respective Trust Agreement.

Loss of Tax Exemption

As discussed under “TAX MATTERS,” interest on the 2022D-1 Bonds could become includable in federal gross income, possibly from the date of issuance of the 2022D-1 Bonds, as a result of acts or omissions of the District subsequent to the issuance of the 2022D-1 Bonds. Should interest become includable in federal gross income, the 2022D-1 Bonds are not subject to redemption by reason thereof and will remain outstanding until maturity or earlier redemption.

Green Bonds Suitability

The purpose of labeling the 2022 Bonds as “Green Bonds” is to allow owners of the 2022 Bonds to invest in bonds that have financed environmentally beneficial projects. The District does not make any representation as to the suitability of the 2022 Bonds to fulfill such environmental and sustainability criteria. The 2022 Bonds may not be a suitable investment for all investors seeking exposure to green or sustainable assets. There is currently no market consensus on what precise attributes are required for a particular project to be defined as “green” or “sustainable,” and therefore no assurance can be provided to investors that the projects refinanced by proceeds of the 2022 Bonds will continue to meet investor expectations regarding sustainability performance. Adverse environmental or social impacts may occur during the operation of such projects and where any negative impacts are insufficiently mitigated, such projects may become controversial, and/or may be criticized by activist groups and other stakeholders.

No representation is made as to the suitability of any 2022 Bonds to fulfill environmental and/or sustainability criteria required by prospective investors. Each potential purchaser of 2022 Bonds should determine for itself the relevance of the information contained or referred to herein or in the Resolutions regarding the use of proceeds and its purchase of 2022 Bonds should be based upon such investigation as it deems necessary. THERE CAN BE NO ASSURANCE THAT THE USE OF PROCEEDS OF THE 2022 BONDS WILL BE SUITABLE FOR THE INVESTMENT CRITERIA OF AN INVESTOR. It is the District’s intention to apply the net proceeds received from the sale of the 2022 Bonds for environmentally sustainable projects as described in “DESIGNATION AS GREEN BONDS / CLIMATE BOND CERTIFIED.”

Prospective investors should review the information included in this Official Statement pertaining to the intended use of the proceeds of the 2022 Bonds and must determine for themselves the relevance of such information for the purpose of any investment in the 2022 Bonds, together with any other investigation the investor deems necessary. In particular, no assurance is given by the District or any Underwriter that the use of such proceeds will satisfy, in whole or in part, any present or future investor expectations or requirements as to any investment criteria or guidelines with such investor or its investments are required to comply, whether by any present or future applicable law or regulations, or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental impact of any uses of the proceeds of the 2022 Bonds.

Furthermore, it should be noted that there is currently no clearly defined definition of (legal, regulatory, or otherwise), nor market consensus as to what constitutes a “green” or an equivalently labeled project or as to what precise attributes are required for a particular project to be defined as “green” or such other equivalent label. No assurance can be given that such a clear definition will develop over time, or that, if developed, it will include the projects to be financed or refinanced with proceeds of the 2022 Bonds. Accordingly, no assurance is or can be given to investors that any uses of the 2022 Bonds will meet investor expectations regarding such “green” or other equivalently-labeled performance objectives or that any adverse environmental and/or other impacts will not occur during the construction or operation of projects to be financed with the proceeds of the 2022 Bonds.

Reassessments and Appeals of Assessed Values

State law affords an appeal procedure to taxpayers who disagree with the assessed value of their taxable property. Taxpayers may informally request a reduction in assessment directly from the applicable County Assessor (the “Assessor”), who may grant or refuse the request, and may appeal an assessment directly to the State Board of Equalization, which rules on appealed assessments whether or not settled by the Assessor. The Assessor is also authorized to reduce the assessed value of any taxable property upon a determination that the market value has declined below the then-current assessment, whether or not appealed by the taxpayer.

Several of the District’s twenty largest secured taxpayers have recently filed appeals seeking to reduce the assessed valuation of their property located within the Three BART Counties. See “SECURITY AND SOURCE OF PAYMENT FOR THE 2022 BONDS – Largest Taxpayers in the Three BART Counties.” The District can make no predictions as to the changes in assessed values that might result from pending or future appeals by taxpayers or blanket reassessments enacted by the assessor. Any reduction in aggregate assessed valuation in the Three BART Counties due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the 2022 Bonds to increase accordingly, so that the fixed debt service on the 2022 Bonds (and other outstanding bonds) may be paid. Any refund of paid taxes triggered by a successful assessment appeal will be debited by the county treasurer against all taxing agencies who received tax revenues, including the District. See “CONSTITUTIONAL LIMITATIONS – Limitations on Tax Revenues – Article XIII A of the California Constitution.”

Several large companies in the San Francisco Bay Area have announced headquarters relocations in recent years, including Tesla. On December 1, 2021, Tesla relocated its corporate headquarters from Palo Alto, Santa Clara County, California to Austin, Texas. The District cannot predict the impact of Tesla’s corporate headquarters relocation on the assessed valuation of its other property located within the Three BART Counties. See “SECURITY AND SOURCE OF PAYMENT FOR THE 2022 BONDS – Largest Taxpayers in the Three BART Counties.”

Cyber Security Risk

The District, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District is potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the District’s systems for the purposes of misappropriating assets or information or causing operational disruption or damage. The District has never had a major cyber breach that resulted in a financial loss.

No assurance can be given that the District’s efforts to manage cyber threats and attacks will, in all cases, be successful or that any such attack will not materially impact the operations or finances of the District. The District is also reliant on other entities and service providers, such as the Trustee in its role as trustee, and U.S. Bank Trust Company, National Association in its role as dissemination agent in connection with the District’s compliance with its continuing disclosure undertakings. No assurance can be given that the District may not be affected by cyber threats and attacks against other entities or service providers in a manner which may affect the owners of the 2022 Bonds, including for example, systems related to the timeliness of payments to owners of the 2022 Bonds or compliance with disclosure filings pursuant to the Continuing Disclosure Agreement. See Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – DISTRICT FINANCIAL INFORMATION – Risk Management and Insurance.”

Threats and Acts of Terrorism

BART and the BART police department collaborate with federal, State and local law enforcement authorities to implement security measures to reduce the probability that the BART System could be attacked by terrorists or violent extremists. However, such measures are not guaranteed to prevent an attack on the BART System. As such, BART and the BART police department actively plan and prepare to respond to and recover from all hazard events including acts of terrorism and violent extremism. The District cannot predict the likelihood of a terrorist attack on any portion of the BART System. Components of the BART System are not insured against terrorist attacks. See Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – BART FINANCINGS AND CAPITAL PROGRAMS – Security Enhancement Program.”

Potential Labor Disruptions

BART employees are represented by employee bargaining units that under State law are permitted to strike during negotiations for a contract. During strikes, the District does not operate service, which results in a loss of operating revenues. In 2013, the District suffered strikes during contract negotiations. Based on its current labor agreements, the District expects to enjoy stability in its labor relations through at least June 30, 2024. See Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – DISTRICT FINANCIAL INFORMATION – Labor Relations and Employee Retirement Benefits.” The District cannot predict the potential impact of future labor disruptions on the financial condition of the District.

CITIZENS’ OVERSIGHT COMMITTEES

Measure RR, approved by voters on November 8, 2016, requires that an independent Citizens’ Oversight Committee (the “Measure RR Oversight Committee”) be created by the District to review and report to the public expenditures of the bond proceeds. The current members and alternates of the Measure RR Oversight Committee were selected by the Board of Directors of the District on August 26, 2021 and are appointed to serve until June 30, 2023. Measure RR requires that members of the Measure RR Oversight Committee have expertise in certain specific subjects and reside within the District. Since its formation, the Measure RR Oversight Committee has held multiple meetings and the chair of the Measure RR Oversight Committee has presented reports to the District’s Board, in which the Measure RR Oversight Committee stated its consensus opinion that bond proceeds are being spent properly and in accordance with Measure RR. On July 22, 2021, the vice chair of the Measure RR Oversight Committee presented its annual report for Fiscal Year 2020-21 to the Board of Directors, which indicated that the District’s Measure RR program is approximately 25% complete, which exceeds projections made by BART when Measure RR was put before the voters in 2016. The 2022D Bonds will be subject to review by the Measure RR Oversight Committee.

Measure AA required that a BART Earthquake Safety Program Citizens’ Oversight Committee (the “Measure AA Oversight Committee”) be created by the District to confirm that proceeds of General Obligation Bonds are spent on seismic upgrades to BART structures as required by Measure AA and to review scheduling and budgeting of the projects to be funded. Measure AA requires that members of the Measure AA Oversight Committee have expertise in certain specific subjects and reside within the District. Since its formation, the Measure AA Oversight Committee has held at least one meeting annually and the chair of the Measure AA Oversight Committee has presented reports to the District’s Board, in which the Committee stated its consensus opinion that bond proceeds are being spent properly and in accordance with Measure AA. The 2022H Bonds are refunding bonds and, as such, are not subject to review by the Measure AA Oversight Committee.

The Measure RR Oversight Committee and the Measure AA Oversight Committee are responsible for confirming that work is completed and bond funds are expended in accordance with the applicable bond measure.

LEGAL MATTERS

The validity of the 2022 Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District. A complete copy of the proposed form of the opinion to be delivered by Bond Counsel is attached hereto as Appendix G. Compensation of Bond Counsel and counsel to the Underwriters is contingent upon the issuance of the 2022 Bonds. Approval of certain other legal matters will be passed upon for the District by its General Counsel and by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the District, and for the Underwriters by Curls Bartling P.C. Neither Orrick, Herrington & Sutcliffe LLP nor Curls Bartling P.C. take any responsibility for the accuracy, completeness or fairness of this Official Statement.

TAX MATTERS

The 2022D-1 Bonds

U.S. Holders

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the 2022D-1 Bonds that acquire their 2022D-1 Bonds in the initial offering and that are U.S. Holders (as defined in the discussion below relating to the Taxable Bonds).

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2022D-1 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the 2022D-1 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix G hereto.

To the extent the issue price of any maturity of the 2022D-1 Bonds is less than the amount to be paid at maturity of such 2022D-1 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2022D-1 Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the 2022D-1 Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the 2022D-1 Bonds is the first price at which a substantial amount of such maturity of the 2022D-1 Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the 2022D-1 Bonds accrues daily over the term to maturity of such 2022D-1 Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such 2022D-1 Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2022D-1 Bonds. Beneficial Owners of the 2022D-1 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2022D-1 Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such 2022D-1 Bonds in the original offering to the public at the first price at which a substantial amount of such 2022D-1 Bonds is sold to the public.

The 2022D-1 Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2022D-1 Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 2022D-1 Bonds will not be included in federal gross income. The inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2022D-1 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2022D-1 Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the 2022D-1 Bonds may adversely affect the value of, or the tax status of interest on, the 2022D-1 Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the 2022D-1 Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the 2022D-1 Bonds may otherwise affect a Beneficial Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2022D-1 Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2022D-1 Bonds. Prospective purchasers of the 2022D-1 Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the 2022D-1 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel’s engagement with respect to the 2022D-1 Bonds ends with the issuance of the 2022D-1 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the 2022D-1 Bonds in the event of an audit

examination by the IRS. Under current procedures, parties other than the District and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the 2022D-1 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2022D-1 Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

Non-U.S. Holders

Interest. Subject to the discussion below under the heading “Information Reporting and Backup Withholding” payments of principal of, and interest on, any 2022D-1 Bond to a Non-U.S. Holder, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the 2022D-1 Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading “Information Reporting and Backup Withholding,” or an exemption is otherwise established.

Disposition of the 2022D-1 Bonds. Subject to the discussion below under the heading “Information Reporting and Backup Withholding,” any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the Issuer) or other disposition of a 2022D-1 Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the Issuer) or other disposition and certain other conditions are met.

Information Reporting and Backup Withholding. Under current U.S. Treasury Regulations, payments of principal and interest on any 2022D-1 Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the 2022D-1 Bond or a financial institution holding the 2022D-1 Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. The current backup withholding tax rate is 24%.

The Taxable Bonds

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Taxable Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Taxable Bonds. The proposed form of opinion of Bond Counsel is contained in Appendix G hereto.

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to holders of the Taxable Bonds that acquire their Taxable Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should

note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the “IRS”) with respect to any of the U.S. federal tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Taxable Bonds as part of a hedge, straddle or an integrated or conversion transaction, investors whose “functional currency” is not the U.S. dollar, or certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Taxable Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Taxable Bonds pursuant to this offering for the issue price that is applicable to such Taxable Bonds (i.e., the price at which a substantial amount of the Taxable Bonds are sold to the public) and who will hold their Taxable Bonds as “capital assets” within the meaning of Section 1221 of the Code.

As used herein, “U.S. Holder” means a beneficial owner of a Taxable Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, “Non-U.S. Holder” generally means a beneficial owner of a Taxable Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Taxable Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Taxable Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Taxable Bonds (including their status as U.S. Holders or Non-U.S. Holders).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Taxable Bonds in light of their particular circumstances.

U.S. Holders

Interest. Interest on the Taxable Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the Taxable Bonds is less than the amount to be paid at maturity of such Taxable Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Taxable Bonds) by more than a de minimis amount, the difference may constitute original issue discount (“OID”). U.S. Holders of Taxable Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Taxable Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Taxable Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Taxable Bond.

Sale or Other Taxable Disposition of the Taxable Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the District) or other disposition of a Taxable Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Taxable Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Taxable Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Taxable Bond (generally, the purchase price paid by the U.S. Holder for the Taxable Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Taxable Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Taxable Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Taxable Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the Taxable Bonds. If the District defeases any Taxable Bond, the Taxable Bond may be deemed to be retired for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted U.S. federal income tax basis in the Taxable Bond.

Information Reporting and Backup Withholding. Payments on the Taxable Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Taxable Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the Taxable Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Taxable Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders

Interest. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act ("FATCA")—U.S. Holders and Non-U.S. Holders," payments of principal of, and interest on, any Taxable Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation described in Section 881(c)(3)(C) of the Code, and (2) a bank which acquires such Taxable Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax

provided that the beneficial owner of the Taxable Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading “Information Reporting and Backup Withholding,” or an exemption is otherwise established.

Disposition of the Taxable Bonds. Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “Foreign Account Tax Compliance Act (“FATCA”)—U.S. Holders and Non-U.S. Holders,” any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the District or a deemed retirement due to defeasance of the Taxable Bond) or other disposition of a Taxable Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the District) or other disposition and certain other conditions are met.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading “Foreign Account Tax Compliance Act (“FATCA”)—U.S. Holders and Non-U.S. Holders,” under current U.S. Treasury Regulations, payments of principal and interest on any Taxable Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the Taxable Bond or a financial institution holding the Taxable Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. The current backup withholding tax rate is 24%.

Foreign Account Tax Compliance Act (“FATCA”)—U.S. Holders and Non-U.S. Holders

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain “passthru” payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term “foreign passthru payments.” Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Taxable Bonds in light of the holder’s particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Taxable Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

LITIGATION

At the time of delivery of and payment for the 2022 Bonds, the District will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending with respect to which the District has been served with process or, to the knowledge of the District, threatened against the District in any way affecting the existence of the District or the titles of its officers to their respective offices or seeking to restrain or to enjoin the issuance, sale or delivery of the 2022 Bonds, the application of the proceeds thereof in accordance with the Trust Agreements, or the levy, collection or application of the *ad valorem* taxes, or in any way contesting or affecting the validity or enforceability of the 2022 Bonds or the Trust Agreements or in any way contesting the completeness or accuracy of this Official Statement with respect to the 2022 Bonds.

The District is currently involved in various lawsuits, claims and disputes. Many of those lawsuits arise as a result of personal injuries and property damage which are anticipated in connection with operations such as the District's. The District is currently named in [eight] active lawsuits filed by current and former employees alleging employment related claims including claims of racial and disability discrimination, a number of civil rights lawsuits arising from its ongoing police activities, litigation arising from license agreements and permits, litigation related to access, and construction-related claims.

The District in 2019 received a defense verdict in litigation brought by a company retained to act as a master station retail vendor which the District had terminated. The company sought \$30 million in damages, and has appealed seeking to reverse the verdict.

The District is also monitoring objections made by the United States Department of Labor (the "DOL") to the certification of federal transit grants as well as the status of litigation filed in response to prior certifications in light of the California Public Employees' Pension Reform Act. A dispositive ruling in favor of the DOL that prevents the certification of federal transit grants or interferes with prior certifications would have a material adverse effect on the District's finances. See Appendix A – "SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – BART FINANCINGS AND CAPITAL PROGRAMS – Funding Developments – *Pension Reform Act and Grant Funding.*"

RATINGS

Moody's Investors Service ("Moody's") has assigned a rating of "Aaa" to the 2022 Bonds. Fitch Ratings ("Fitch") has assigned a rating of "___" to the 2022 Bonds. Such ratings reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from such rating agencies furnishing the same at the following addresses: Moody's Ratings, Moody's Investors Service, 250 Greenwich Street, New York, New York 10007 and [Fitch Ratings, 33 Whitehall Street, New York, New York 10004]. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that any credit ratings given to the 2022 Bonds will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by such rating agencies, if, in their judgment, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the 2022 Bonds.

MUNICIPAL ADVISOR

Sperry Capital Inc., Sausalito, California, serves as Municipal Advisor to the District with respect to the sale of the 2022 Bonds. The Municipal Advisor has not conducted a detailed investigation of the

affairs of the District to determine the completeness or accuracy of this Official Statement, has not independently verified any of the data contained herein and has no responsibility for the accuracy or completeness thereof.

The compensation of the Municipal Advisor is contingent upon the issuance of the 2022 Bonds.

CONTINUING DISCLOSURE

To enable the Underwriters to comply with the requirements of Rule 15c2-12 promulgated by the Securities Exchange Commission (the “Rule”), the District will enter into a Continuing Disclosure Agreement with U.S. Bank Trust Company, National Association, as dissemination agent, for the benefit of the Beneficial Owners (as such term is defined in such Continuing Disclosure Agreement) from time to time of the 2022 Bonds. A copy of the proposed form of Continuing Disclosure Agreement is set forth in Appendix F hereto. During the five-year period preceding the date of this Official Statement, the District was current in the filing of its required annual report filings under the Rule; however, the District has determined that its Fiscal Year 2019-20 annual report filing was not linked to all of the specific CUSIP numbers to which it related. The District subsequently filed its Fiscal Year 2019-20 annual report filing on the Municipal Securities Rulemaking Board Electronic Municipal Market Access System and linked the previously omitted CUSIPs. The District has engaged BLX Group to assist with its continuing disclosure obligations and U.S. Bank Trust Company, National Association to serve as Dissemination Agent.

UNDERWRITING

The 2022 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated, as representative of itself and the Underwriters identified on the cover page of this Official Statement (the “Underwriters”) pursuant to a bond purchase agreement between the District and the Underwriters (the “Bond Purchase Agreement”). The Bond Purchase Agreement provides that the Underwriters will purchase all of the 2022 Bonds, if any are purchased, at a purchase price equal to \$_____ (representing the principal amount of the 2022 Bonds, plus a [net] original issue premium of \$_____ and less an underwriters’ discount of \$_____).

The Underwriters are initially offering the 2022 Bonds to the public at the public offering yields indicated on the inside cover page hereof but the Underwriters may offer and sell the 2022 Bonds to certain securities dealers, institutional investors and others (including sales for deposit into investment trusts, certain of which may be sponsored or managed by one or more of the Underwriters) at yields higher than the public offering yields stated on the cover page and the public offering yields may be changed from time to time by the Underwriters.

Citigroup Global Markets Inc., an underwriter of the 2022 Bonds, 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.

J.P. Morgan Securities LLC (“JPMS”), one of the Underwriters of the 2022 Bonds, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase 2022 Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any 2022 Bonds that such firm sells.

Stifel, Nicolaus & Company, Incorporated (“Stifel”), as underwriter of the 2022 Bonds, has entered into an agreement with its affiliate, Vining-Sparks IBG, LLC (“Vining-Sparks”) for the distribution of certain municipal securities offerings at the original issue price. Pursuant to that distribution agreement, Vining-Sparks may purchase 2022 Bonds from Stifel at the original issue price less a negotiated portion of the selling concession applicable to any 2022 Bonds that Vining-Sparks sells.

VERIFICATION OF MATHEMATICAL ACCURACY

Upon delivery of the 2022H Bonds, the arithmetical accuracy of certain computations included in the schedules provided by the Underwriters on behalf of the District relating to the: (i) adequacy of forecasted receipts of principal and interest on the escrow securities and cash held in the escrow fund to pay the interest on and redemption price of the Prior Bonds; (ii) the scheduled payments of principal and interest with respect to the Prior Bonds on and prior to the redemption date; (iii) yields on the securities to be deposited pursuant to the escrow fund relating to the Prior Bonds upon delivery of the 2022H Bonds, and (iv) level of debt service savings from the refunding, will be verified by Causey Demgen & Moore P.C. (the “Verification Agent”). Such verification shall be based solely upon information and assumptions supplied to the Verification Agent by the Underwriters or the Municipal Advisor. The Verification Agent has not made a study or evaluation of the information and assumptions on which such computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions or the achievability of the forecasted outcome.

