

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.

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

TABLE OF CONTENTS

| | Page |
|--|------|
| INTRODUCTION | 1 |
| PLAN OF FINANCE..... | 3 |
| Measure RR | 3 |
| Measure AA..... | 4 |
| ESTIMATED SOURCES AND USES OF FUNDS | 7 |
| DESIGNATION AS GREEN BONDS / CLIMATE BOND CERTIFIED | 8 |
| THE 2022 BONDS | 10 |
| Purpose and Application of Proceeds | 10 |
| Authority for Issuance..... | 11 |
| Description of the 2022 Bonds | 11 |
| Book-Entry-Only System..... | 11 |
| Payments, Transfers and Exchanges Upon Abandonment of Book-Entry-Only System | 12 |
| Redemption Provisions | 13 |
| Defeasance | 17 |
| DEBT SERVICE SCHEDULES | 18 |
| SECURITY AND SOURCE OF PAYMENT FOR THE 2022 BONDS | 20 |
| General | 20 |
| Property Taxation System..... | 20 |
| Assessed Valuation of Property Within the Three BART Counties | 21 |
| Tax Rates, Collections and Delinquencies..... | 26 |
| Teeter Plans..... | 30 |
| Largest Taxpayers in the Three BART Counties..... | 31 |
| Taxation of State-Assessed Utility Property | 32 |
| Direct and Overlapping Debt Report | 32 |
| CONSTITUTIONAL LIMITATIONS | 34 |
| Limitations on Tax Revenues | 34 |
| Expenditures and Appropriations | 35 |
| Prohibitions on Diverting Local Revenues for State Purposes | 36 |
| Future Initiatives | 36 |
| INVESTMENT CONSIDERATIONS | 37 |
| Economy of the Three BART Counties and the State | 37 |
| Risk of Earthquake and Tsunami | 37 |
| Climate Change..... | 38 |
| Infectious Disease Outbreak | 39 |
| Other Force Majeure Events | 40 |
| Limitation on Remedies | 40 |
| No Acceleration Provision..... | 41 |
| Loss of Tax Exemption..... | 42 |
| Green Bonds Suitability | 42 |
| Reassessments and Appeals of Assessed Values | 43 |
| Cyber Security Risk | 43 |
| Threats and Acts of Terrorism | 44 |
| Potential Labor Disruptions | 44 |
| CITIZENS' OVERSIGHT COMMITTEE | 44 |
| LEGAL MATTERS | 45 |
| TAX MATTERS | 45 |
| The 2022D-1 Bonds..... | 45 |

TABLE OF CONTENTS
(continued)

| | Page |
|--|-------------|
| The Taxable Bonds | 47 |
| LITIGATION..... | 51 |
| RATINGS | 51 |
| MUNICIPAL ADVISOR..... | 51 |
| CONTINUING DISCLOSURE | 52 |
| UNDERWRITING | 52 |
| VERIFICATION OF MATHEMATICAL ACCURACY | 53 |
| FINANCIAL STATEMENTS | 53 |
| MISCELLANEOUS | 53 |
| APPENDIX A - SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION | A-1 |
| APPENDIX B - SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT REPORT ON AUDIT OF FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021 | B-1 |
| APPENDIX C - SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT STATEMENT OF INVESTMENT POLICY | C-1 |
| APPENDIX D - THE ECONOMY OF THE THREE BART COUNTIES..... | D-1 |
| APPENDIX E - CLEARING SYSTEMS | E-1 |
| APPENDIX F - PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT | F-1 |
| APPENDIX G - PROPOSED FORM OF OPINION OF BOND COUNSEL..... | G-1 |
| APPENDIX H - SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENTS..... | H-1 |

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.

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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. | 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% |
|--------------------------------------|-------|

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 XIII C and Article XIII D 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 XIII C and XIII D to the California Constitution. Article XIII C requires majority voter approval for the imposition, extension or increase of general taxes and two-thirds voter approval for the imposition, extension or increase of special taxes by a local government, which is defined to include local or regional governmental agencies such as the District. Article XIII C 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 XIII C 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 XIII D addresses assessments and property-related fees and charges. Article XIII D explicitly provides that nothing in Article XIII C or XIII D 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 XIII B of the California Constitution. State and local government agencies in California are each subject to annual “appropriations limits” imposed by Article XIII B of the Constitution of the State of California (“Article XIII B”). Article XIII B 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 XIII B 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 XIII B or thereafter authorized by the voters.

As amended at the June 5, 1990 election by Proposition 111, Article XIII B 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 XIII B. 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