PRELIMINARY OFFICIAL STATEMENT DATED APRIL 29, 2022

NEW ISSUE – BOOK ENTRY ONLY

RATINGS:
Moody's: Aaa
Fitch: AAA
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."

$758,550,000*
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS

Climate Bond Certified

$604,270,000*	$95,730,000*	$58,550,000*
(ELECTION OF 2016), 2022 SERIES D-1 (GREEN BONDS)	**(ELECTION OF 2016), 2022 SERIES D-2 (FEDERALLY TAXABLE) (GREEN BONDS)**	**(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 (i) to finance specific acquisition, construction and improvement projects for District facilities approved by the voters, (ii) to pay all or 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) 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 25, 2022.

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

Citigroup **J.P. Morgan**

Dated: __________, 2022

* Preliminary, subject to change.

MATURITY SCHEDULES

$604,270,000*
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016), 2022 SERIES D-1 BONDS (GREEN BONDS)

$118,040,000* SERIAL BONDS

Maturity Date* (August 1)	Principal Amount*	Interest Rate	Yield	CUSIP (Base: 797661)†	ISIN (Base: US797661)†	Common Code‡
2024	$1,000,000					
2025	1,000,000					
2026	1,165,000					
2027	1,220,000					
2028	1,285,000					
2029	1,345,000					
2030	1,415,000					
2031	1,485,000					
2032	1,555,000					
2033	1,635,000					
2034	1,715,000					
2035	1,800,000					
2036	1,895,000					
2037	1,990,000					
2038	2,090,000					
2039	22,145,000					
2040	23,250,000					
2041	24,415,000					
2042	25,635,000					

$148,725,000* ____% Term Bond due August 1, 2047*; Yield ____%; CUSIP† 797661___; ISIN† ___; Common Code‡ ___

$337,505,000* ____% Term Bond due August 1, 2052*; Yield ____%; CUSIP† 797661___; ISIN† ___; Common Code‡ ___

$95,730,000*
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2016), 2022 SERIES D-2 BONDS (FEDERALLY TAXABLE) (GREEN BONDS)

Maturity Date* (June 1)	Principal Amount*	Interest Rate	Yield	CUSIP (Base: 797661)†	ISIN (Base: US797661)†	Common Code‡
2022	$95,730,000					

* 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.

$58,550,000*
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2004), 2022 REFUNDING SERIES H BONDS
(FEDERALLY TAXABLE) (GREEN BONDS)

Maturity Date* (August 1)	Principal Amount*	Interest Rate	Yield	CUSIP (Base: 797661)†	ISIN (Base: US797661)†	Common Code‡
2022	$1,020,000					
2023	805,000					
2024	820,000					
2025	835,000					
2026	10,455,000					
2027	9,990,000					
2028	9,490,000					
2029	315,000					
2030	325,000					
2031	340,000					
2032	24,155,000					

* 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 *President*	Janice Li *Vice President*	Debora Allen *Director*
Elizabeth Ames *Director*	Bevan Dufty *Director*	Mark Foley *Director*
John McPartland *Director*	Robert Raburn *Director*	Lateefah Simon *Director*

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

GENERAL COUNSEL
Matthew Burrows, Esq.

TRUSTEE AND ESCROW AGENT
U.S. Bank Trust Company, National Association
San Francisco, California

BOND AND DISCLOSURE COUNSEL
Orrick, Herrington & Sutcliffe LLP
San Francisco, California

MUNICIPAL ADVISOR
Sperry Capital Inc.
Sausalito, California

ESCROW VERIFICATION
Causey Demgen & Moore P.C.
Denver, Colorado

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This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any offer or solicitation or sale of the 2022 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the San Francisco Bay Area Rapid Transit District (the "District") or the underwriters identified on the cover page of this Official Statement (the "Underwriters") to give any information or to make any representation other than that contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized. Neither the delivery of this Official Statement nor the sale of any of the 2022 Bonds implies that the information herein is correct as of any time subsequent to the date hereof. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create the implication that there has been no change in the matters described herein since the date hereof.

This Official Statement is not to be construed as a contract with the purchasers of the 2022 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts. All summaries of statutes and documents are made subject to the provisions of such statutes and documents, respectively, and do not purport to be complete statements of any or all of such provisions.

The information set forth herein has been obtained from sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. No representation, warranty or guarantee is made by the Municipal Advisor as to the accuracy or completeness of any information in this Official Statement, including, without limitation, the information contained in the appendices hereto, and nothing contained in this Official Statement is or shall be relied upon as a promise or representation by the Municipal Advisor.