FINANCIAL STATEMENTS

The most recent audited financial statements of the District included in Appendix B to this Official Statement have been audited by Crowe LLP (the “Auditor”), whose report thereon appears in such Appendix. The Auditor was not requested to consent to the inclusion of its report in Appendix B, nor has the Auditor 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.

MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the District and the purchasers, holders or beneficial owners of any of the 2022 Bonds. All of the preceding summaries of the 2022 Bonds, the Trust Agreements, applicable legislation and other agreements and documents are made subject to the provisions of the 2022 Bonds and such documents, respectively, and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the District for further information in connection therewith.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by the Interim Controller/Treasurer of the District has been duly authorized by the District. Concurrently with the delivery of the 2022 Bonds, the District will furnish to the Underwriters a certificate of the District to the effect that this Official Statement, as of the date of this Official Statement and as of the date of delivery of the 2022 Bonds, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading.

SAN FRANCISCO BAY AREA RAPID TRANSIT
DISTRICT

By: _____
Interim Controller/Treasurer

APPENDIX A

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION

APPENDIX B

**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

APPENDIX C

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT STATEMENT OF INVESTMENT POLICY

APPENDIX D

THE ECONOMY OF THE THREE BART COUNTIES

The ongoing COVID-19 pandemic has had and is expected to continue to have a material adverse effect on the various statistics presented in this Appendix D, the extent of which is currently unknown and unpredictable. The historical data presented in this Appendix D should not be interpreted as a reflection of current or future economic conditions in the Three BART Counties or in the San Francisco Bay Area.

General

The San Francisco Bay Area (the “Bay Area”) encompasses the nine counties which border San Francisco Bay. The Three BART Counties (the City and County of San Francisco, Alameda County and Contra Costa County) comprise a 1,512-square-mile central core of the nearly 7,000 square miles of land in the Bay Area. The City and County of San Francisco occupies approximately 49 square miles, while Alameda County and Contra Costa County are approximately 733 and 734 square miles in size, respectively. The San Francisco Bay Area Rapid Transit District (the “District” or “BART”) service area also includes northern San Mateo County, adjacent to the southern border of San Francisco, and northern Santa Clara County, adjacent to the southern borders of San Mateo County and Alameda County. The surrounding six non-member counties, Marin, Sonoma, Napa and Solano to the north and San Mateo and Santa Clara to the south, provide reciprocal economic support, potential users and expansion area for the District’s centrally located system. All capitalized terms used and not otherwise defined in this Appendix D shall have the meanings set forth in the front portion of this Official Statement.

The City and County of San Francisco occupies the tip of a peninsula situated between the Pacific Ocean and San Francisco Bay (the “Bay”) and is separated from Marin County and other northerly counties by the Golden Gate, which forms the entrance to the Bay and is spanned by the Golden Gate Bridge. Alameda and Contra Costa Counties, bordering the east side of the Bay across from San Francisco, stretch eastward up to 40 miles beyond the series of hills between the Bay and the Central Valley (the Sacramento and San Joaquin Valleys) of California. Contra Costa County is bordered on the northwest by San Pablo Bay and the north by the Carquinez Strait and the extensive delta area of the Sacramento and San Joaquin Rivers, which empty into the Bay. Alameda County adjoins Santa Clara County at the southern end of the Bay. Linking the Bay Area are eight major toll bridges.

Sales taxes levied in the Three BART Counties are a principal source of the District’s non-operating revenues. Sales tax revenues depend on economic activity and trends as well as the demographic characteristics of the Three BART Counties. Historical trends are summarized below and forecasts are presented for the population and employment of the Three BART Counties; **however, such historical trends and forecasts may not reflect the full impact of the ongoing COVID-19 pandemic.**

Historical Population and Employment Trends

Table 1 shows historical population for cities within the Three BART Counties for the selected years between 2000 and 2021. Population in the Three BART Counties increased approximately 16.3% between 2000 and 2021 and decreased approximately 0.5% between 2020 and 2021.

Table 1
HISTORICAL POPULATION
Alameda and Contra Costa Counties and City and County of San Francisco
2000, 2010 and 2018 through 2021

	2000 ⁽¹⁾	2010 ⁽¹⁾	2018 ⁽²⁾	2019 ⁽²⁾	2020 ⁽²⁾	2021 ⁽²⁾	% Change 2020-2021
Alameda County							
Alameda	72,259	73,812	81,195	81,457	81,135	80,884	(0.3)%
Albany	16,444	18,539	18,818	18,932	18,871	17,055	(9.6)
Berkeley	102,743	112,580	121,763	122,297	122,364	116,761	(4.6)
Dublin	30,023	46,036	61,488	63,890	65,161	64,695	(0.7)
Emeryville	6,882	10,080	12,142	12,177	12,448	12,586	1.1
Fremont	203,413	214,089	232,107	232,601	233,132	234,239	0.5
Hayward	140,030	144,186	158,896	159,272	159,266	158,089	(0.7)
Livermore	73,464	80,968	90,392	90,769	91,082	91,216	0.1
Newark	42,471	42,573	46,765	48,079	48,603	48,859	0.5
Oakland	399,566	390,724	428,750	429,932	432,327	435,514	0.7
Piedmont	10,952	10,667	11,311	11,325	11,297	11,296	0.0
Pleasanton	63,654	70,285	78,244	78,840	78,654	78,371	(0.4)
San Leandro	79,452	84,950	88,389	88,328	87,840	87,289	(0.6)
Union City	66,869	69,516	72,889	73,375	73,248	72,779	(0.6)
Other Areas	135,717	141,266	148,611	148,334	147,686	146,958	(0.5)
	1,443,939	1,510,271	1,651,760	1,659,608	1,663,114	1,656,591	(0.4)%
Contra Costa County							
Antioch	90,532	102,372	111,986	112,180	112,236	112,848	0.5%
Brentwood	23,302	51,481	63,191	64,491	65,263	66,097	1.3
Clayton	10,762	10,897	11,347	11,325	11,290	11,268	(0.2)
Concord	121,872	122,067	129,759	129,880	129,453	129,273	(0.1)
Danville	41,715	42,039	43,972	43,965	43,840	43,906	0.2
El Cerrito	23,171	23,549	24,645	24,788	24,835	24,846	0.0
Hercules	19,488	24,060	25,392	25,513	25,494	25,864	1.5
Lafayette	23,908	23,893	25,335	25,428	25,321	25,358	0.1
Martinez	35,866	35,824	37,429	37,369	36,946	36,827	(0.3)
Moraga	16,290	16,016	16,769	16,773	16,756	16,820	0.4
Oakley	25,619	35,432	41,124	41,775	42,268	42,895	1.5
Orinda	17,599	17,643	18,887	18,955	18,984	19,078	0.5
Pinole	19,039	18,390	19,476	19,470	19,390	19,369	(0.1)
Pittsburg	56,769	63,264	73,138	73,640	74,501	74,498	0.0
Pleasant Hill	32,837	33,152	34,279	34,231	34,127	34,133	0.0
Richmond	99,216	103,701	109,936	109,991	110,288	110,130	(0.1)
San Pablo	30,256	29,139	31,038	31,141	31,078	31,041	(0.1)
San Ramon	44,722	72,148	81,708	82,147	83,376	83,863	0.6
Walnut Creek	64,296	64,173	70,254	70,755	70,592	71,317	1.0
Other Areas	151,557	159,785	173,523	173,806	173,815	174,423	0.3
	948,816	1,049,025	1,143,188	1,147,623	1,149,853	1,153,854	0.3%
City and County of San Francisco	776,733	805,235	885,716	886,885	889,783	875,010	(1.7)%
Three BART Counties	3,169,488	3,364,531	3,680,664	3,694,116	3,702,750	3,685,455	(0.5)%

⁽¹⁾ As of April 1 of that year.

⁽²⁾ As of January 1 of that year.

Source: For 2000 and 2010: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2001-2010, with 2000 & 2010 Census Counts. Sacramento, California, November 2012; For 2018 and 2019: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2021, with 2010 Census Benchmark. Sacramento, California, May 2021; For 2020 and 2021: State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change — January 1, 2020 and 2021. Sacramento, California, May 2021.

Table 2-A shows historical nonagricultural employment for the Three BART Counties by industry sector in calendar year 2020 and Table 2-B shows total nonagricultural employment for those counties by industry sector in calendar years 2010, 2019, and 2020.

Table 2-A
NONAGRICULTURAL EMPLOYMENT BY INDUSTRY SECTOR
Alameda and Contra Costa Counties and City and County of San Francisco
Calendar Year 2020
(Not Seasonally Adjusted)

	Alameda County		Contra Costa County		City and County of San Francisco	
	Number	Percent⁽²⁾	Number	Percent⁽²⁾	Number	Percent⁽²⁾
Total Nonagricultural Employment ⁽¹⁾	749,100	—	343,100	—	692,700	—
<i>Major Classifications</i>						
Manufacturing	83,000	11.1%	15,200	4.4%	12,300	1.8%
Transportation, Warehousing and Public Utilities	33,400	4.5	11,700	3.4	21,500	3.1
Wholesale Trade	33,500	4.5	8,500	2.5	11,900	1.7
Retail Trade	62,000	8.3	38,500	11.2	39,500	5.7
Finance and Insurance	17,400	2.3	18,600	5.4	45,400	6.6
Real Estate, Rental and Leasing	10,000	1.3	6,800	2.0	15,000	2.2
Information	19,900	2.7	5,900	1.7	55,600	8.0
Professional & Business Services	128,800	17.2	55,800	16.3	198,300	28.6
Educational & Health Services	120,900	16.1	68,900	20.1	91,600	13.2
Leisure & Hospitality	52,900	7.1	31,200	9.1	59,600	8.6
Other Services	22,400	3.0	10,500	3.1	21,900	3.2
Government	118,400	15.8	47,500	13.8	96,900	14.0

⁽¹⁾ Totals may reflect rounding.

⁽²⁾ Represents percentage of total nonagricultural employment; reflects rounding.

Source: California Employment Development Department, Labor Market Information Division with March 2020 Benchmark.

Table 2-B
NONAGRICULTURAL EMPLOYMENT BY INDUSTRY SECTOR
Total Three BART Counties
Calendar Years 2010, 2019, and 2020
(Not Seasonally Adjusted)

	2010		2019		2020	
	Number	Percent⁽²⁾	Number	Percent⁽²⁾	Number	Percent⁽²⁾
Total Nonagricultural Employment ⁽¹⁾	1,513,600	-	1,951,500	-	1,784,900	-
<i>Major Classifications</i>						
Manufacturing	87,400	5.8%	114,800	5.9%	110,500	6.2%
Transportation, Warehousing and Public Utilities	41,700	2.8	67,900	3.5	66,600	3.7
Wholesale Trade	52,300	3.5	59,900	3.1	53,900	3.0
Retail Trade	141,500	9.3	157,400	8.1	140,000	7.8
Finance and Insurance	70,500	4.7	82,900	4.2	81,400	4.6
Real Estate, Rental, and Leasing	26,600	1.8	34,500	1.8	31,800	1.8
Information	43,400	2.9	80,100	4.1	81,400	4.6
Professional & Business Services	274,000	18.1	396,300	20.3	382,900	21.5
Educational & Health Services	239,100	15.8	292,500	15.0	281,400	15.8
Leisure & Hospitality	162,600	10.7	222,800	11.4	143,700	8.1
Other Services	56,600	3.7	69,200	3.5	54,800	3.1
Government	255,300	16.9	273,600	14.0	262,800	14.7

⁽¹⁾ Totals may reflect rounding.

⁽²⁾ Represents percentage of total nonagricultural employment; reflects rounding.

Source: California Employment Development Department, Labor Market Information Division with March 2020 Benchmark.

Total nonagricultural employment in the Three BART Counties increased approximately 17.9% between 2010 and 2020.

As shown in Table 2-A and Table 2-B, the economy of the Three BART Counties is well diversified, with emphasis on professional and business services, educational and health services, and government.

Alameda County. Alameda County accounts for approximately 44.9% of the population and approximately 42.0% of the nonagricultural employment of the Three BART Counties. Alameda County's population increased approximately 14.7% between 2000 and 2021. Alameda County has a diverse economic base. A large number of new jobs have been created by firms classified in the services industry, many of which are highly skilled professional, technical, and managerial positions. The two largest employment sectors in 2020 were professional and business services and educational and health services, which accounted for approximately 33.3% of total nonagricultural employment. The transportation, warehousing and public utilities sector, accompanied by both retail trade and wholesale trade categories, averaged 128,900 jobs in 2020, comprising approximately 17.2% of total nonagricultural employment.

Contra Costa County. Contra Costa County, predominantly a low-density residential area, accounts for approximately 31.3% of the population and approximately 19.2% of total nonagricultural employment of the Three BART Counties. Contra Costa County's population increased approximately 21.6% between 2000 and 2021.

Contra Costa County's growing employment base has been driven primarily by the need to provide services to an increasing local population. Contra Costa County has also experienced an influx of white-collar jobs due to the relocation of companies from more expensive locations in the Bay Area. The professional and business services, educational and health services, retail trade and government employment sectors accounted for approximately 61.4% of the nonagricultural employment base in Contra Costa County in 2020.

City and County of San Francisco. The City and County of San Francisco (the "City") is a major employment center of the Three BART Counties, accounting for approximately 38.8% of the nonagricultural employment and approximately 23.7% of the population of the Three BART Counties. The City's population is relatively dense and increased slowly in recent years prior to the COVID-19 pandemic, with an overall increase of approximately 12.7% between 2000 and 2021. The City's population decreased approximately 1.7% between 2020 and 2021.

The City has the benefit of a highly skilled, professional labor force. Key industries include tourism, real estate, banking and finance, technology, retailing, apparel design, manufacturing, multimedia and bioscience. The two largest employment sectors in 2020 were professional and business services and government, which accounted for approximately 42.6% of total nonagricultural employment. The transportation, warehousing and public utilities sector, accompanied by both the retail trade and wholesale trade sectors, accounted for approximately 72,900 jobs in 2020, comprising approximately 10.5% of total nonagricultural employment. The professional and business services sector accounted for approximately 198,300 jobs in 2020, comprising approximately 28.6% of total nonagricultural employment.

Table 3 shows the average annual unemployment rates for the Three BART Counties and the State of California and the United States for the calendar years 2012 through 2021, and the preliminary unemployment rates for the Three BART Counties and the State of California and the United States for February 2022.

Table 3
AVERAGE ANNUAL UNEMPLOYMENT RATES

**Alameda County, Contra Costa County, City and County of San Francisco,
State of California and the United States
Calendar Years 2012 Through 2022**

Calendar Year	Alameda County	Contra Costa County	City and County of San Francisco	State of California	United States
2012	8.8%	9.1%	6.9%	10.5%	8.1%
2013	7.3	7.6	5.5	9.0	7.4
2014	5.9	6.2	4.4	7.6	6.2
2015	4.8	5.1	3.7	6.3	5.3
2016	4.3	4.5	3.3	5.5	4.9
2017	3.7	3.9	2.9	4.8	4.4
2018	3.1	3.2	2.4	4.3	3.9
2019	3.0	3.1	2.2	4.2	3.7
2020	8.8	8.9	7.8	10.1	8.1
2021	6.1	6.4	5.0	7.3	5.3
2022 ⁽¹⁾	3.8	4.1	3.0	4.8	3.8

⁽¹⁾ Preliminary data for February 2022; not seasonally adjusted.

Sources: For Alameda County, Contra Costa County, the City and County of San Francisco, and the State of California, 2012 through 2020: California Employment Development Department, Local Area Unemployment Statistics (LAUS) for California Areas: Annual Average, Updated June 29, 2021; For Alameda County, Contra Costa County, the City and County of San Francisco, and the State of California, 2021: California Employment Development Department, Monthly Labor Force Data for Counties Annual Average 2021 – Revised, Updated March 25, 2022; For the United States: U.S. Department of Labor, Bureau of Labor Statistics, Labor Force Statistics from the Current Population Survey.

Table 4 identifies the major employers of the San Francisco Bay Area.

Table 4
MAJOR PRIVATE SECTOR EMPLOYERS
San Francisco Bay Area⁽¹⁾
As of June 2021

Employer	Number of Bay Area Employees
Kaiser Permanente	46,352
Sutter Health	18,710
Meta ⁽²⁾	15,407
Safeway	14,474
Tesla Inc.	13,000
Wells Fargo & Co.	12,035
Genentech	12,000
Salesforce	9,450
Allied Universal	9,309
PG&E	9,300
Oracle Corp.	9,149
United Airlines	7,894
John Muir Health	6,300
Uber	5,500
Workday	5,098
Chevron Corp.	4,700
Visa Inc.	4,263
Gilead Sciences Inc.	4,190
Bank of America, National Association	3,847
Lam Research Corp.	3,300
First Republic Bank	3,289
The Save Mart Cos.	3,200
Southwest Airlines	2,853
Bank of the West	2,648
JPMorgan Chase & Co.	2,562

⁽¹⁾ Data includes Alameda County, Contra Costa County, Marin County, San Mateo County, and the City and County of San Francisco.

⁽²⁾ In October 2021, Facebook changed its name to Meta.

Source: San Francisco Business Times.

Personal Income

The United States Department of Commerce, Bureau of Economic Analysis (the “BEA”) produces economic accounts statistics that enable government and business decision-makers, researchers, and the public to follow and understand the performance of the national economy.

The BEA defines “personal income” as income received by persons from all sources, including income received from participation in production as well as from government and business transfer payments. Personal income represents the sum of compensation of employees (received), supplements to wages and salaries, proprietors’ income with inventory valuation adjustment and capital consumption adjustment (CCAdj), rental income of persons with CCAdj, personal income receipts on assets, and personal current transfer receipts, less contributions for government social insurance. Per capita personal income is calculated as the personal income divided by the resident population based upon the Census Bureau’s annual midyear population estimates.

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Table 5 below presents the latest available total income and per capita personal income for the Three BART Counties, the State and the nation for the calendar years 2015 through 2020 (the most recent annual data available). The Three BART Counties have traditionally had per capita income levels significantly higher than those of the State and the nation.

Table 5
PERSONAL INCOME
Alameda County, Contra Costa County, City and County of San Francisco,
State of California and United States
Calendar Years 2015 through 2020

Year and Area	Personal Income (millions of dollars) ⁽¹⁾	Per Capita Personal Income (dollars)
2015		
Alameda County	\$102,413	\$62,664
Contra Costa County	76,805	68,323
San Francisco County	91,385	105,863
State of California	2,125,431	54,632
United States	15,681,233	48,891
2016		
Alameda County	109,572	66,377
Contra Costa County	81,452	71,621
San Francisco County	98,483	113,024
State of California	2,218,458	56,667
United States	16,092,713	49,812
2017		
Alameda County	116,802	70,370
Contra Costa County	86,986	75,929
San Francisco County	104,938	119,591
State of California	2,318,644	58,942
United States	16,845,028	51,811
2018		
Alameda County	125,584	75,354
Contra Costa County	91,654	79,641
San Francisco County	113,725	129,280
State of California	2,431,822	61,663
United States	17,681,159	54,098
2019		
Alameda County	131,535	78,839
Contra Costa County	97,550	84,614
San Francisco County	117,636	133,856
State of California	2,544,235	64,513
United States	18,402,004	56,047
2020		
Alameda County	144,751	87,078
Contra Costa County	106,319	92,264
San Francisco County	125,500	144,818
State of California	2,763,312	70,192
United States	19,607,447	59,510

⁽¹⁾ Numbers reflect rounding.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 6 shows the total dollar volume of sales and other taxable transactions (which correlate with sales tax receipts) in the Three BART Counties for fiscal years 2011 through 2020 (the most recent data available).

Table 6
HISTORICAL TAXABLE TRANSACTIONS
Alameda and Contra Costa Counties and City and County of San Francisco
Fiscal Years 2011 Through 2020
(\$ in thousands)

Fiscal Year	Alameda County⁽¹⁾	Contra Costa County⁽¹⁾	San Francisco County⁽¹⁾	Total Three BART Counties⁽¹⁾	Percentage Change
2011	\$23,430,799	\$12,799,857	\$14,890,527	\$51,121,183	8.9%
2012	25,181,571	13,997,249	15,953,605	55,132,425	7.8
2013	26,624,571	14,471,988	17,094,163	58,190,722	5.5
2014	28,377,714	15,030,047	18,469,729	61,877,490	6.3
2015	29,972,313	15,786,868	18,912,493	64,671,674	4.5
2016	31,163,320	16,104,285	19,437,168	66,704,773	3.1
2017	32,702,083	16,757,632	19,473,871	68,933,586	3.3
2018	35,073,302	17,607,890	20,342,721	73,023,913	5.9
2019	35,116,164	18,080,746	20,957,132	74,154,042	1.5
2020	32,176,002	18,043,575	14,389,723	64,609,300	(12.9)

⁽¹⁾ Numbers reflect rounding.

Source: California Department of Tax and Fee Administration, Taxable Sales by County.

Table 7 shows taxable transactions by type of business for the Three BART Counties for the fiscal year ended June 30, 2020 (the most recent annual data available).

Table 7
TAXABLE TRANSACTIONS BY TYPE OF BUSINESS
Alameda and Contra Costa Counties and the City and County of San Francisco
For Fiscal Year 2020
(\$ in thousands)

Type of Business	Alameda County	Contra Costa County	City and County of San Francisco
<i>Retail and Food Services</i>			
Motor Vehicle and Parts Dealers	\$4,301,875	\$2,371,368	\$593,476
Home Furnishings and Appliance Stores	1,221,330	638,465	768,022
Building Material and Garden Equipment and Supplies Dealers	2,013,946	1,393,714	642,104
Food and Beverage Stores	1,323,098	1,008,278	746,455
Gasoline Stations	1,327,851	1,059,711	304,977
Clothing and Clothing Accessories Stores	1,262,678	776,036	1,163,031
General Merchandise Stores	1,981,213	1,634,668	560,059
Food Services and Drinking Places	2,418,690	1,480,020	2,081,728
Other Retail Group	4,080,577	2,781,984	2,690,590
<i>Total Retail and Food Services⁽¹⁾</i>	\$19,931,259	\$13,144,244	\$9,550,442
<i>All Other Outlets⁽¹⁾</i>	\$12,244,743	\$4,899,331	\$4,839,281
<i>Total All Outlets⁽¹⁾</i>	\$32,176,002	\$18,043,575	\$14,389,723

⁽¹⁾ Totals may reflect rounding.

Source: California Department of Tax and Fee Administration.

Table 8 shows a comparison of taxable transactions among several large northern and southern California counties (including the Three BART Counties) and state-wide over the fiscal years 2015 through 2020 (the most recent annual data available).

Table 8
COMPARISON OF TAXABLE TRANSACTIONS TRENDS
FOR MAJOR CALIFORNIA COUNTIES
Fiscal Years 2015 Through 2020
(\$ in thousands)

	2015	2016	2017	2018	2019	2020	% Change (2015-2020)
Three BART Counties							
Alameda	\$29,972,313	\$31,163,320	\$32,702,083	\$35,073,302	\$35,116,164	\$32,176,002	7.4%
Contra Costa	15,786,868	16,104,285	16,757,632	17,607,890	18,080,746	18,043,575	14.3%
San Francisco	18,912,493	19,437,168	19,473,871	20,342,721	20,957,132	14,389,723	(23.9)%
Total Three BART Counties	\$64,671,674	\$66,704,773	\$68,933,586	\$73,023,913	\$74,154,042	\$64,609,300	(0.1)%
Other Northern Counties							
Sacramento	\$22,218,348	\$23,368,174	\$24,610,617	\$25,443,669	\$26,836,365	\$27,173,406	22.3%
San Mateo	15,639,825	15,821,971	16,736,449	17,547,097	18,286,057	15,940,068	1.9%
Santa Clara	41,524,760	42,128,430	43,149,031	45,353,074	47,001,964	46,444,650	11.8%
Southern Counties							
Los Angeles	\$151,981,740	\$155,155,641	\$160,280,130	\$166,023,796	\$172,313,603	\$157,737,984	3.8%
Orange	61,916,219	63,058,761	65,148,058	67,468,616	69,688,975	63,833,515	3.1%
Riverside	33,166,660	34,483,694	36,407,460	38,919,498	40,626,998	42,313,474	27.6%
San Bernardino	35,580,276	37,216,551	38,399,373	40,554,024	41,768,748	43,265,512	21.6%
San Diego	54,717,543	55,921,010	57,551,360	59,041,042	61,365,277	58,814,528	7.5%
Ventura	13,876,397	13,835,876	14,000,695	14,323,432	14,800,284	14,538,294	4.8%
Statewide	\$638,631,955	\$653,856,259	\$677,823,493	\$706,835,201	\$732,756,903	\$706,756,521	10.7%

⁽¹⁾ Numbers reflect rounding.

Source: California Department of Tax and Fee Administration, Taxable Sales by County.

APPENDIX E

CLEARING SYSTEMS

Introduction. The information in this Appendix E concerning The Depository Trust Company (“DTC”), Euroclear Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”) and Clearstream Banking, société anonyme, Luxembourg (“Clearstream Banking”) (DTC, Euroclear and Clearstream Banking together, the “Clearing Systems”), and DTC’s book-entry-only system has been provided by DTC, Euroclear and Clearstream Banking for use in disclosure documents such as this Official Statement. Capitalized terms used herein which are not otherwise defined herein shall have the meaning set forth in the front portion of the Official Statement or in APPENDIX H under the heading “SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENTS – Definitions.”

DTC will act as the initial securities depository for the 2022 Bonds. Euroclear and Clearstream Banking are participants of DTC and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders.

The information set forth below is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect and the San Francisco Bay Area Rapid Transit District (the “District”) expressly disclaims any responsibility to update this Official Statement to reflect any such changes. The information herein concerning the Clearing Systems has been obtained from sources that the District believes to be reliable, but neither the District nor the Underwriters takes any responsibility for the accuracy or completeness of the information set forth herein. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. The District will have no responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the 2022 Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The District and the Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of principal of, premium if any, and interest (“Debt Service”) on the 2022 Bonds, or redemption or other notices, to participants of the Clearing Systems (“Participants”); (2) Participants or others will distribute Debt Service payments paid to DTC or its nominee (as the registered owner of the 2022 Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis; or (3) DTC or the other Clearing Systems will serve and act in the manner described in this Official Statement. 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 (hereinafter defined) are on file with DTC.

None of the District, the Underwriters nor the Trustee will have any responsibility or obligations to DTC, the Direct Participants, the Indirect Participants of DTC or the Beneficial Owners with respect to: (1) the accuracy of any records maintained by DTC or any Direct Participants or Indirect Participants of DTC; (2) the payment by DTC or any Direct Participants or Indirect Participants of DTC of any amount due to any Beneficial Owner in respect of the Debt Service on the 2022 Bonds; (3) the delivery by DTC or any Direct Participants or Indirect Participants of DTC of any notice to any Beneficial Owner that is required or permitted to be given to owners under the terms of the Trust Agreements; or (4) any consent given or other action taken by DTC as registered owner of the 2022 Bonds.

Book Entry-Only System. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the 2022 Bonds. The 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 the 2022 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. 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.

Purchases of 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (each a "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 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 2022 Bonds, except in the event that use of the book-entry system for the 2022 Bonds is discontinued.

To facilitate subsequent transfers, all 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 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 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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. Beneficial Owners of 2022 Bonds may wish to take

certain steps to augment the transmission to them of notices of significant events with respect to the 2022 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of 2022 Bonds may wish to ascertain that the nominee holding the 2022 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 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 2022 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District or to the Trustee 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 2022 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 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 District or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2022 Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

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

Discontinuation of Book-Entry-Only System; Payment to Beneficial Owners

In the event that the book-entry system described above is no longer used with respect to the 2022 Bonds, the provisions of the Trust Agreements relating to place of payment, transfer and exchange of the 2022 Bonds, regulations with respect to exchanges and transfers, bond register, 2022 Bonds mutilated, destroyed or stolen, and evidence of signatures of Bond Owners and ownership of 2022 Bonds will govern the payment, registration, transfer, exchange and replacement of the 2022 Bonds. Interested persons should contact the District for further information regarding such provisions of the Trust Agreements.

Euroclear and Clearstream Banking.

Euroclear and Clearstream Banking have advised the District as follows:

Euroclear and Clearstream Banking each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream Banking provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream Banking also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream Banking have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream Banking customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream Banking is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system, either directly or indirectly.

Clearing and Settlement Procedures. Any 2022 Bonds sold in offshore transactions will be initially issued to investors through the book-entry facilities of DTC, for the account of its participants, including but not limited to Euroclear and Clearstream Banking. If the investors are participants in Clearstream Banking and Euroclear in Europe, or indirectly through organizations that are participants in the Clearing Systems, Clearstream Banking and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream Banking's and Euroclear's names on the books of their respective depositories. In all cases, the record holder of the 2022 Bonds will be DTC's nominee and not Euroclear or Clearstream Banking. The depositories, in turn, will hold positions in customers' securities accounts in the depositories' names on the books of DTC. Because of time zone differences, the securities account of a Clearstream Banking or Euroclear participant as a result of a transaction with a participant, other than a depository holding on behalf of Clearstream Banking or Euroclear, will be credited during the securities settlement processing day, which must be a business day for Clearstream Banking or Euroclear, as the case may be, immediately following the DTC settlement date. These credits or any transactions in the securities settled during the processing will be reported to the relevant Euroclear participant or Clearstream Banking participant on that business day. Cash received in Clearstream Banking or Euroclear as a result of sales of securities by or through a Clearstream Banking participant or Euroclear participant to a DTC Participant, other than the depository for Clearstream Banking or Euroclear, will be received with value on the DTC settlement date but will be available in the relevant Clearstream Banking or Euroclear cash account only as of the business day following settlement in DTC.

Transfers between participants will occur in accordance with DTC rules. Transfers between Clearstream Banking participants or Euroclear participants will occur in accordance with their respective rules and operating procedures. Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream Banking participants or Euroclear participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant depositories; however, cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the system in accordance with its rules and procedures and within its established deadlines in European time. The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in

accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream Banking participants or Euroclear participants may not deliver instructions directly to the depositories.

The District will not impose any fees in respect of holding the 2022 Bonds; however, holders of book-entry interests in the 2022 Bonds may incur fees normally payable in respect of the maintenance and operation of accounts in the Clearing Systems.

Initial Settlement. Interests in the 2022 Bonds will be in uncertified book-entry form. Purchasers electing to hold book-entry interests in the 2022 Bonds through Euroclear and Clearstream Banking accounts will follow the settlement procedures applicable thereto and applicable to DTC. Book-entry interests in the 2022 Bonds will be credited by DTC to Euroclear and Clearstream Banking participants' securities clearance accounts on the business day following the date of delivery of the 2022 Bonds against payment (value as on the date of delivery of the 2022 Bonds). DTC participants acting on behalf of purchasers electing to hold book-entry interests in the 2022 Bonds through DTC will follow the delivery practices applicable to securities eligible for DTC's Same Day Funds Settlement system. DTC participants' securities accounts will be credited with book-entry interests in the 2022 Bonds following confirmation of receipt of payment to the District on the date of delivery of the 2022 Bonds.

Secondary Market Trading. Secondary market trades in the 2022 Bonds will be settled by transfer of title to book-entry interests in the Clearing Systems. Title to such book-entry interests will pass by registration of the transfer within the records of Euroclear, Clearstream Banking or DTC, as the case may be, in accordance with their respective procedures. Book-entry interests in the 2022 Bonds may be transferred within Euroclear and within Clearstream Banking and between Euroclear and Clearstream Banking in accordance with procedures established for these purposes by Euroclear and Clearstream Banking. Book-entry interests in the 2022 Bonds may be transferred within DTC in accordance with procedures established for this purpose by DTC. Transfer of book-entry interests in the 2022 Bonds between Euroclear or Clearstream Banking and DTC shall be effected in accordance with procedures established for this purpose by Euroclear, Clearstream Banking and DTC.

Special Timing Considerations

Investors should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the 2022 Bonds through Euroclear or Clearstream Banking on days when those systems are open for business. In addition, because of time-zone differences, there may be complications with completing transactions involving Clearstream Banking and/or Euroclear on the same business day as in the United States. U.S. investors who wish to transfer their interests in the 2022 Bonds, or to receive or make a payment or delivery of 2022 Bonds, on a particular day, may find that the transactions will not be performed until the next business day in Luxembourg if Clearstream Banking is used, or Brussels if Euroclear is used.

Clearing Information

The District and the Underwriters expect that the 2022 Bonds will be accepted for clearance through the facilities of Euroclear and Clearstream Banking. The international securities identification number, common code and/or CUSIP number for the 2022 Bonds are set out on the cover page of this Official Statement.

Limitations

For so long as the 2022 Bonds are registered in the name of DTC or its nominee, Cede & Co., the District and the Trustee will recognize only DTC or its nominee, Cede & Co., as the registered owner of

the 2022 Bonds for all purposes, including payments, notices and voting. So long as Cede & Co. is the registered owner of the 2022 Bonds, references in this Official Statement to registered owners of the 2022 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2022 Bonds.

Because DTC is treated as the owner of the 2022 Bonds for substantially all purposes, Beneficial Owners may have a restricted ability to influence in a timely fashion remedial action or the giving or withholding of requested consents or other directions. In addition, because the identity of Beneficial Owners is unknown to the District or DTC, it may be difficult to transmit information of potential interest to Beneficial Owners in an effective and timely manner. Beneficial Owners should make appropriate arrangements with their broker or dealer regarding distribution of information regarding the 2022 Bonds that may be transmitted by or through DTC.

The District will have no responsibility or obligation with respect to:

- the accuracy of the records of DTC, its nominee or any Direct Participant or Indirect Participant with respect to any Beneficial Ownership interest in any 2022 Bonds;
- the delivery to any Direct Participant or Indirect Participant or any other person, other than a registered owner as shown in the bond register kept by the Trustee, of any notice with respect to any 2022 Bonds including, without limitation, any notice of redemption with respect to any 2022 Bonds;
- the payment to any Direct Participant or Indirect Participant or any other person, other than a registered owner as shown in the bond register kept by the Trustee, of any amount with respect to the principal of, premium, if any, or interest on, any 2022 Bonds; or
- any consent given by DTC or its nominee as registered owner.

Prior to any discontinuation of the book entry only system hereinabove described, the District and the Trustee may treat Cede & Co. (or such other nominee of DTC) as, and deem Cede & Co. (or such other nominee) to be, the absolute registered owner of the 2022 Bonds for all purposes whatsoever, including, without limitation:

- the payment of principal, premium, if any, and interest on the 2022 Bonds;
- giving notices of redemption and other matters with respect to the 2022 Bonds;
- registering transfers with respect to the 2022 Bonds; and
- the selection of 2022 Bonds for redemption.

General

None of Euroclear, Clearstream Banking or DTC is under any obligation to perform or continue to perform the procedures referred to above, and such procedures may be discontinued at any time.

Neither the District, the Underwriters nor any of their agents will have any responsibility for the performance by Euroclear, Clearstream Banking or DTC or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their operations or the arrangements referred to above.

APPENDIX F

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is executed and delivered by the San Francisco Bay Area Rapid Transit District (the “Issuer”) and U.S. Bank Trust Company, National Association, as dissemination agent (the “Dissemination Agent”), in connection with the issuance of \$_____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds) and 2022 Series D-2 (Federally Taxable) (Green Bonds) (together, the “2022D Bonds”), and \$_____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds) (the “2022H Bonds” and, together with the 2022D Bonds, the “2022 Bonds”). The 2022D Bonds are being issued pursuant to Resolution No. [____], adopted by the Board of Directors of the Issuer on April 28, 2022, and according to the terms and in the manner set forth in the Trust Agreement (Measure RR), dated as of June 1, 2017, as supplemented by the First Supplemental Trust Agreement (Measure RR), dated as of August 1, 2019, as further supplemented by the Second Supplemental Trust Agreement (Measure RR), dated as of August 1, 2020, and as further supplemented by the Third Supplemental Trust Agreement (Measure RR), dated as of May 1, 2022 (as supplemented, the “Measure RR Trust Agreement”), each between the Issuer and U.S. Bank Trust Company, National Association, as Trustee (the “Trustee”). The 2022H Bonds are being issued pursuant to Resolution No. [____], adopted by the Board of Directors of the Issuer on April 28, 2022, and according to the terms and in the manner set forth in the Trust Agreement (Measure AA), dated as of June 1, 2017, as supplemented by the First Supplemental Trust Agreement (Measure AA), dated as of August 1, 2019, and as further supplemented by the Second Supplemental Trust Agreement (Measure AA), dated as of May 1, 2022 (as supplemented, the “Measure AA Trust Agreement” and, together with the Measure RR Trust Agreement, the “Trust Agreement”), each between the Issuer and the Trustee. The Issuer and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer and the Dissemination Agent for the benefit of the Holders and the Beneficial Owners (as hereinafter defined) of the 2022 Bonds and in order to assist the Participating Underwriters (as hereinafter defined) in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the applicable Trust Agreement, which apply to any capitalized term used in this Disclosure Agreement and not otherwise defined in this Section, the following capitalized terms shall have the following meanings:

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

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any 2022 Bonds (including persons holding 2022 Bonds through nominees, depositories or other intermediaries).

“Disclosure Representative” shall mean the Controller/Treasurer or Interim Controller/Treasurer of the Issuer or their designee, or such other officer or employee of the Issuer as the Controller/Treasurer or Interim Controller/Treasurer of the Issuer shall designate in writing to the Trustee and the Dissemination Agent from time to time.

“Dissemination Agent” shall mean U.S. Bank Trust Company, National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Trustee a written acceptance of such designation.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 5(a)(10) and 5(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Holder” shall mean the person in whose name any 2022 Bond shall be registered.

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

“MSRB” shall mean the Municipal Securities Rulemaking Board 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 Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Participating Underwriter” shall mean any of the original underwriters of the 2022 Bonds required to comply with the Rule in connection with offering of the 2022 Bonds.

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

“SEC” shall mean the Securities and Exchange Commission or any successor agency thereto.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than eight (8) months after the end of the Issuer’s fiscal year (presently June 30), commencing with the Annual Report for the fiscal year of the Issuer ending June 30, 2022, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Each Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. Neither the Trustee nor the Dissemination Agent shall have any duties or responsibilities with respect to the contents of the Annual Report. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Issuer shall provide the Annual Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Issuer to determine if the Issuer is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall send a notice, in electronic format, to the MSRB, such notice to be in substantially the form attached as Exhibit A.

(d) If the Annual Report is delivered to the Dissemination Agent for filing, the Dissemination Agent shall file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided.

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

(a) The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer'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 Official Statement, dated _____, 2022, relating to the 2022 Bonds (the "Official Statement"), and the audited financial statements shall be filed in the same manner as the Annual Report when such audited financial statements become available.

(b) An update (as of the most recently ended fiscal year of the Issuer) for the table set forth in the Official Statement under the caption "Debt Service Schedules" and an update for the tables entitled "San Francisco Bay Area Rapid Transit District Assessed Valuation" and "San Francisco Bay Area Rapid Transit District Secured Tax Charges and Delinquencies," each set forth in the Official Statement under the caption "Security and Source of Payment for the 2022 Bonds."

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been filed with the MSRB or the SEC. If the document included by reference is a final official statement, it must be available from the MSRB. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 2022 Bonds not later than ten business days after the occurrence of the event:

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 or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;

7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event 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 the Issuer, any of which reflect financial difficulties.

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.

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the 2022 Bonds, if material, not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the 2022 Bonds or other material events affecting the tax status of the 2022 Bonds;
2. Modifications to rights of bond holders;
3. Optional, unscheduled or contingent bond calls;
4. Release, substitution, or sale of property securing repayment of the 2022 Bonds;
5. Non-payment related defaults;
6. 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;
7. Appointment of a successor or additional trustee or the change of name of a trustee; or
8. Incurrence of a Financial Obligation of the Issuer, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders.

(c) The Issuer shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3, as provided in Section 3(b).

(d) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the Issuer shall determine if such event would be material under applicable federal securities laws.

(e) If the Issuer learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the Issuer shall within ten business days of the occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected 2022 Bonds pursuant to the applicable Trust Agreement.

(f) The Issuer intends to comply with respect to the Listed Events described in Section 5(a)(10) and Section 5(b)(8), and the definition of “Financial Obligation” in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Commission in its Release No. 34-83885 dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.

SECTION 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The obligations of the Issuer and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 2022 Bonds. If such termination occurs prior to the final maturity of the 2022 Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing thirty (30) days written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the form or content of any notice or report prepared by the Issuer pursuant to this Disclosure Agreement.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Issuer, provided the Dissemination Agent shall not be obligated to enter into any such amendment that modifies or increases its duties or obligations hereunder), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal

requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the 2022 Bonds, or the type of business conducted;

(b) This Disclosure Agreement, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 2022 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the 2022 Bonds in the same manner as provided in the applicable Trust Agreement for amendments to the applicable Trust Agreement with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the 2022 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

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

SECTION 11. Default. In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee, at the written request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding 2022 Bonds, shall, 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, fees and expenses of its attorneys, or any Owner or Beneficial Owner of the 2022 Bonds, may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the applicable Trust Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. Article VIII of the applicable Trust Agreement is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the applicable Trust Agreement and the Trustee and the Dissemination Agent shall be entitled to the protections, limitations from liability and

indemnities afforded the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer agrees to indemnify and save the Dissemination Agent and the Trustee and their officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their 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 Trustee's or the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the Issuer for its services provided hereunder in accordance with its schedule of fees as amended from time to time and all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The obligations of the Issuer under this Section shall survive resignation or removal of the Trustee or the Dissemination Agent and payment of the 2022 Bonds. The Dissemination Agent has no power to enforce performance on the part of the Issuer under this Disclosure Agreement.

The Dissemination Agent agrees to accept and act upon instructions or directions pursuant to this Disclosure Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Dissemination Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Dissemination Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Dissemination Agent acts upon such instructions, the Dissemination Agent's understanding of such instructions shall be deemed controlling. The Dissemination Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Dissemination Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer agrees: (i) to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Dissemination Agent, including without limitation the risk of the Dissemination Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Dissemination Agent and that there may be more secure methods of transmitting instructions than the method(s) selected by the Issuer; and (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

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

- (i) If to the Issuer:
San Francisco Bay Area Rapid Transit District
2150 Webster Street
Oakland, California 94612
Attention: Interim Controller/Treasurer
Telephone: (510) 464-6070
Fax: (510) 464-6011
- (ii) If to the Dissemination Agent:
U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Global Corporate Trust

Telephone: (415) 677-3596
Fax: (415) 677-3769

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent. Notices may also be given by electronic means.

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the 2022 Bonds, and shall create no rights in any other person or entity.

SECTION 15. Governing Law. This Disclosure Agreement shall be governed under the laws of the State of California.

SECTION 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: _____, 2022.

SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT

By _____
Interim Controller/Treasurer

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Dissemination Agent

By _____
Authorized Officer

Exhibit A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF
FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: San Francisco Bay Area Rapid Transit District

Name of Bond Issue: San Francisco Bay Area Rapid Transit District General
Obligation Bonds (Election of 2016), 2022 Series D-1
(Green Bonds)

San Francisco Bay Area Rapid Transit District General
Obligation Bonds (Election of 2016), 2022 Series D-2
(Federally Taxable) (Green Bonds)

San Francisco Bay Area Rapid Transit District General
Obligation Bonds (Election of 2004), 2022 Refunding
Series H (Federally Taxable) (Green Bonds)

Date of Issuance of Bonds: _____, 2022

NOTICE IS HEREBY GIVEN that the San Francisco Bay Area Rapid Transit District (the “Issuer”) has not provided an Annual Report with respect to the above-named Bonds as required by Section 3(a) of the Continuing Disclosure Agreement, dated _____, 2022, between the Issuer and U.S. Bank Trust Company, National Association, as dissemination agent. [The Issuer anticipates that the Annual Report will be filed by _____.]

Dated: _____

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Dissemination Agent on behalf of the San
Francisco Bay Area Rapid Transit District

cc: Issuer

APPENDIX G

PROPOSED FORM OF OPINION OF BOND COUNSEL

[Closing Date]

San Francisco Bay Area
Rapid Transit District
Oakland, California

\$ _____
San Francisco Bay Area Rapid Transit District
General Obligation Bonds (Election of 2016),
2022 Series D-1 (Green Bonds)

\$ _____
San Francisco Bay Area Rapid Transit District
General Obligation Bonds (Election of 2016),
2022 Series D-2 (Federally Taxable) (Green Bonds)

\$ _____
San Francisco Bay Area Rapid Transit District
General Obligation Bonds (Election of 2004),
2022 Refunding Series H (Federally Taxable) (Green Bonds)
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the San Francisco Bay Area Rapid Transit District (the “District”) in connection with the issuance of \$ _____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds) (the “2022D-1 Bonds”), \$ _____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-2 (Federally Taxable) (Green Bonds) (the “2022D-2 Bonds” and, together with the 2022D-1 Bonds, the “2022D Bonds”), authorized at an election held in the District on November 8, 2016, and \$ _____ aggregate principal amount of San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds) (the “2022H Bonds” and, together with the 2022D Bonds, the “2022 Bonds”), authorized at an election held in the District on November 2, 2004. The 2022D Bonds are issued under and pursuant to a resolution of the Board of Directors of the District, adopted on April 28, 2022 (the “2022D Resolution”), and in accordance with the terms of a Trust Agreement (Measure RR), dated as of June 1, 2017, as supplemented and amended, including by a Third Supplemental Trust Agreement (Measure RR), dated as of May 1, 2022 (collectively, the “Measure RR Trust Agreement”), between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The 2022H Bonds are issued under and pursuant to a resolution of the Board of Directors of the District, adopted on April 28, 2022 (the “2022H Resolution” and, together with the 2022D Resolution, the “Resolutions”), and in accordance with the terms of a Trust Agreement (Measure AA), dated as of June 1, 2017, as supplemented and amended, including by a Second Supplemental Trust Agreement (Measure AA), dated as of May 1, 2022 (collectively, the “Measure AA Trust Agreement” and, together with the Measure RR Trust Agreement, the “Trust Agreements”), between the District and the Trustee. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the respective Trust Agreements.

In such connection, we have reviewed the Resolutions, the Trust Agreements, the Tax Certificate of the District, dated the date hereof (the “Tax Certificate”), opinions of counsel to the District and others,

certificates of the District, the Trustee, and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the 2022 Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the 2022 Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the 2022 Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolutions, the Trust Agreements and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the 2022D-1 Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the 2022 Bonds, the Resolutions, the Trust Agreements and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public transit districts in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or to have the effect of a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Trust Agreements or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the 2022 Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The 2022 Bonds constitute the valid and binding obligations of the District.
2. The Resolutions have been duly and legally adopted and constitute valid and binding obligations of the District.
3. The Trust Agreements have been duly executed and delivered by the District and, assuming due authorization, execution and delivery by the other party thereto, constitute valid and binding agreements of the District.
4. The District has the power and is obligated to cause the levy of *ad valorem* taxes without limitation as to rate or amount upon all property within the District's boundaries subject to taxation by the

District (except certain personal property which is taxable at limited rates) for the payment of the principal of the 2022 Bonds and the interest thereon.

5. Interest on the 2022D-1 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the 2022D-1 Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Interest on the 2022D-2 Bonds and the 2022H Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the 2022 Bonds is exempt from State of California personal income taxes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2022 Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

APPENDIX H

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENTS

**SECOND SUPPLEMENTAL TRUST AGREEMENT
(MEASURE AA)**

between the

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

and

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

Dated as of May 1, 2022

Relating to the

**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS (ELECTION OF 2004),
2022 REFUNDING SERIES H
(FEDERALLY TAXABLE) (GREEN BONDS)**

(Supplemental to the Master Trust Agreement dated as of June 1, 2017)

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EXHIBIT A FORM OF BOND

SECOND SUPPLEMENTAL TRUST AGREEMENT
(MEASURE AA)

This SECOND SUPPLEMENTAL TRUST AGREEMENT (Measure AA), dated as of May 1, 2022 (the “Second Supplemental Trust Agreement”), between U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the “Trustee”), and the SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT, a public transit district duly organized and existing under and pursuant to the laws of the State of California (the “District” or “BART”);

W I T N E S S E T H:

WHEREAS, this Second Supplemental Trust Agreement is supplemental to the Master Trust Agreement, dated as of June 1, 2017 (as supplemented and amended from time to time pursuant to its terms, including as supplemented and amended by this Second Supplemental Trust Agreement, the “Trust Agreement”), between the District and the Trustee, as successor trustee to U.S. Bank National Association;

WHEREAS, the Trust Agreement provides that the District may issue Bonds from time to time as authorized by a Supplemental Trust Agreement;

WHEREAS, the District is empowered under the provisions of the San Francisco Bay Area Rapid Transit District Act, being Part 2, commencing with Section 28500, of Division 10 of the Public Utilities Code of the State of California and Article 4.5 of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53506 and other applicable law (the “Act”), to adopt resolutions authorizing the issuance of the San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004) (the “Bonds”) in one or more Series in the aggregate principal amount not to exceed \$980,000,000 in order to provide funds to finance the cost of a portion of the earthquake safety improvements identified in Measure AA (the “Project”) and to pay the costs of issuance for the Bonds;

WHEREAS, the District has heretofore issued its San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2005 Series A (the “2005A Bonds”), in an aggregate principal amount of \$100,000,000 in order to provide funds to finance the cost of a portion of the Project and to pay the costs of issuance for the 2005A Bonds;

WHEREAS, the District has heretofore issued its San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2007 Series B (the “2007B Bonds”), in an aggregate principal amount of \$400,000,000 in order to provide funds to finance the cost of a portion of the Project and to pay the costs of issuance for the 2007B Bonds;

WHEREAS, the District has heretofore issued its San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2013 Series C (the “2013C Bonds”), in an aggregate principal amount of \$240,000,000 in order to provide funds to finance the cost of a portion of the Project and to pay the costs of issuance for the 2013C Bonds;

WHEREAS, the District has heretofore issued its San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2015 Refunding Series D (the “2015D Bonds”), in an aggregate principal amount of \$276,805,000, in order to provide funds to redeem the 2005A Bonds and to defease a portion of the 2007B Bonds, and to pay the costs of issuance for the 2015D Bonds;

WHEREAS, the District has heretofore issued its San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2017 Refunding Series E (Green Bonds) (the “2017E Bonds”), in an aggregate principal amount of \$84,735,000 in order to provide funds to refund a portion of the outstanding 2007B Bonds, and to pay the costs of issuance for the 2017E Bonds;

WHEREAS, the District has heretofore issued its San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2019 Series F-1 (Green Bonds) (the “2019F-1 Bonds”), in an aggregate principal amount of \$205,100,000, and its San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2019 Series F-2 (Federally Taxable) (Green Bonds) (the “2019F-2 Bonds” and, together with the 2019F-1 Bonds, the “2019F Bonds”), in an aggregate principal amount of \$34,900,000 in order to provide funds to finance the costs of a portion of the Project, and to pay the costs of issuance for the 2019F Bonds;

WHEREAS, the District has heretofore issued its San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2019 Refunding Series G (Federally Taxable) (Green Bonds) (the “2019G Bonds”), in an aggregate principal amount of \$43,500,000 in order to provide funds to refund a portion of the outstanding 2013C Bonds, and to pay the costs of issuance for the 2019G Bonds;

WHEREAS, pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and other applicable law, the District is authorized to issue refunding bonds to refund all or a portion of its Outstanding Bonds;

WHEREAS, the District has determined, by its Resolution No. [____], adopted on [April 28], 2022 (“Resolution No. [____]”), authorizing the issuance of the San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds) (the “2022H Bonds”) in accordance with the Act and Measure AA in order to provide funds to (i) refund and defease a portion of the Outstanding 2013C Bonds and a portion of the Outstanding 2015D Bonds (such refunded portion being referred to herein as the “Refunded Bonds”) and (ii) pay the costs of issuance for the 2022H Bonds; 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 entering into of this Second Supplemental Trust Agreement 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 Second Supplemental Trust Agreement;

NOW, THEREFORE, THIS SECOND SUPPLEMENTAL TRUST AGREEMENT 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 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 2022H Bonds by the Owners (as hereinafter defined) thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the District does hereby agree and covenant with the Trustee for the benefit of the respective Owners, from time to time, of the 2022H Bonds, or any part thereof, as follows:

ARTICLE XVII

DEFINITIONS

SECTION 17.01 Definitions.

(a) **Definitions.** Unless the context otherwise requires, or as otherwise provided in subsection (b) of this Section, all terms that are defined in the Trust Agreement shall have the same meanings, respectively, in this Second Supplemental Trust Agreement.

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

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

["Comparable Treasury Issue"] means, with respect to any redemption date for a particular 2022H Bond, the U.S. Treasury security or securities selected by the Designated Investment Banker that has or have an actual maturity closest to (one equal to or one earlier and one later than) the remaining average life of the 2022H Bonds to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of such 2022H Bonds to be redeemed.]

["Comparable Treasury Price"] means, with respect to any redemption date for a particular 2022H Bond, the average of five Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or if the Designated Investment Banker obtains fewer than five Reference Treasury Dealer Quotations, the average of all such quotations.]

["Designated Investment Banker"] means a Reference Treasury Dealer appointed by the District.]

“Escrow Agreement (2013C/2015D Bonds)” means, with respect to the 2022H Bonds, the Escrow Agreement, dated as of May 1, 2022, between the District and U.S. Bank Trust Company, National Association, as escrow agent.

“Interest Payment Date” means, with respect to the 2022H Bonds, February 1 and August 1 of each year until the redemption or maturity of such Bonds, commencing with August 1, 2022.

“Issue Date” means, with respect to the 2022H Bonds, the date on which the 2022H Bonds are first delivered to the purchasers thereof.

“Record Date” means, with respect to 2022H Bonds, the fifteenth day of the month prior to an Interest Payment Date, whether or not such day is a Business Day.

“Reference Treasury Dealer” means each of five firms, specified by the District from time to time, that are primary U.S. Treasury securities dealers in the City of New York (each, a “Primary Treasury Dealer”); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the District will substitute another Primary Treasury Dealer.]

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date for a particular 2022H Bond, the average, as determined by the Designated Investment Banker, of the bid and asked prices for the Comparable Treasury Issue or Comparable Treasury Issues, as applicable (expressed in each case as a percentage of its principal amount), quoted in writing to the District and the Trustee by such Reference Treasury Dealer at 3:30 p.m. (New York City time) on the Valuation Date.]

“Second Supplemental Trust Agreement” means this Second Supplemental Trust Agreement, dated as of May 1, 2022.

“Treasury Rate” means, with respect to any redemption date for particular 2022H Bonds, the rate per annum, expressed as a percentage of the principal amount, equal to the actual or interpolated rate based on (a) the most recent yield data for the Comparable Treasury Issue, as applicable, from the Federal Reserve Statistical Release H.15 Daily Update (or any comparable or successor publication) reported, as of 11:00 a.m. New York City time, on the Valuation Date; or (b) if the yield described in (a) above is not reported as of such date and time or the yield reported as of such date and time is not ascertainable, the semi-annual equivalent yield to maturity of the Comparable Treasury Issue or Comparable Treasury Issues on the valuation date, assuming that such Comparable Treasury Issue or Comparable Treasury Issues are purchased on the redemption date for a price equal to the applicable Comparable Treasury Price, as calculated by the Designated Investment Banker.]

“U.S. Treasury” means any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged.]

“Valuation Date” means a date, as determined by the District, after consultation with the Designated Investment Banker, that is no earlier than 45 days prior to the redemption date.]

“**2022H Bonds**” means the San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds), in the aggregate principal amount of \$[2022H PAR].

SECTION 17.02 Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include corporations and associations, including public bodies, as well as natural persons. Defined terms shall include any variant of the terms set forth in this Article XVII.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms, as used in this Second Supplemental Trust Agreement, refer to the Trust Agreement.

ARTICLE XVIII

AUTHORIZATION AND TERMS OF THE 2022H BONDS

SECTION 18.01 Authorization and Terms of the 2022H Bonds.

(a) The 2022H Bonds shall be issued for the purpose of providing funds to refund the Refunded Bonds and to pay Costs of Issuance for the 2022H Bonds. The 2022H Bonds shall be issued by the District under and subject to the terms of Resolution No. [____], the Trust Agreement, and all applicable laws, and shall be designated as the “San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds),” and shall be in the aggregate principal amount of \$[_____].

The 2022H Bonds shall be dated their date of delivery. The 2022H Bonds shall bear interest at the respective rates shown in the table set forth below in this Section 18.01(a), payable on August 1, 2022, and thereafter on February 1 and August 1 of each year until the payment thereof at maturity or upon prior redemption. Each 2022H Bond authenticated and registered on any date prior to the close of business on the first Record Date shall bear interest payable to the Owner thereof from the date of said 2022H Bond. Each 2022H Bond authenticated during the period between any Record Date and the close of business on its corresponding Interest Payment Date shall bear interest payable to the Owner thereof from such Interest Payment Date. Any other 2022H Bond shall bear interest payable to the Owner thereof from the Interest Payment Date immediately preceding the date of its authentication. If, at the time of authentication of any 2022H Bond, interest is in default on outstanding 2022H Bonds, such 2022H Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding 2022H Bonds. Interest on the 2022H Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The 2022H Bonds shall be issued in fully registered form, without coupons, in denominations of \$5,000 principal amount or any integral multiple thereof, provided that no 2022H Bond shall mature on more than one maturity date.

The 2022H Bonds shall mature on August 1 in each of the years in the principal amounts, and shall bear interest at the annual rates of interest, as shown below:

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
--------------------------------	-----------------------------	--------------------------

[* Term Bond]

(b) The principal and any premium of the 2022H Bonds shall be payable, on the maturity date thereof or the date such Bond is called for prior redemption, in lawful money of the United States of America to the Owner thereof, upon the surrender thereof at the Principal Corporate Trust Office of the Trustee, or at such other location as the Trustee shall designate.

(c) Payment of the interest on any Bond shall be made by check or draft mailed by first class mail to such Owner at such Owner's address as it appears on such registration books or at such address as the Owner may have filed with the Trustee for that purpose; or upon written request of the Owner of Bonds aggregating not less than \$1,000,000 in principal amount, given no later than the Record Date preceding the applicable Interest Payment Date, by wire transfer in immediately available funds to an account maintained in the United States at such wire address as such Owner shall specify in its written notice. So long as Cede & Co. or its registered assigns shall be the registered owner of any of the 2022H Bonds, payment shall be made thereto by wire transfer as provided in Section 2.08(e) of the Trust Agreement. When and as paid in full, and following surrender thereof to the Trustee, all Bonds shall be cancelled by the Trustee, and thereafter they shall be destroyed.

SECTION 18.02 Form and Registration of 2022H Bonds. (a) The 2022H Bonds, the Trustee's certificate of authentication and registration, and the form of assignment to appear thereon shall be in substantially the forms, respectively, attached hereto as Exhibit A, with necessary or appropriate variations, omissions and insertions as permitted or required by this Second Supplemental Trust Agreement. The 2022H Bonds shall be numbered from R-H-1 upwards.

(b) The 2022H Bonds when issued shall be registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, New York, New York, and shall be initially issued as one bond for each of the maturities and interest rate of the 2022H Bonds, in the principal amounts set forth in the table in Section 18.01. The Depository Trust Company is hereby appointed depository for the 2022H Bonds and registered ownership of the 2022H Bonds may not thereafter be transferred except as provided in Sections 2.08 and 2.09 of the Trust Agreement.

(c) The Trustee is hereby authorized to authenticate and deliver each Series of Bonds, including the 2022H Bonds, to or upon the Request of the District.

ARTICLE XIX

ESTABLISHMENT OF FUNDS AND ACCOUNTS AND APPLICATION THEREOF

SECTION 19.01 Application of Proceeds of Sale of the 2022H Bonds.

Upon the delivery of the 2022H Bonds to the initial purchaser thereof and the receipt from said initial purchaser of the net purchase price of the 2022H Bonds (\$[PURCHASE PRICE], consisting of the principal amount thereof, [plus/less] [net] original issue [premium/discount] of \$[OIP/OID], less an underwriters' discount of \$[UW DISCOUNT], the Trustee shall deposit said amount as follows:

(i) \$[ESCROW FUND] to be transferred to the escrow agent under the Escrow Agreement (2013C/2015D Bonds) for deposit into the Escrow Fund established thereunder. The Trustee may establish a temporary fund in its records to record and facilitate such transfer to the escrow agent; and

(ii) \$[2022H COI] to the 2022H Costs of Issuance Fund established pursuant to Section 19.02 hereof.

SECTION 19.02 Establishment and Application of the 2022H Costs of Issuance Fund. The Trustee shall establish and maintain and hold in trust a separate fund designated as the "San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2022 Series H Costs of Issuance Fund" (the "2022H Costs of Issuance Fund"). All money on deposit in the 2022H Costs of Issuance Fund shall be applied solely for the payment of authorized Costs of Issuance. Before any payment from the 2022H Costs of Issuance Fund shall be made by the Trustee, the District shall file or cause to be filed with the Trustee a Requisition of the District, such Requisition of the District to be in substantially such form as is set forth in Exhibit C to the Trust Agreement.

Any amounts remaining in the 2022H Costs of Issuance Fund ninety (90) days after the date of issuance of the 2022H Bonds shall be transferred to the Interest and Sinking Fund and the 2022H Costs of Issuance Fund shall be closed.

ARTICLE XX

REDEMPTION OF 2022H BONDS

SECTION 20.01 Optional Redemption. (a) The 2022H Bonds maturing on or before August 1, 20[___], are not subject to redemption prior to their respective stated maturity dates. The 2022H Bonds maturing on and after August 1, 20[___], are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part, on any date on or after August 1, 20[___] at the principal amount of the 2022H Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium. If less than all of the 2022H Bonds are called for redemption, the 2022H Bonds shall be redeemed in such maturities as is directed by the District.

(b) [The 2022H Bonds may be redeemed in whole or in part at the election of the District on any date before August 1, 20__, from any moneys that may be provided for such purpose, at a redemption price for such 2022H Bonds to be redeemed determined by a Designated Investment Banker equal to the greater of (i) 100% of the principal amount of such 2022H Bonds to be redeemed, or (ii) an amount equal to the sum of the present values of the remaining scheduled payments of principal and interest on each of such 2022H Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2022H Bonds are to be redeemed, discounted to the date on which such 2022H Bonds are to be redeemed on a semi-annual compounding basis, assuming a 360-day year consisting of twelve 30-day months, at the applicable Treasury Rate plus five (5) basis points for 2022H Bonds maturing through [2025], plus ten (10) basis points for 2022H Bonds maturing in [2026, 2027, and 2028], and plus fifteen (15) basis points for 2022H Bonds maturing in or after [2029], plus in each case accrued and unpaid interest on the 2022H Bonds to be redeemed on the redemption date.]

(c) If less than all of the 2022H Bonds of a single maturity are called for optional redemption, the Trustee shall select the 2022H Bonds or any given portion thereof to be redeemed from the 2022H Bonds Outstanding or such given portion thereof not previously called for redemption, among the owners on a pro rata pass through distribution of principal basis (subject to \$5,000 denominations). If the 2022H Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of the 2022H Bonds, if less than all of the 2022H Bonds of a maturity are called for prior redemption, the particular 2022H Bonds or portions thereof to be redeemed shall be selected on a pro rata pass-through distribution of principal basis in accordance with DTC procedures, provided that, so long as the 2022H Bonds are held in book-entry form, the selection for redemption of such 2022H Bonds shall be made in accordance with the operational arrangements of DTC then in effect.

SECTION 20.02 Mandatory Sinking Fund Redemption.

(a) The 2022H Term Bonds maturing on August 1, 20[___], are also subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Payment Date (August 1)	Mandatory Sinking Fund Payment Amount
<hr/>	<hr/>

* Final maturity

(b) The principal amount of each mandatory sinking fund payment of any maturity shall be reduced on a pro rata basis, in \$5,000 increments, by the amount of any 2022H Bonds of that maturity optionally redeemed prior to the mandatory sinking fund payment date.

(c) Notice of redemption shall be given as provided in Section 4.01 of the Trust Agreement.

ARTICLE XXI

MISCELLANEOUS

SECTION 21.01 **Terms of 2022H Bonds Subject to Trust Agreement.**

Except as in this Second Supplemental Trust Agreement expressly provided, every term and condition contained in the Trust Agreement shall apply to the Second Supplemental Trust Agreement and to the 2022H Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to the Second Supplemental Trust Agreement.

The Second Supplemental Trust Agreement and all the terms and provisions herein contained shall form part of the Trust Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Trust Agreement. The Trust Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

SECTION 21.02 **Severability.** If any covenant, agreement or provision, or any portion thereof, contained in this Second Supplemental Trust Agreement, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Second Supplemental Trust Agreement, and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and this Second Supplemental Trust Agreement shall remain valid.

SECTION 21.03 **Parties Interested Herein.** Nothing in this Second Supplemental Trust Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the District, the Trustee, and the Owners, any right, remedy or claim under or by reason of this Second Supplemental Trust Agreement or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Second Supplemental Trust Agreement contained by and on behalf of the District shall be for the sole and exclusive benefit of the District, the Trustee, and the Owners.

SECTION 21.04 **Headings Not Binding.** The headings in this Second Supplemental Trust Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Second Supplemental Trust Agreement.

SECTION 21.05 **Notices to Rating Agencies.** The Trustee shall provide notice to the Rating Agencies of the following events with respect to the 2022H Bonds:

- (1) Change in Trustee;
- (2) Amendments to the Trust Agreement; and
- (3) Redemption or defeasance of the 2022H Bonds.

SECTION 21.06 Indenture to Remain in Effect. Save and except as amended and supplemented by this Second Supplemental Trust Agreement, the Trust Agreement shall remain in full force and effect.

SECTION 21.07 Effective Date of Second Supplemental Trust Agreement. This Second Supplemental Trust Agreement shall take effect upon its execution and delivery.

SECTION 21.08 Execution in Counterparts[; Electronic Means]. This Second Supplemental Trust Agreement may be signed in several counterparts, each of which will constitute an original, but all of which shall constitute one and the same instrument. [Each of the parties hereto agrees that the transaction consisting of this agreement may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this agreement using an electronic signature, it is signing, adopting, and accepting this agreement and that signing this agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this agreement in a usable format.]

SECTION 21.09 Amendment of Section 11.01. Section 11.01 is hereby amended to read in full as follows:

“Unless otherwise specified herein, all notices, statements, orders, requests or other communications hereunder by any party to another shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, or if given by fax, electronically, or other means of written communication and confirmed by mail:

If to the District: San Francisco Bay Area Rapid Transit District
2150 Webster Street, 10th Floor
Oakland, California 94612
Attention: Controller/Treasurer
Telephone: (510) 464-6070
Fax: (510) 464-6011

If to the Trustee: U.S. Bank Trust Company, National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Global Corporate Trust Services
Telephone: (415) 677-3596
Fax: (415) 677-3769”

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Trust Agreement to be duly executed by their officers duly authorized as of the date first written above.

SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT

By _____
Interim Controller/Treasurer

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

By _____
Authorized Officer

EXHIBIT A

FORM OF BOND

No. _____ Amount
R-H- _____ \$ _____

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2004), 2022 REFUNDING SERIES H
(FEDERALLY TAXABLE) (GREEN BONDS)

Interest Rate	Maturity Date	Dated Date	CUSIP NO.
_____%	August 1, 20__	_____, 20__	797661 ____

Registered Owner: CEDE & CO.

Principal Sum: _____ DOLLARS

The SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT, a public transit district duly organized and existing under and pursuant to the laws of the State of California (the "District"), acknowledges itself obligated to and promises to pay to the registered owner identified above or registered assigns on the maturity date set forth above or upon redemption prior thereto, the principal sum specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money at the interest rate per annum stated above, computed on the basis of a 360-day year of twelve 30-day months, payable August 1, 2022, and thereafter on February 1 and August 1 in each year (each an "Interest Payment Date"), until payment of said principal sum. If this bond is authenticated and registered on any date prior to the close of business on July 15, 2022, it shall bear interest from the date hereof. If authenticated during the period between any Record Date (defined as the fifteenth day of the month prior to an Interest Payment Date) and the close of business on its corresponding Interest Payment Date, it shall bear interest from such Interest Payment Date. Otherwise, this bond shall bear interest from the Interest Payment Date immediately preceding the date of its authentication.

The principal hereof is payable to the registered owner hereof upon the surrender hereof at the corporate trust office (as that term is defined in the Trust Agreement hereinafter described) of U.S. Bank Trust Company, National Association (herein called the "Trustee"), the successor trustee/registrar and transfer agent of the District. The interest hereon is payable to the person whose name appears on the Bond registration books of the Trustee as the registered owner hereof as of the close of business on the Record Date preceding each Interest Payment Date, whether or not such day is a business day, such interest to be paid by check mailed to such registered owner at the owner's address as it appears on such registration books, or at such other address filed with the Trustee for that purpose. Upon written request, given no later than the Record Date immediately preceding an Interest Payment Date, of the owner of Bonds (hereinafter defined) aggregating at least \$1,000,000 in principal amount, interest will be paid by wire transfer to an account maintained in the United States as specified by the owner in such request. So long

as Cede & Co. or its registered assigns shall be the registered owner of this bond, payment shall be made by wire transfer as provided in the Trust Agreement.

This Bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, maturities and redemption provisions), amounting in the aggregate to \$[_____], designated as “San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds)” (the “Bonds”). The Bonds are part of a \$980,000,000 authorization of bonds approved by a vote of at least two-thirds of the voters voting on a ballot measure, Measure AA, at an election duly and legally called, held and conducted in the District on November 2, 2004. The Bonds are issued and sold pursuant to Resolution No. [_____] of the District, adopted on [April 28], 2022, and a Trust Agreement (Measure AA), dated as of June 1, 2017, as supplemented, including by a Second Supplemental Trust Agreement, dated as of May 1, 2022 (as so supplemented, and as further supplemented and amended in accordance with its terms, the “Trust Agreement”), between the District and the Trustee, and in strict conformity with the provisions thereof and of the Constitution and laws of the State of California, specifically the provisions of Part 2 of Division 10 of the Public Utilities Code of the State of California and Article 4.5 of Chapter 3 of Division 2 of Title 5 of the Government Code of the State of California.

The Bonds are subject to redemption on the date, at the redemption prices and pursuant to the terms set forth in the Trust Agreement. Notice of redemption of any Bonds or any portions thereof shall be given as set forth in the Trust Agreement. If this bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

The Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple thereof, provided that no Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Trust Agreement, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same Series, maturity and interest rate of other authorized denominations.

This Bond is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at said office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations for the same Series, maturity, interest rate, and same aggregate principal amount will be issued to the transferee in exchange herefor.

The District and the Trustee may treat the registered owner hereof as the absolute owner hereof for all purposes, and the District and the Trustee shall not be affected by any notice to the contrary.

The District hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this Bond, is within the limit provided by law, that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of

this Bond have been done and performed in strict conformity with the laws authorizing the issuance of this Bond, that this Bond is in the form prescribed by order of the Governing Board of the District duly made and entered on its minutes and shall be payable out of the Interest and Sinking Fund of the District, and the money for the payment of the principal of this Bond, premium, if any, and the payment of interest hereon, shall be raised by taxation upon the taxable property of the District.

This Bond shall not be entitled to any benefit under the Trust Agreement, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Trustee.

IN WITNESS WHEREOF the SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT has caused this Bond to be executed in its name and on its behalf by the facsimile signature of the President of its Board of Directors and countersigned by the facsimile signature of its Secretary, and a facsimile of the seal of the District to be impressed or imprinted hereon, and this Bond to be dated the Dated Date set forth above.

SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT

By: _____

President
San Francisco Bay Area
Rapid Transit District

(Seal)

Attested:

Secretary
San Francisco Bay Area
Rapid Transit District

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the Bonds described in the within-mentioned Trust Agreement authenticated and registered on _____.

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee/Registrar and Transfer
Agent

By _____
Authorized Signatory

DTC LEGEND

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered Owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Trustee/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee: _____
Notice: Signature must be guaranteed by an eligible guarantor institution.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM

TO: Board of Directors **DATE:** April 22, 2022

FROM: General Manager

SUBJECT: Administration Agenda: Fiscal Year 2023 and Fiscal Year 2024 Preliminary Budget Overview

At the April 28, 2022 BART Board of Director's meeting, the District's "Fiscal Year 2023 and Fiscal Year 2024 Preliminary Budget Overview" will be presented as an information item.

If you have any questions about this presentation, please contact Pamela Herhold, Assistant General Manager, Performance & Budget, at Pherhol@bart.gov, or (510) 464-6168.

DocuSigned by:
Michael Jones
47000790E2D7463

Robert Powers

cc: Board Appointed Officers
Deputy General Manager
Executive Staff

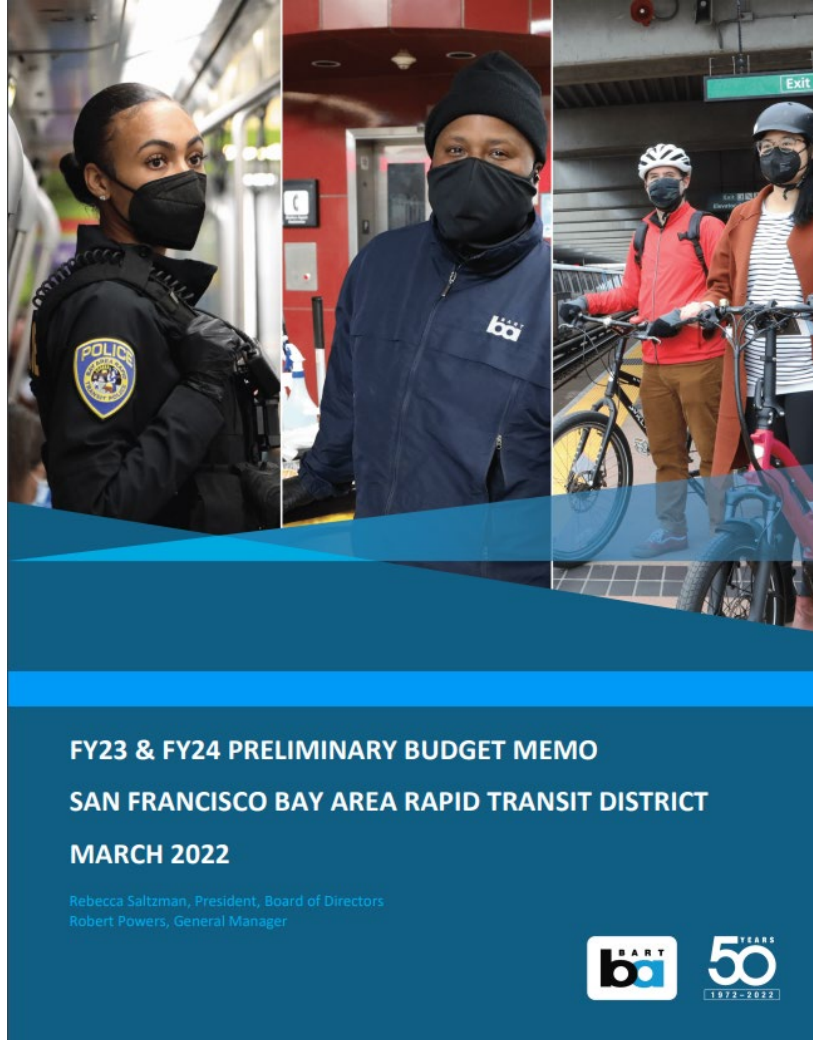


FY23 & FY24 Preliminary Budget Briefing

BART Board of Directors

April 28, 2022

FY23 & FY24 Preliminary Budget Overview



Executive Summary

- Leading with service and ridership experience
- Extending BART's fiscal runway
- Maintaining capital commitments

Changes to this year's Preliminary Budget Memo (PBM):

- BART's first two-year operating budget
- Incorporation of longer-term fiscal planning
- Detailed line item and position detail included in appendix

To access full PBM, please visit www.bart.gov/budget

FY23 & FY24 Preliminary Sources & Uses

SOURCES AND USES (\$Millions)	Budget		Change		Budget		Change	
	FY22 Adopted	FY23 Prelim	\$	%	FY24 Prelim	\$	%	
Operating Revenue								
Rail Passenger Revenue	165.9	221.7	55.8	34%	282.1	60.4	27%	
ADA Passenger Revenue	0.5	0.5	0.0	1%	0.5	0.0	1%	
Parking Revenue	9.4	13.1	3.7	39%	14.3	1.2	9%	
Other Operating Revenue	19.9	19.4	(0.4)	-2%	22.6	3.1	16%	
<i>Subtotal - Operating Revenue</i>	<i>195.7</i>	<i>254.8</i>	<i>59.1</i>	<i>30%</i>	<i>319.5</i>	<i>64.7</i>	<i>25%</i>	
Financial Assistance								
Sales Tax Proceeds	261.7	299.0	37.3	14%	306.6	7.7	3%	
Property Tax Proceeds	54.5	58.0	3.5	6%	61.2	3.2	5%	
SFO Ext Financial Assistance	22.6	0.0	(22.6)	-	0.0	0.0	-	
VTA Financial Assistance	35.2	34.3	(0.9)	-3%	33.4	(0.9)	-3%	
MTC Financial Assistance Clipper Start	0.6	0.2	(0.4)	-65%	0.3	0.1	56%	
Local & Other Assistance	7.4	6.9	(0.5)	-7%	7.0	0.1	2%	
State Transit Assistance	28.4	22.7	(5.7)	-20%	38.6	15.9	70%	
Low Carbon Transit Operations Program	4.4	10.3	5.9	135%	10.3	0.0	0%	
Low Carbon Fuel Standard Program	22.6	16.6	(6.0)	-26%	16.4	(0.2)	-1%	
<i>Subtotal - Financial Assistance</i>	<i>437.3</i>	<i>447.9</i>	<i>10.6</i>	<i>2%</i>	<i>473.8</i>	<i>25.8</i>	<i>6%</i>	
TOTAL - OPERATING SOURCES	633.0	702.7	69.7	11%	793.3	90.6	13%	
Operating Expense								
Labor & Benefits	649.7	646.8	(2.9)	0%	659.9	13.1	2%	
ADA Paratransit	14.0	16.7	2.7	19%	19.6	2.8	17%	
Purchased Transportation	12.4	12.7	0.4	3%	13.0	0.2	2%	
Power	48.9	52.7	3.8	8%	54.4	1.7	3%	
Other Non-Labor	134.6	144.3	9.7	7%	144.0	(0.4)	0%	
<i>Subtotal - Operating Expense</i>	<i>859.6</i>	<i>873.2</i>	<i>13.6</i>	<i>2%</i>	<i>890.8</i>	<i>17.6</i>	<i>2%</i>	
Debt Service & Allocations								
Bond Debt Service	57.2	59.9	2.8	5%	60.1	0.2	0%	
Allocation - Capital Rehabilitation	56.3	53.4	(2.9)	-5%	54.0	0.6	1%	
Allocation - Priority Capital Programs	34.0	33.0	(1.0)	-3%	64.0	31.0	94%	
Allocation - Other	1.6	1.6	0.0	2%	1.7	0.0	2%	
Allocation - Pension	10.0	10.0	0.0	0%	10.0	0.0	0%	
<i>Subtotal - Debt Service & Allocations</i>	<i>159.1</i>	<i>158.0</i>	<i>(1.1)</i>	<i>-1%</i>	<i>189.8</i>	<i>31.8</i>	<i>20%</i>	
TOTAL - USES	1,018.7	1,031.2	12.6	1%	1,080.6	49.4	5%	
Net Result Before Federal Emergency Assistance	(385.7)	(328.5)	57.2	-15%	(287.3)	41.2	-13%	
Federal Emergency Funding								
CRRSAA	327.8	0.0	(327.8)	-	0.0	0.0	-	
ARP	57.9	328.5	270.7	468%	287.3	(41.2)	-13%	
<i>Subtotal - Federal Emergency Assistance Applied</i>	<i>385.7</i>	<i>328.5</i>	<i>(57.2)</i>	<i>-15%</i>	<i>287.3</i>	<i>(41.2)</i>	<i>-3%</i>	
NET RESULT	0.0	0.0	0.0	-	0.0	0.0	-	

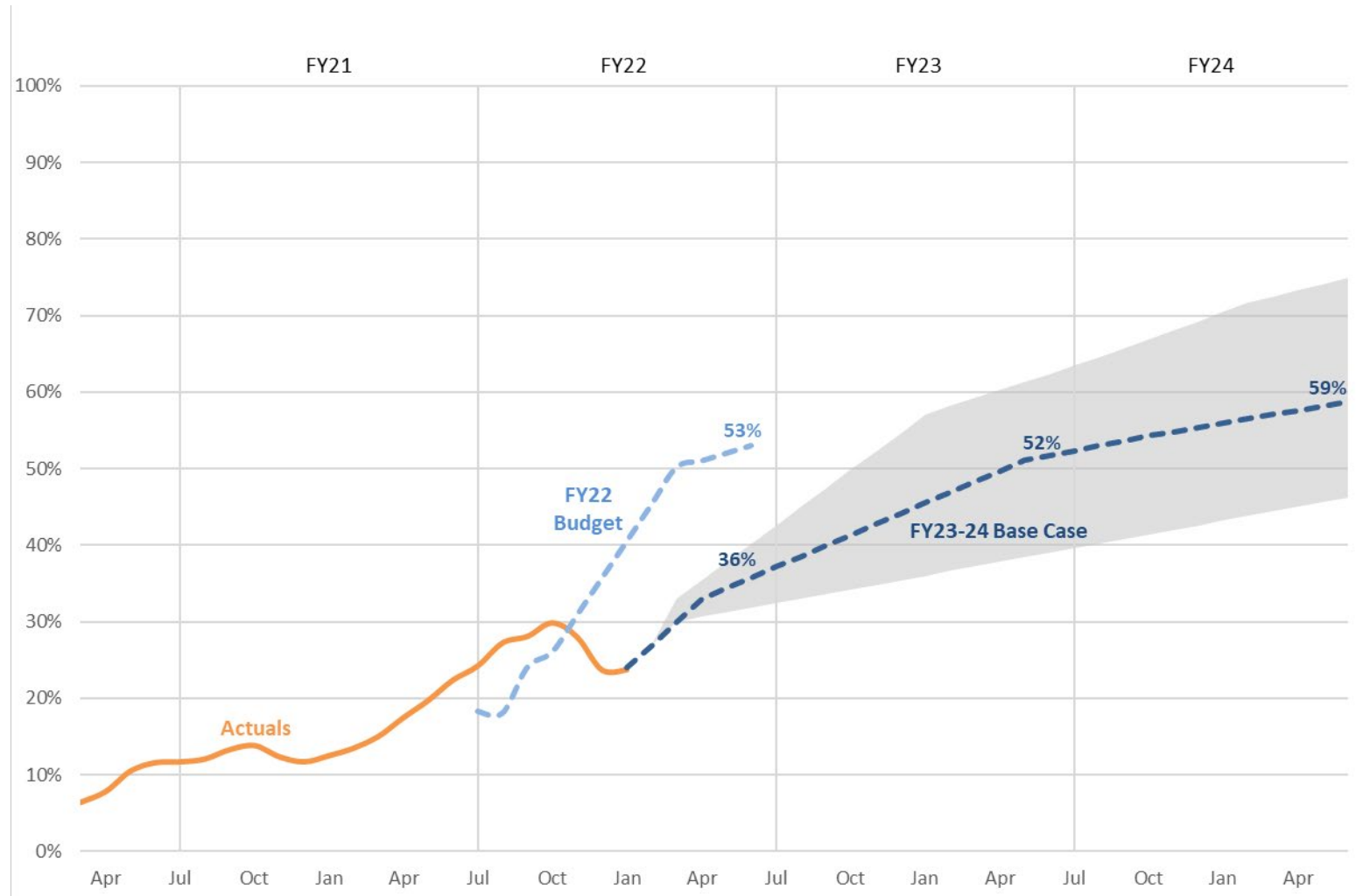
- Following slides show detail on large categories of revenues and expenses for FY23 & FY24
- Information is consistent with Preliminary Budget released on March 31
- Revised revenue projections and expenses will be presented at FY23 & FY24 Sources and Uses presentation scheduled for May 12th Board meeting

FY23 & FY24 Preliminary Sources: Operating Revenue

Operating Revenue (\$Millions)	Budget		Change		Budget	Change	
	FY22 Adopted	FY23 Prelim	\$	%	FY24 Prelim	\$	%
Rail Passenger Revenue	165.9	221.7	55.8	34%	282.1	60.4	27%
ADA Passenger Revenue	0.5	0.5	0.0	1%	0.5	0.0	1%
Parking Revenue	9.4	13.1	3.7	39%	14.3	1.2	9%
Other Operating Revenue	19.9	19.4	(0.4)	-2%	22.6	3.1	16%
Subtotal - Operating Revenue	195.7	254.8	59.1	30%	319.5	64.7	25%

- FY22 fare revenue projected to be ~\$30-35M (18-21%) below budget
- FY23 preliminary operating revenue budget reflects a 56% increase over FY22 YE estimate. FY24 budget reflects a further 25% increase
- Fare and parking revenue estimates assume base case ridership forecast
- Advertising revenue estimates reflect revised OUTFRONT contract and base case ridership
- Other operating revenue composed mostly of ground lease, telecom / digital railway, concessions

FY23 & FY24 Ridership Outlook



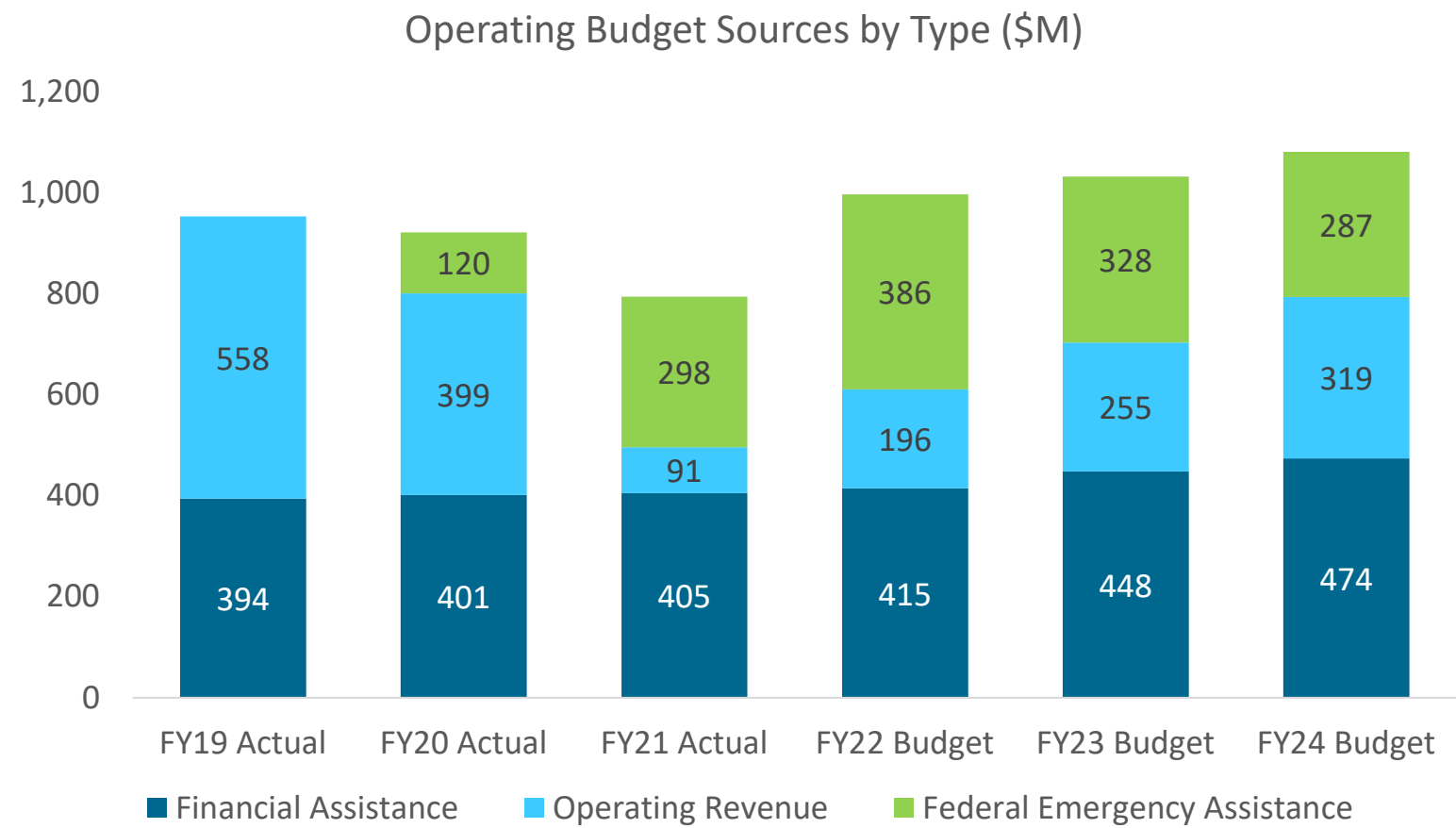
- Assumptions for long-term ridership recovery:
 - Upside: stabilize at 80% of pre-COVID forecast
 - Base Case: stabilize at 70%
 - Downside: stabilize at 60%
- Assumes average weekday ridership of:
 - ~150,000 by end of FY22
 - ~215,000 by end of FY23
 - ~245,000 by end of FY24

FY23 & FY24 Preliminary Sources: Financial Assistance

FINANCIAL ASSISTANCE (\$Millions)	Budget		Change		Budget		Change	
	FY22 Adopted	FY23 Prelim	\$	%	FY24 Prelim	\$	%	
Sales Tax Proceeds	261.7	299.0	37.3	14%	306.6	7.7	3%	
Property Tax Proceeds	54.5	58.0	3.5	6%	61.2	3.2	5%	
SFO Ext Financial Assistance	22.6	0.0	(22.6)	-100%	0.0	0.0	-	
VTA Financial Assistance	35.2	34.3	(0.9)	-3%	33.4	(0.9)	-3%	
MTC Financial Assistance Clipper Start	0.6	0.2	(0.4)	-65%	0.3	0.1	56%	
Local & Other Assistance	7.4	6.9	(0.5)	-7%	7.0	0.1	2%	
State Transit Assistance	28.4	22.7	(5.7)	-20%	38.6	15.9	70%	
Low Carbon Transit Operations Program	4.4	10.3	5.9	135%	10.3	0.0	0%	
Low Carbon Fuel Standard Program	22.6	16.6	(6.0)	-26%	16.4	(0.2)	-1%	
Subtotal - Financial Assistance	437.3	447.9	10.6	2%	473.8	25.8	6%	

- Sales tax FY22 year-end estimate is ~\$35M (14%) above FY22 budget; lower growth projected for FY23 or FY24 due to economic uncertainty (inflation outlook, strength of durable goods spending)
- Property tax reflects county estimates
- Small decrease in VTA assistance reflects forecast increases in SVBX fares; SFO assistance drops to \$0 after reserve is depleted in FY22

Change in Operating Sources Since COVID



FY23 & FY24 Preliminary Uses: Labor

LABOR & BENEFITS (\$Millions)	Budget		Change		Budget		Change	
	FY22 Adopted	FY23 Prelim	\$	%	FY24 Prelim	\$	%	
Wages	506.0	493.3	(12.7)	-3%	507.5	14.2	3%	
Overtime	48.4	70.8	22.4	46%	70.8	0.0	0%	
CalPERS Pension	115.5	127.9	12.5	11%	127.1	(0.9)	-1%	
Other Pension Benefits	13.9	14.3	0.4	3%	14.3	0.0	0%	
Active Employee Medical Insurance	84.5	88.0	3.5	4%	87.4	(0.6)	-1%	
Retiree Medical	44.0	45.7	1.7	4%	47.0	1.3	3%	
Workers' Compensation	17.3	17.2	(0.1)	-1%	17.2	0.0	0%	
Capital Reimbursement Wages	(137.5)	(143.8)	(6.3)	5%	(144.9)	(1.1)	1%	
Capital Fringe	(67.7)	(71.9)	(4.2)	6%	(71.8)	0.1	0%	
Capital Overtime	0.0	(22.4)	(22.4)	-	(22.4)	0.0	0%	
Other Labor*	25.3	27.6	2.3	9%	27.7	0.1	0%	
Subtotal - Labor & Benefits	649.7	646.8	(2.9)	0%	659.9	13.1	2%	

*Other labor includes Vision, Dental, Medicare, Life Insurance, Disability, Unemployment, Meal and Uniform Allowances, Temp Help, and Employee Wellness Benefits

- Lower budgeted wages due to vacancy rate adjustment from 3% in FY22 to 7.5% in FY23 and 5.5% in FY24
- Pension cost increase driven by Unfunded Actuarial Liability (UAL) payments
- Fringe changes driven primarily by increases in health and dental premiums
- Gross overtime now included; increase is fully offset by adjustment to capital overtime reimbursements

FY22 to FY23 Preliminary Budget FTE Changes

FY22 to FY23 FTE Summary			
	Operating	Capital/Reimbursable	Total FTEs
FY22 Adopted Budget	3,409.53	1,023.05	4,432.58
FY22 to FY23 Adjustments			
Midyear Additions	21.60	33.40	55.00
Funding Conversions	24.70	(24.70)	-
Reductions	(5.63)	-	(5.63)
Technical Adjustments	6.70	10.50	17.20
Total Adjustments	47.37	19.20	66.57
FY23 Preliminary Budget	3,456.90	1,042.25	4,499.15

- Net increase to operating headcount driven by:
 - Midyear positions added in FY22 to respond to changing needs
 - Funding conversions: transfers to operating budget to accurately reflect charging
 - Miscellaneous (mostly offsetting) reductions and technical adjustments
- No new operating positions added during budget development
- No change to operating positions between FY23 & FY24

FY23 & FY24 Preliminary Uses: Non-Labor

NON-LABOR	Budget		Change		Budget	Change	
(\$Millions)	FY22 Adopted	FY23 Prelim	\$	%	FY24 Prelim	\$	%
Clipper, Ticket Sales & Bank Fees	8.8	8.0	(0.9)	-10%	9.4	1.4	18%
Insurance	9.2	9.7	0.5	6%	9.7	0.0	0%
Materials & Supplies	46.1	46.6	0.5	1%	46.6	0.0	0%
Professional & Technical Fees	42.9	50.1	7.2	17%	50.1	(0.0)	0%
Repairs & Maintenance	9.2	11.0	1.8	19%	11.2	0.3	2%
Rent	6.3	4.1	(2.2)	-36%	4.1	0.0	0%
Power	48.9	52.7	3.8	8%	54.4	1.7	3%
ADA Paratransit	14.0	16.7	2.7	19%	19.6	2.8	17%
Purchased Transportation	12.4	12.7	0.4	3%	13.0	0.2	2%
Utilities	8.0	8.1	0.0	0%	8.3	0.3	3%
Other Miscellaneous	4.1	6.9	2.7	67%	4.6	(2.3)	-33%
Subtotal - Non-Labor	209.9	226.5	16.6	8%	230.9	4.4	2%

- Non-labor base budget reset to FY21 actual spending levels, with adjustments made for:
 - Service level needs (power, fuel, materials & supplies)
 - Regulatory & compliance needs (election costs, paratransit, some licenses & fees)
- Funding for restroom attendants at 4 stations added to FY23 & FY24 (may be transferred to labor budget during budget period based on staffing levels)

FY23 & FY24 Preliminary Uses: Debt Service & Allocations

DEBT SERVICE & ALLOCATIONS (\$Millions)	Budget		Change		Budget		Change	
	FY22 Adopted	FY23 Prelim	\$	%	FY24 Prelim	\$	%	
Debt Service	57.2	59.9	2.8	5%	60.1	0.2	0%	
Capital Reinvestment	56.3	44.6	(11.7)	-21%	45.3	0.7	2%	
Priority Capital Projects/Programs	34.0	33.0	(1.0)	-3%	64.0	31.0	94%	
Sustainability	0.0	8.8	8.8	-	8.7	(0.1)	-1%	
Other	1.6	1.6	0.0	2%	1.7	0.0	2%	
Pension	10.0	10.0	0.0	0%	10.0	0.0	0%	
Subtotal - Debt Service & Allocations	159.1	158.0	(1.1)	-1%	189.8	31.8	20%	

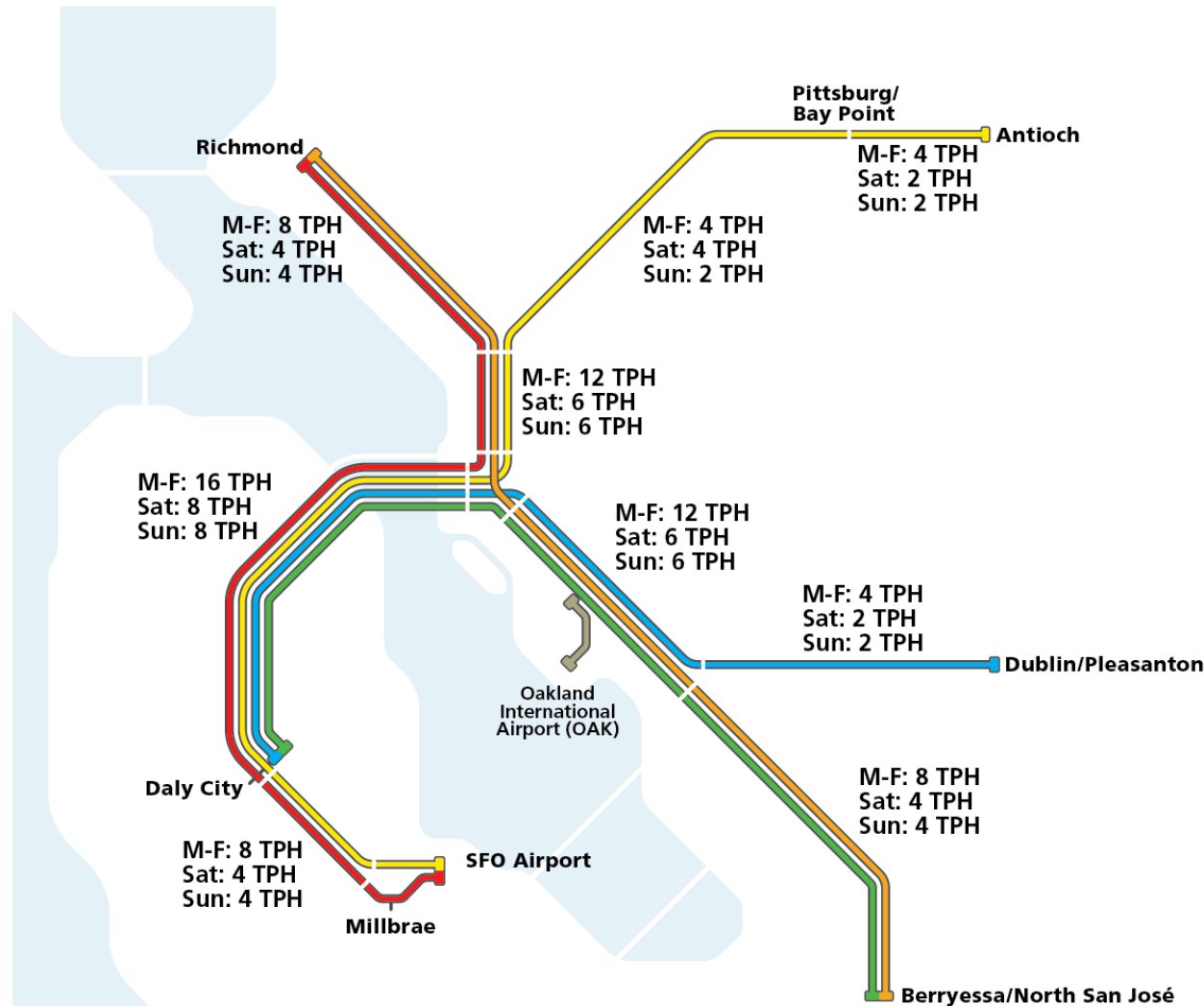
- Priority Capital allocation increased in FY24 to reflect anticipated project-related cashflow needs
- Sustainability allocation restored (not included in FY21 or FY22 adopted budgets)

FY23 & FY24 Preliminary Federal Emergency Assistance

FEDERAL ASSISTANCE (\$Millions)	Budget		Change		Budget		Change	
	FY22 Adopted	FY23 Prelim	\$	%	FY24 Prelim	\$	%	
Operating Revenue	195.7	254.8	59.1	30%	319.5	64.7	25%	
Financial Assistance	437.3	447.9	10.6	2%	473.8	25.8	6%	
<i>Total Traditional Sources</i>	<i>633.0</i>	<i>702.7</i>	<i>69.7</i>	<i>11%</i>	<i>793.3</i>	<i>90.6</i>	<i>13%</i>	
Operating Expense	859.6	873.2	13.6	2%	890.8	17.6	2%	
Debt Service & Allocations	159.1	158.0	(1.1)	-1%	189.8	31.8	20%	
<i>Total Uses</i>	<i>1,018.7</i>	<i>1,031.2</i>	<i>12.6</i>	<i>1%</i>	<i>1,080.6</i>	<i>49.4</i>	<i>5%</i>	
Net Result Before Federal Emergency Assistance	(385.7)	(328.5)	57.2	-15%	(287.3)	41.2	-13%	
Federal Emergency Funding:								
CRRSAA	327.8	0.0	(327.8)	-100%	0.0	0.0	-	
ARP	57.9	328.5	270.7	468%	287.3	(41.2)	-13%	
Subtotal – Federal Emergency Assistance Applied	385.7	328.5	(57.2)	-15%	287.3	(41.2)	-13%	

- \$219M of emergency federal assistance expected to remain after FY24
- Fiscal runway ends during FY26

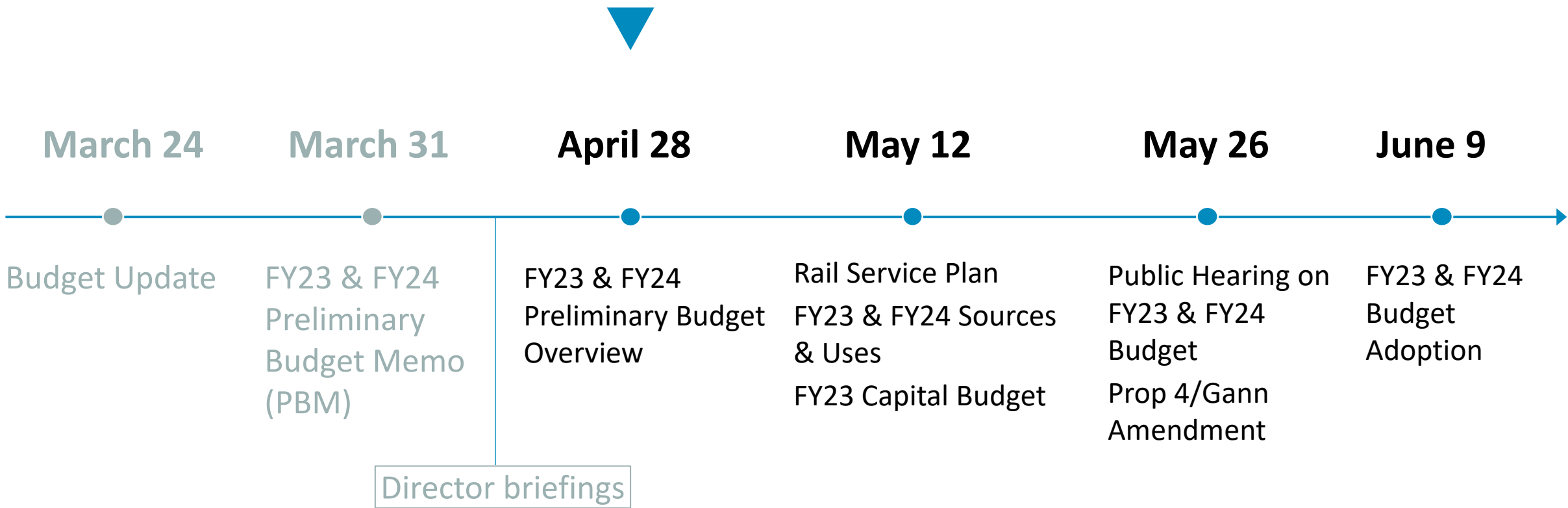
FY23 Preliminary Rail Service Plan



TPH: trains per hour

- Map shows current and planned 5-line service levels by number of trains per hour (TPH) per system segment and day of week (weekday, Saturday, Sunday)
- 5-line service provides 4 or more TPH to most of the system
- 3-line service provides 2 or more TPH after 9 pm
- September 2022 service will include additional service improvements on Sundays
- Staff will present potential service improvements as part of Rail Service Plan presentation scheduled for May 12th Board meeting

Timeline and Next Steps



Discussion



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <div style="float: right; text-align: right;"> <small>DocuSigned by:</small> <small>47000790F2D7463...</small> </div>		GENERAL MANAGER ACTION REQ'D: Yes		
DATE: 4/14/2022 4/21/2022		BOARD INITIATED ITEM: No		
Originator/Prepared by: Albert Louie Dept: Strategic Engineering <small>DocuSigned by:</small> <small>B6E0F66BCB1B462...</small> Signature/Date: <div style="text-align: right;">4/19/2022</div>	General Counsel <small>DocuSigned by:</small> <small>F8FD7B3A73E74E8...</small> <div style="text-align: right;">4/19/2022 []</div>	Controller/Treasurer <small>DocuSigned by:</small> <small>EE11C8CEEEA04FD...</small> <div style="text-align: right;">4/19/2022 []</div>	District Secretary <div style="text-align: right;">[]</div>	BARC <small>DocuSigned by:</small> <small>8128A2EB2F014F3...</small> <div style="text-align: right;">4/20/2022 []</div>

Procurement with Cisco Systems, official NASPO Provider, for new network switches for the new Unified Optical Network (UON), \$6.5M

PURPOSE:

To request that the Board authorize the General Manager to enter into a contract with Cisco Systems (Cisco) for the purchase of network switches District wide for an amount not to exceed \$6,500,000.

DISCUSSION:

The purchase from Cisco is for new network switches to increase network speed, reduce network latency and future expansion of Power over Ethernet (PoE). The new network switches District wide will enhance access control for the Payment Card Industry (PCI) compliance by using micro-segmentation and separate IoT Tri-Reader 4 cloud traffic to minimize risk to BART infrastructure. The new network also includes device management and administration of new switches and dynamic access control deployment for PCI compliance using Cisco Identity Services Engine (ISE) infrastructure.

This purchase will be made through the National Association of State Officials, (NASPO) cooperative purchasing program approved by the Board in 2016. NASPO ValuePoint (formerly WSCA-NASPO) is a cooperative purchasing program, aggregating the demand of all 50 states, the District of Columbia and the organized US territories, their political subdivisions and other eligible entities.

Because the State of California participates in the NASPO program, its local agencies and districts, including BART, are authorized by California Public Contract Code section 10298 to purchase items from the suppliers awarded contracts by NASPO without further competitive bidding, pursuant to a Master Agreement for Data Communications Products and Services with the State of Utah Division of Purchasing (AR3227) and Cisco Systems, Inc, a California Participating Addendum number 7-20-70-47-01 and compliance with BART requirements. The expiration of NASPO Master Agreement AR3227 is September 30, 2024.

Pursuant to the District's Disadvantaged Business Enterprise ("DBE") Program, the Office of Civil Rights reviewed the scope of work for this NASPO ValuePoint Contract and determined that there were no DBE subcontracting opportunities; therefore, no DBE participation goal was set for this Contract.

The Office of the General Counsel will approve the contract as to form prior to execution.

FISCAL IMPACT:

Funding in the amount of \$6,500,0000 for the total project budget for the Clipper C2 Upgrade Program Integration Project. Number 47CJ016.

The table below list funding assigned to the referenced project and is included to track funding history against spending authority. Funds needed to meet this request will be expended from the following sources:

Project 47CJ016:

Fund	Fund Description	Source	Amount
3015	FTA 5307 & 5337 CA-2019-126-00	FEDERAL	\$796,000
3017	FTA 5307 & 5337 CA2020-086-00	FEDERAL	\$1,600,000
8532	FY2018 Operating Capital Alloc	INTERNAL	\$219,000
8531	FY2017 Operating Capital Alloc	INTERNAL	\$437,250
8533	FY2019 Operating Capital Alloc	LOCAL	\$390,000
3025	FTA 5307 & 5337 CA-2021-163-00	FEDERAL	\$1,749,000
8536	FY 2022 Oper Cap Allocation	INTERNAL	\$8,005,000
		Total	\$13,196,250

As of April 14, 2022, \$13,196,250 is the total budget for this project. BART has expended \$3,905,049 committed \$196,342 and reserved \$581,974 to date. This action will commit \$6,500,000 leaving an available fund balance of \$2,012,885 in this fund source for this project.

The Office of the Controller/Treasurer certifies that funds are currently available to meet this obligation.

This action is not anticipated to have any Fiscal Impact on unprogrammed District reserves.

ALTERNATIVES:

Decline to authorize the Agreement through the NASPO program and seek alternative independent proposals. Any resulting delays would negatively impact Clipper 2.0 implementation.

RECOMMENDATION:

That the Board adopt the following motion.

MOTION:

The General Manager or his designee is authorized to enter into a contract with Cisco Systems Inc. to purchase new network switches District wide for Clipper 2.0 network segmentation configuration and testing for an amount not to exceed \$6,500,000.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

MEMORANDUM


TO: Board of Directors **DATE:** April 22, 2022

FROM: General Manager

SUBJECT: PPAAL Agenda Item: Update on BART-VTA Silicon Valley Phase II Extension (BSVII) Project - For Information

At the Board of Directors meeting on April 28, 2022, the BART-VTA Silicon Valley Phase II Extension (BSVII) Project will be presented for information.

If you have any questions, please contact Carl Holmes at (510) 464-7592.

DocuSigned by:

47000790F2D7483...
Robert Powers

cc: Board Appointed Officers
Deputy General Manager
Executive Staff

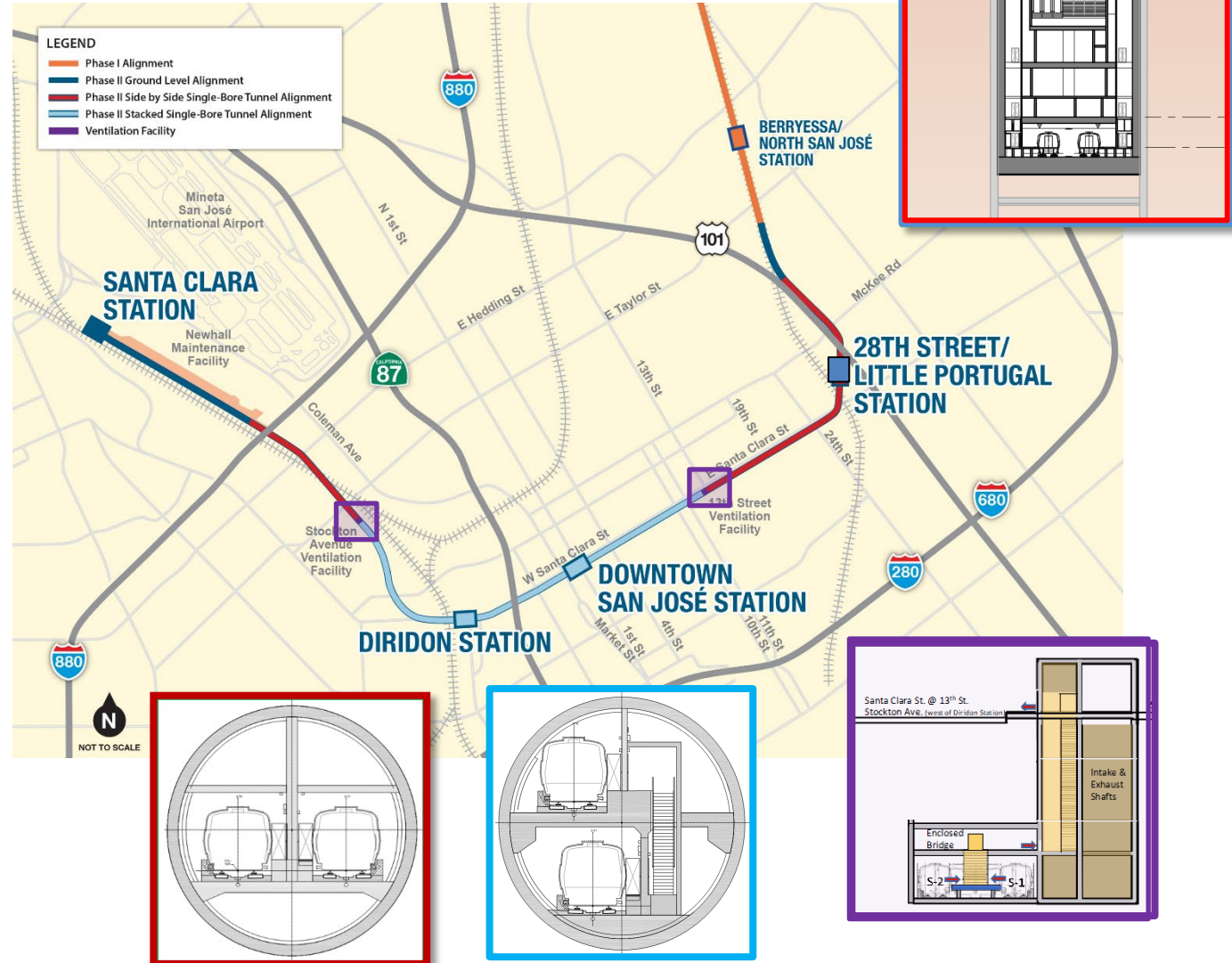
VTA's BART Silicon Valley Phase II Extension



BART Board of Directors
April 28, 2022

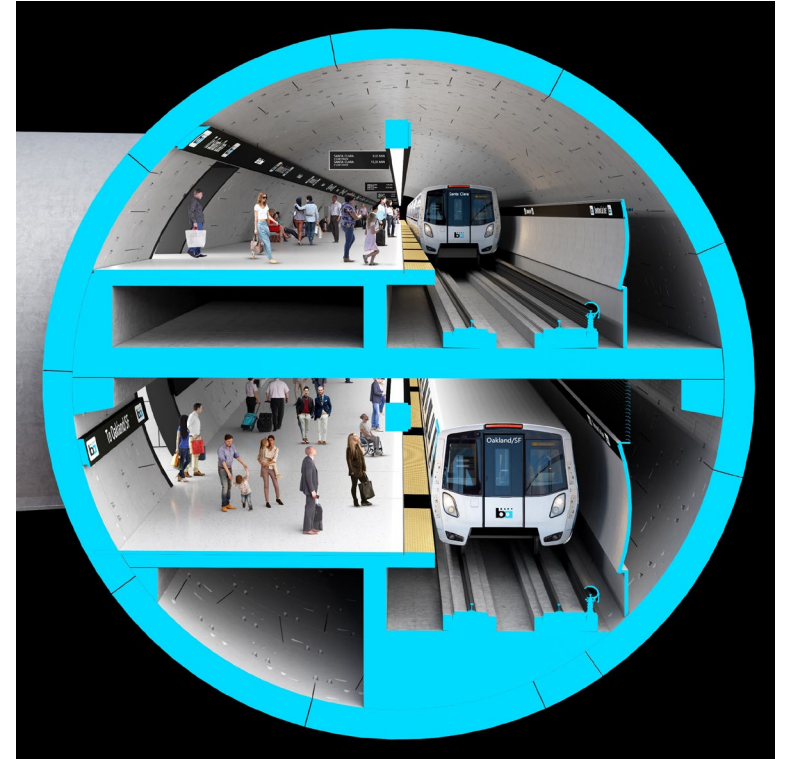
VTA's BART Silicon Valley Phase II (BSVII) Project Overview

- 6-Mile Extension:
 - ~1.1 mile single-bore stacked
 - ~3.2 mile single-bore side-by-side
 - ~0.7 mile single-bore transition zone
 - ~1 mile at-grade
- 4 Stations:
 - 3 underground
 - 1 at-grade
- Newhall Yard Maintenance Facility
 - Critical for BART operations



FTA Expedited Project Delivery (EPD) Funding Update

- On October 25, 2021, VTA received a Letter of Intent (LOI) from FTA announcing its intent to obligate 25% of the final project cost through a Full Funding Grant Agreement (FFGA) under the Expedited Project Delivery (EPD) program once VTA satisfies the requirements of the LOI within two years.
- FTA's Risk Assessment provides a probabilistic project cost at \$9.1B. With the LOI in effect, VTA is proceeding to establish a refined cost estimate based on actual construction bids, further mitigate or eliminate perceived risks and secure additional local funding, to ultimately achieve a FFGA.
- VTA continues project activities with pre-award authority to incur costs for engineering activities, utility relocation, real estate acquisition, and other non-construction activities such as procurement of equipment.



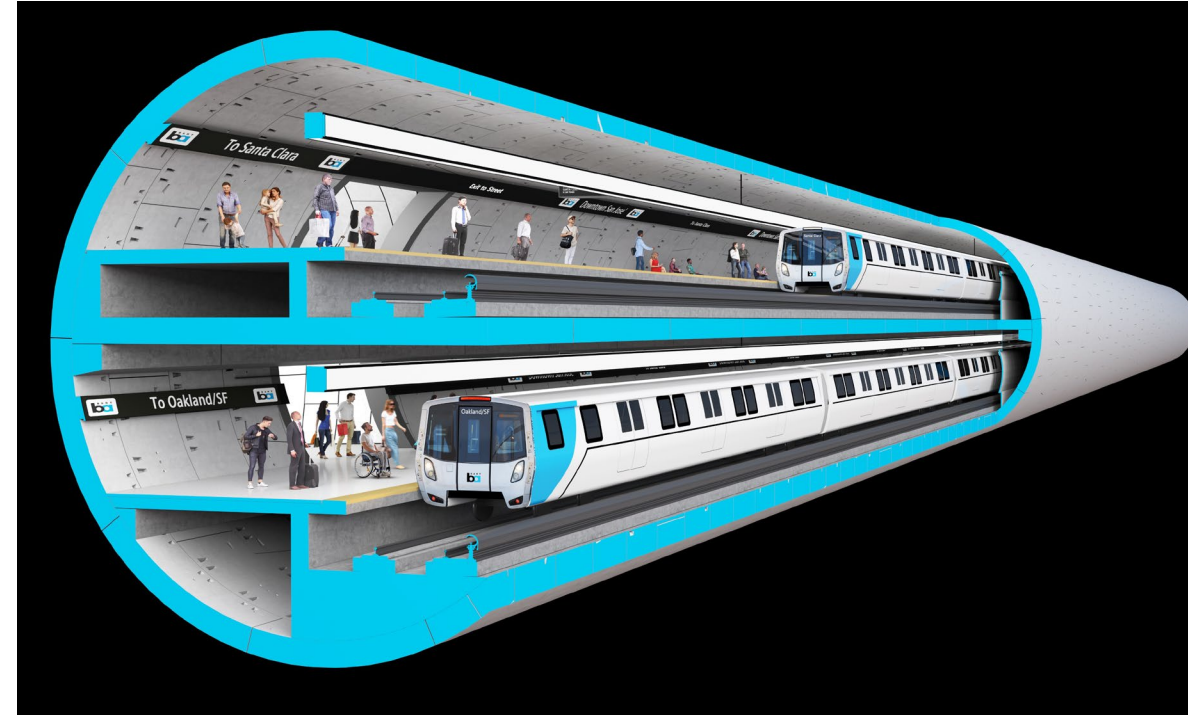
Conceptual Rendering – Subject to Change

Funding Update – Capital / Operations & Maintenance (O&M)

- BART Silicon Valley Phase II project funding is critical focus for VTA
 - *Current funding projections assumed \$6.9B*
 - *Federal estimates reflect \$9.1B*
 - *VTA working toward funding the full \$9.1B as the ceiling*
 - *Key driver will be increasing federal participation*
- BART Silicon Phase I and Phase II O&M
 - *Projections being updated – costs, schedule, etc.*
 - *Funding “shortfall” reference has been specific to 2008 Measure B funds*
 - *Mechanism in place to ensure full funding of agreed-to O&M expenses*

Project Recent Highlights

- Monthly progress meetings with FTA continue discussing next steps to a Full Funding Grant Agreement (FFGA)
- An additional \$200 million was allocated for the project in President Biden's proposed upcoming Fiscal Year 2023 budget; program funding activities continue
- Real estate acquisition process progressing with negotiations underway for key properties required for stations, mid-tunnel, ventilation facilities and contractor's field offices
- Second round of cooperative agreements with Cities of San Jose and Santa Clara being finalized; targeting execution Q2 2022
- Continued ongoing technical coordination with partner agencies and third-parties including Cities of San Jose, Santa Clara, JPB, and PG&E (including for TBM power)



Conceptual Rendering – Subject to Change

BART & VTA Recent Highlights

- **Design Criteria Manual:**
 - VTA and BART completion and joint sign-off on over 70 sections for the Design Criteria Manuals (DCM) that are included in final procurement documents.
 - Jointly identifying required updates to the Design Criteria to align with advanced design documents.
- **Contract Package (CP) Documents:**
 - Updating CP1 (Systems) Volume 1 General Requirements, also to be used for CP3 and CP4 contracts
 - Participated in CP2 (Tunnel/Track) proposal evaluation process
 - Refinement of CP3 (Newhall Yard/Santa Clara Station) yard design. Participated in 1:1 meetings with shortlisted teams.
 - Review CP4 (Stations) Contract package draft revision
- **Other Areas:**
 - Presented to BART's Accessibility Task Force (BATF) and Bicycle Advisory Task Force (BBATF) in March / April
 - Lead ongoing Safety and Security Certification progress meetings
 - Held a workshop with SPUR / City of San Jose presenting an overview of stations
 - VTA Board Workshop on 4/22 – Financial Shortfall on Operations and Capital costs discussed with options to solve

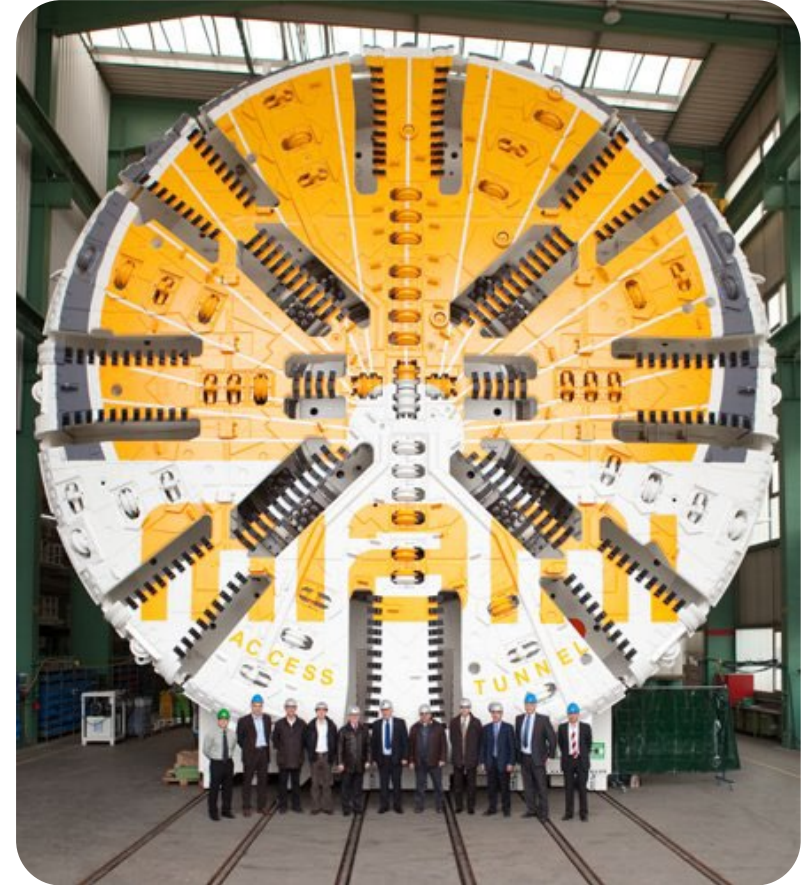
Fire Life Safety and Security (focus on code compliance)

- The Fire/Life Safety and Security Committee (FLSSC) has been established; The FLS Technical Working Group (TWG) membership includes the local Fire Departments and meets biweekly to review relevant FLS issues and develop suggested resolution options, with the goal of concurrence in support of the project.
- FLS design criteria sections have been reviewed by FLSSC. The FLS TWG is working towards the comments resolution including station and tunnel ventilation concepts.
- The CPUC is satisfied with the partnership among VTA, BART and the local Fire Departments, and the FLSSC role in the Safety Certification process.

BART SILICON VALLEY PHASE II DESIGN CRITERIA CONFORMANCE CERTIFICATION Preliminary Engineering Certificate of Conformance	
Certifiable Factor: 1a	Contract: <u>CP2</u> Certifiable Element: <u>Guideway</u>
<p>In accordance with the requirements of the BSVII Safety and Security Certification Plan, I certify, to the best of my knowledge, that:</p> <ol style="list-style-type: none">1. The design contract documents incorporate safety and security criteria applicable to BSVII.2. The design contract documents for this Contract incorporate applicable codes and standards, BART Facilities Standards requirements and Design Criteria Manual requirements.3. Safety related design review comments for this Contract have been satisfactorily resolved.	
<p>Exceptions --- Each exception and associated restrictions/workarounds must be explained. Restrictions/workarounds must be adequate so that the level of safety is not reduced. Use additional sheets if necessary</p>	
<p>DocuSigned by: <u>Dave Young</u> 9/16/2021 Certified (Signature and Date) Dave Young, BSVII Engineering Lead, SVTC</p>	<p>DocuSigned by: <u>Anthony C. Bauer</u> 9/14/2021 Certified (Signature and Date) Anthony Bauer, BSVII Engineering Manager, SVTC</p>
<p>DocuSigned by: <u>John Caulfield</u> 9/21/2021 Concurred (Signature and Date) John Caulfield, BSVII Project Manager</p>	<p>DocuSigned by: <u>Takis Salpeas</u> 9/21/2021 Accepted (Signature and Date) Takis Salpeas, Chief BART Delivery Officer</p>

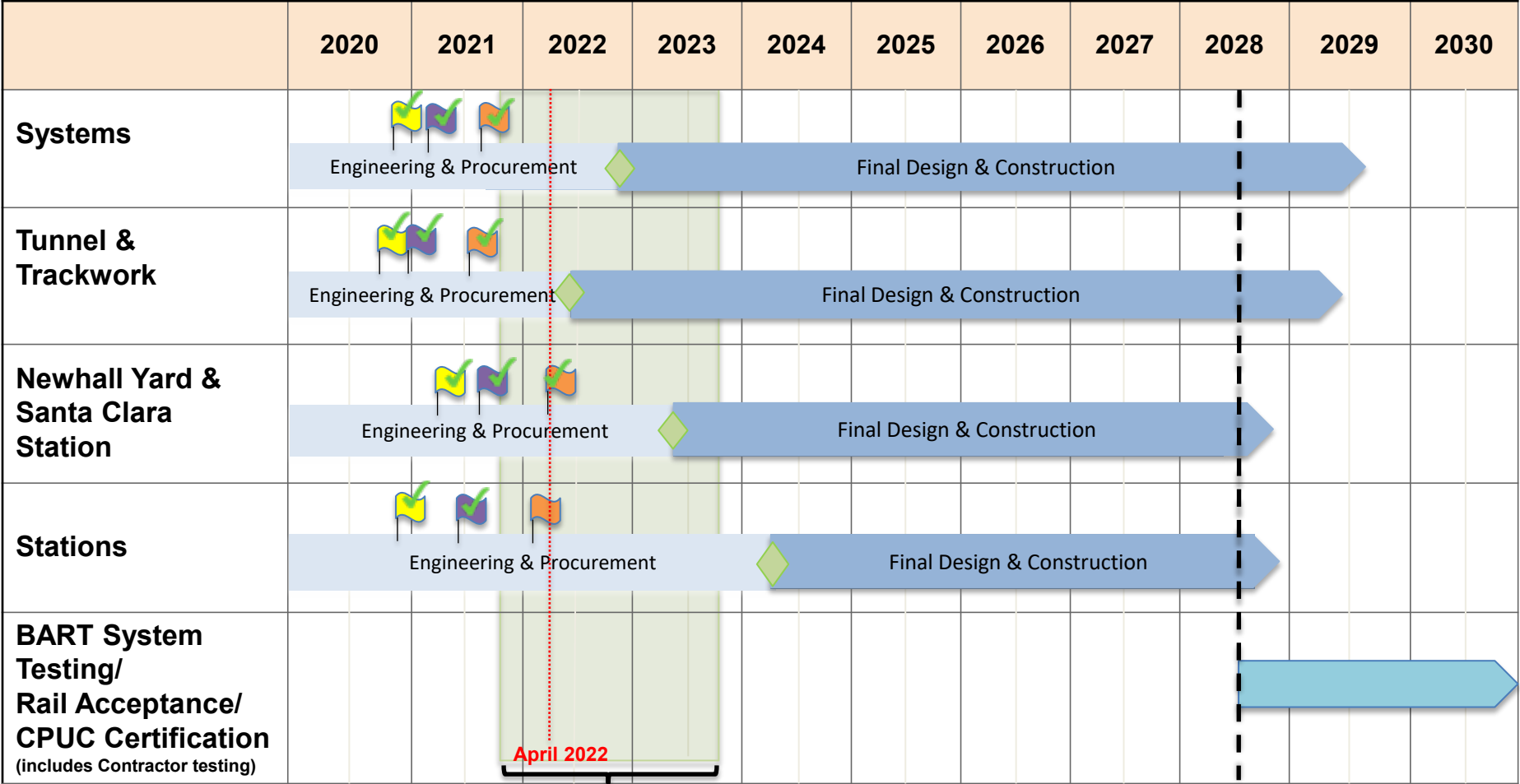
Procurement Update

- Systems (Contract Package 1)
 - Issued RFP Rev C on April 16
 - Next round of interview anticipated in early Summer
 - Final RFP anticipated to be issued late Summer
- Tunnel & Trackwork (Contract Package 2)
 - Negotiations underway with highest scored proposer
 - Anticipated Board award in Q2 2022 for initial Stage 1 services (including review of proposed innovations, advancing design, and construction planning)
- Newhall Yard/Santa Clara Station (Contract Package 3)
 - Draft RFP Rev A issued in March 2022
 - First round of one-on-one interviews completed
 - Final RFP to be issued Summer 2022;
- Stations (Contract Package 4)
 - Current solicitation cancelled; New solicitation under development targeting Q2 2024 award.
 - Development of technical documents continue in support of the other Contract Packages
 - Design coordination with third parties ongoing



Framework to Completion

This framework will be updated into a final project schedule based on completion of the procurement process.



Framework subject to change based on industry feedback.

Two Year FTA LOI Window

Substantial
Completion



Thank You

Questions?



Appendix

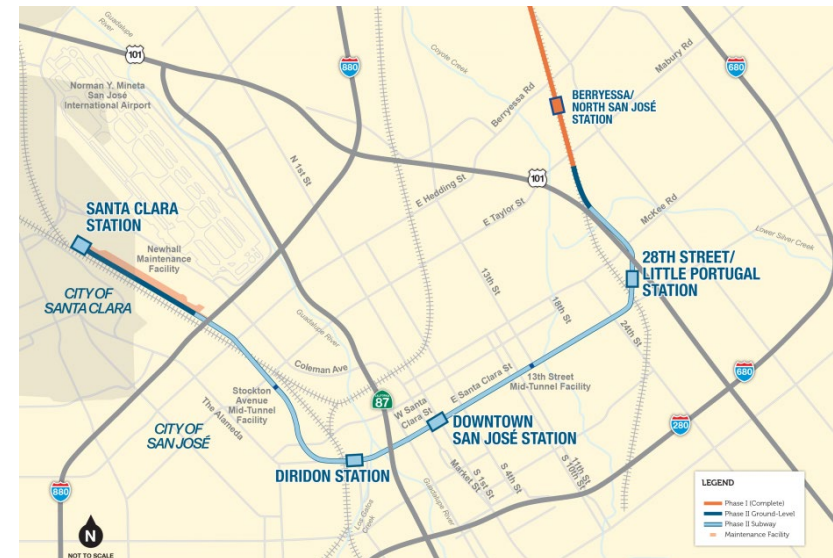
(From VTA Board Workshop 4/22/2022)

BART Project: Identify Operations and Maintenance Costs

- VTA signed a new standalone O&M Agreement with BART in May 2020.
- BART must be reimbursed for costs that VTA does not control – such as operator expenses, direct and indirect management allocations, and others.
- A model allocates Measure B proceeds to projected BART O&M costs over 20 years. The annual escalation in individual expenses ranged from 3% to over 25%.
- 2008 Measure B funds are forecast to be insufficient to cover the Phase I O&M costs.
- The O&M forecast did not include any shared BART train control costs, which have not yet been negotiated.

BART Project: Address Potential Funding Gap

- FTA issued a “Scope, Cost, Schedule, Risk and Contingency Review” Report in July 2021. FTA’s project cost estimate was \$9.1 billion. VTA’s original cost estimate was \$6.9 billion.
- A potential funding gap exists. However, final construction bids have not been received.
- Measure A and B sales tax receipts are projected to be insufficient to cover this gap.
- Debt financing plan for BSV Phase II was not finalized. More bonding may be needed.
- The EPD program’s federal share is 25%.
New Starts program’s federal share is 35%.
Opportunity to transition?



BART Project: Management Areas of Immediate Focus

- BART Phase II is critical focus
 - *Contract bids and overall cost estimate*
 - *Timing of Letter of Intent (LOI) process*
 - *Secure funding to secure execution of FFGA*
- Provide Board with timely updates regarding schedule, cost, and funding
- Maintain open lines of communication with FTA during this process
- Maintain/enhance the operational and financial relationships with BART
- Identify and attempt to remedy any future funding opportunities related to O&M commitment of VTA to BART
- Lead role: BART Delivery Program, with Finance support

VTA's BART Silicon Valley Phase II Extension

Meeting minutes:

04/25/2022

Meeting with FTA Region IX Regarding BART Board Questions on BSVII

PURPOSE: To conduct a meeting with FTA directly in order to get answers to questions from the Board and the public since FTA could not attend a Board or Joint Committee meeting.

Name of Invitee	Agency	(Attendance Y/N)
Takis Salpeas	VTA	Y
Ronak Naik	VTA	Y
Bernice Alaniz	VTA	Y
Toby Hemphill	VTA	Y
Kevin Kurimoto	VTA	Y
Alicia Trost	BART	N
James Allison	BART	Y
Carl Holmes	BART	Y
Shane Edwards	BART	Y
Jianmin Fong	BART	Y
Bernardo Bustamante	FTA	Y
Susan Ko	FTA	Y
Jena Montgomery	FTA	Y
Ray Tellis	FTA	Y

AGENDA:

1. Does FTA's Risk Assessment expect the project to be \$9.1 billion?
 - a. See the wording of the last sentence in the second paragraph on the FTA website announcement for the Letter of Intent
<https://www.transit.dot.gov/about/news/us-department-transportation-announces-path-forward-bart-phase-ii-project-under>

FTA: \$9.1 billion is the result of FTA's risk assessment projection of the BSVII Project based on P65 probability.

2. If not, then why did FTA provide a risk assessment value with a corresponding "funded" amount?

FTA: That is the process FTA uses, which includes a 25% funding cap by statute.

3. What are the specific requirements in the Letter of Intent (LOI) that need to be met in order for VTA to proceed with the Full Funding Grant Agreement (FFGA)? Based on the same website above, some of the "several conditions" that need to be met within 2 years (October 2023) are as follows:
 - a. VTA must secure and document commitment of all non-Federal funding for the project
 - b. VTA must submit revised financial information per Notice of Funding Opportunity requirements, based on the revised cost and revenue service date
 - c. VTA must provide updated information regarding BART's system-wide operations and maintenance costs and funding sources, given that BART will operate and maintain the project
 - d. Any other conditions??

FTA: Conditions are all in the LOI. There are no other conditions.

4. If the Letter of Intent (LOI) 2-year timeframe does not yield tangible bids or proposals from VTA, then will FTA consider extending the duration of time to enter into an FFGA?

FTA: Yes, FTA would consider the extension since the 2-year timeframe is not part of statute. The 2-year timeframe is FTA's estimate of a reasonable duration under EPD.

5. If the 2-year timeframe only yields 2 out of 4 or 3 out of 4 contracts, then does that impact the FFGA award date?

FTA: FFGA commitment is not contingent upon the contract awards.

6. Does the additional FTA possible funding within the 25% portion (6.9B vs 9.1B) impact the ability of other agencies in the region to secure funding for their projects?

FTA: No, the FTA commitment is independent from other projects.

7. Does the \$200M which was promised or allocated recently in President Biden's FY23 proposed budget add to the 25% portion? Or is it part of the 25% maximum contribution?

FTA: It is not additional. It is part of the 25% funding cap by statute.

8. How does FTA view the single-bore tunnel as part of the innovations requested in the EPD grant application?

FTA: Innovations were recognized by FTA, but not the deciding factor. Benefits of the single-bore were recognized as innovative in regards to minimizing street level, utility and business impacts and were encouraged as a concept. Tunnel configuration is the Project team's choice which has no influence on the EPD grant application.

9. Would FTA require VTA to "start over" if they decided to resume with the twin-bore tunnel design? Environmental requirements? EPD application process? EPD application eligibility?

FTA: In April 2018, both VTA and BART selected the single-bore configuration; FTA issued a ROD based on this configuration. As such, the current EPD application is based on the single-bore tunnel design. If VTA were to pursue a twin-bore tunnel design, VTA and FTA would have to undertake a NEPA re-evaluation process, even though both configurations were studied and analyzed in the original environmental process.

10. If FTA did not increase the value of their potential contribution in the Risk Assessment and VTA receives bids that are higher than the VTA Estimate, then how would the project funding application be impacted? Would a separate application need to be resubmitted?

FTA: The scenario is too hypothetical. The FTA projection is \$9.1M.

11. Has FTA reviewed additional documents received after the application status date of May 14, 2021 that warrant an adjustment (upward or downward) in FTA's Risk Assessment projected cost amount or Revenue Service Date?

FTA: There is an ongoing effort to evaluate updates as the procurement process advances. FTA will conduct a risk refresh prior to FFGA, but the funding cap is the same.

12. Tunneling and Environmental: Per FTA's ROD document, FTA determined that NEPA requirements have been satisfied for the BSVII project, including all options analyzed in the Preferred Alternative, which included the twin-bore option
- a. Confirm that the twin-bore has been "cleared."
FTA: It was analyzed, but not cleared. And not in the ROD.
 - b. Confirm process and rough timeline for amending the SEIS (with a variable extent of analysis needed)
FTA: If VTA would decide to change, then the quality of the document will determine FTA's review timeline once the re-evaluation analysis is provided by VTA. Per VTA, this entire process normally takes about 3 years to complete the environmental process, update designs and restart the procurement process to the current milestone reached as of today.
 - c. If no significant changes in SEIS are anticipated, how long would it take for FTA to issue an amended ROD?
FTA: As stated above, the quality of the document will decide how long it will take. The ROD amendment is an administrative process.
13. Tunneling Methodology & Federal Funding:
- a. How would a ROD amended to describe a twin-bore tunnel project impact VTA's FFGA schedule in the EPD program application process?
FTA: There would be no requirement to re-apply or re-submit. However, the EPD application must be updated to reflect a twin-bore project, associated technical work products and amended ROD.
 - b. Would it jeopardize VTA's eligibility in the program?
FTA: No. There would be a different timeline based on the above responses.
 - c. How would a ROD amended to describe a twin-bore tunnel project impact?
FTA: No impact from a funding perspective, but there would be a different timeline.
14. If VTA were to change the way the stations were constructed – in other words, if they pursued a single bore tunnel but cut-and-cover stations – would that be within the project scope? Would the FTA still fund it, assuming all necessary requirements are met in order to obtain the FFGA?
- FTA: It is up to VTA how to deliver the Project. It will impact FFGA timeline. The NEPA impact must be verified.**
15. If VTA were to change the type of tunnel construction method, to cut-and-cover for instance, would that still be considered in-scope? Would it change anything about the FTA's funding decision?
- FTA: No, it would not impact funding. FTA would just monitor the change in terms of cost, schedule, and other plans.**

16. Could the FTA PMOC conduct a risk review for the twin-bore project that was approved/designed, so that there is an updated cost and risk assessment of the project alternative using a comparable methodology and at comparable levels of design?

FTA: No, FTA will not conduct a risk assessment on the twin-bore configuration since that is not the proposed project.

17. Is there a way for the FTA to facilitate the type of partnership between/among VTA, BART, the City of San Jose, and the City of Santa Clara that supports quick, strategic decision-making on project design and delivery decisions?

FTA: This is not FTA's role. The partnership should be handled locally by the agencies.

Per VTA, they have already successfully executed critical agreements with third parties as required by FTA.

18. Is there a way for the FTA to facilitate greater transparency about the project, such as requiring the publication of PMOC reports (or other documents/reports)?

FTA: FTA provides the PMOC reports to VTA. BART staff attend monthly meetings with FTA/PMOC. The PMOC reports are technical in nature and not written for public consumption; if any member of the public would like access to these reports, they may make a Freedom of Information Act request. Additionally, this Project is going through a confidential procurement process; sharing these reports during this process could result in a compromise.

VTA: *** As a follow up to discussions regarding environmental clearance, see response and additional information below from VTA subject matter experts including Environmental, General Counsel and Outside Counsel:

- VTA analyzed and evaluated the environmental impacts of both the single-bore and the twin-bore tunneling methodologies in the joint Final Supplemental EIS/Subsequent EIR prepared pursuant to NEPA and CEQA, and selected the single-bore tunnel as the approved project.
- In April 2018, the VTA Board certified the Subsequent EIR and adopted CEQA findings to approve the project with the single-bore tunnel. Subsequent to VTA's Board approval, BART's Board also approved the project with the single bore tunnel. In June 2018, FTA issued the ROD making findings under NEPA, based on the Supplemental EIS, for the project with a single-bore tunnel.
- A change from a single bore tunnel to a twin bore tunnel is a change in the approved project. Such a change would require an approval from the VTA Board, which is a further discretionary action, as that term is used under CEQA. This would require the VTA Board to make a new set of CEQA findings. While those findings can be based on the Final Supplemental EIS/Subsequent EIR, VTA would also be required to determine whether the change to the project would trigger the requirements for subsequent environmental review under CEQA. FTA would have to conduct the same inquiry under NEPA.
- CEQA requires a subsequent or supplemental EIR if, among other things, substantial changes are proposed in the project, or substantial changes occur with respect to the circumstances under

which the project is being undertaken, that results in new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

- Similarly, NEPA requires a “reevaluation” of any changes in a proposed action, affected environment, anticipated impacts, and mitigation measures. The purpose of this analysis is to determine whether an approved environmental document remains valid and to determine whether significant changes require preparation of a supplemental or new environmental document
- FTA and VTA, as the NEPA and CEQA lead agencies respectively, must determine the adequate level of analysis sufficient to approve a change in the project to a twin-bore tunnel. Four years have passed since the project approval, and it is highly likely that the change from the single bore tunnel to the twin bore tunnel would necessitate additional NEPA and CEQA environmental analysis. This analysis could take a long time and could add years to the project.
- In addition, any change in the project that requires new discretionary approvals runs a risk of a lawsuit challenging the new project approval and the CEQA/NEPA action in support of that decision. VTA successfully defended against the Sharks’ challenges to the Final Supplemental EIS/Subsequent EIR and it is preferred not to re-open the CEQA and NEPA process the invite the possibility of further lawsuits.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

Memorandum

TO: Board of Directors **DATE:** April 21, 2022

FROM: Acting District Secretary

SUBJECT: Response to RCI Item No. 21-842: Initiative to Require Posting Video Recordings of Audit Committee, BART Police Citizen Review Board, and Redistricting Ad Hoc Committee Meetings

At the December 16, 2021, Regular Board Meeting, Director Allen introduced Roll Call for Introductions Item (RCI) No. 21-842:

Place on the Board agenda for consideration, discussion and action, by no later than February of 2022, an initiative to require BART publish on its website or Legistar, all Zoom meeting recordings of the Audit Committee, BART Police Citizen Review Board, and the Redistricting Committee.

The District Secretary's Office (DSO) has determined that video recordings of the Audit Committee, BART Police Citizen Review Board, and Redistricting Ad Hoc Committee meetings can be posted on Legistar, located at <https://bart.legistar.com/Calendar.aspx>. The DSO has begun posting video recordings of previously held meetings of the aforementioned Board and Committees.

All video recordings of Redistricting Ad Hoc Committee meetings held from 2021 to present, as outlined on Legistar, have been posted on Legistar.

All video recordings of Audit/Audit Ad Hoc Committee and BART Police Citizen Review Board meetings (Regular and Special), as outlined on Legistar, from 2020 to present are expected to be posted on Legistar within the next week, assuming that the recordings are in the DSO's possession. The DSO has already posted many video recordings of previously held meetings of the Audit Committee and BART Police Citizen Review Board.

The DSO will post video recordings of Audit Committee and BART Police Citizen Review Board meetings in its possession on a regular and continuous basis to serve the public interest and transparency efforts.

The Acting District Secretary will provide a brief demonstration of how to access the posted video recordings via Legistar at the April 28, 2022, Board Meeting.

A draft motion is outlined below for the Board's consideration.

Please contact April B. A. Quintanilla at (510) 464-6082 if you have any questions about this matter.

Thank you.

April B. A. Quintanilla

April B. A. Quintanilla

DRAFT MOTION: The Board directs the District Secretary's Office to post video recordings for Audit Committee and BART Police Citizen Review Board meetings on Legistar, on a regular and continuous basis so long as the video recordings are in the DSO's possession.