This Official Statement is submitted in connection with the sale of securities referred to herein and may not be reproduced or be used, as a whole or in part, for any other purpose.

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

The District maintains a website. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specifically indicated otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement and should not be relied upon in making investment decisions with respect to the 2022 Bonds.

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

FORWARD-LOOKING STATEMENTS

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

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

INFORMATION CONCERNING OFFERING RESTRICTIONS IN CERTAIN JURISDICTIONS OUTSIDE THE UNITED STATES

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

MINIMUM UNIT SALES

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

NOTICE TO PROSPECTIVE INVESTORS IN CANADA

THE BONDS MAY BE SOLD ONLY TO PURCHASERS PURCHASING, OR DEEMED TO BE PURCHASING, AS PRINCIPALS 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.

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OFFICIAL STATEMENT

$758,550,000*
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
GENERAL OBLIGATION BONDS

$604,270,000*
(ELECTION OF 2016),
2022 SERIES D-1
(GREEN BONDS)

$95,730,000*
(ELECTION OF 2016),
2022 SERIES D-2
(FEDERALLY TAXABLE)
(GREEN BONDS)

$58,550,000*
(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 $604,270,000* 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"), $95,730,000* 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 $58,550,000* 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 historical 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 (collectively, the "Measure RR Bonds"). 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.

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* Preliminary, subject to change.

Measure AA

The 2022H Bonds are being issued to refund $29,465,000* 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 $24,710,000* 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)
2026	5.00%	$10,125,000	TZ8
2027	5.00	9,840,000	UA1
2028	5.00	9,500,000	UB9
Total		$29,465,000	

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)
2022	4.00%	$2,985,000	TV7
2022	5.00	8,000,000	UP8
2023	4.00	1,925,000	TW5
2023	5.00	8,900,000	UQ6
2024	4.00	1,305,000	TX3
2024	5.00	9,335,000	UR4
2025	3.00	2,480,000	TY1
2025	5.00	7,940,000	US2
2033	4.00	1,155,000	UG8
Total		$44,025,000	

* Preliminary, subject to change.

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

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)
2032	5.00%	$24,710,000	VP7
Total		$24,710,000	

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)
2022	3.00%	$9,235,000	VD4
2023	5.00	10,190,000	VE2
2024	4.00	11,405,000	VF9
2025	5.00	12,600,000	VG7
2026	5.00	14,000,000	VH5
2027	5.00	15,490,000	VJ1
2028	5.00	17,095,000	VK8
2029	5.00	18,810,000	VL6
2030	5.00	20,640,000	VM4
2031	5.00	22,610,000	VN2
2033	4.00	26,955,000	VQ5
2034	4.00	29,080,000	VR3
2035	4.00	31,335,000	VS1
Total		$239,445,000	

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

ESTIMATED SOURCES AND USES OF FUNDS*

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

	2022D Bonds	2022H Bonds
Sources of Funds		
Principal Amount		
[Net] Original Issue Premium		
Total Sources		
Uses of Funds		
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 June 1, 2022,* and all or 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 in calendar year 2021;

(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 all or 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 a resolution 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 a resolution 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.”

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* Preliminary, subject to change.

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 the 2022H Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium. If less than all of the 2022H Bonds are called for redemption, the 2022H Bonds shall be redeemed in such maturities as is directed by the District.

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 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.

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* 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.

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.

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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:

		2022D Bonds[1]			
Year Ending August 1	**Outstanding Measure RR Bonds Debt Service**	**Principal**	**Interest**	**Total 2022D Bonds Debt Service**	**Aggregate Measure RR Bonds Debt Service**
2022	$54,626,500.00			[2]	[2]
2023	54,626,350.00			[2]	[2]
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 all or a debt service to be paid from a portion of proceeds of the 2022D Bonds through August 1, 2022.*

* Preliminary, subject to change.

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:

		2022H Bonds[1]					
Year Ending August 1	**Outstanding Measure AA Bonds Debt Service[2]**	**Principal**	**Interest**	**Total 2022H Bonds Debt Service**	**Aggregate Measure AA Bonds Debt Service**	**Aggregate Measure RR Bonds Debt Service**	**Aggregate GO Bonds Debt Service**
2022	$54,655,593.66					(3)	(3)
2023	54,655,343.66					(3)	(3)
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 2022D Bonds through August 1, 2022.*

* Preliminary, subject to change.

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 XIIIA to the California Constitution ("Article XIIIA"), 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)

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
		City and County of San Francisco Portion			
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
		Alameda County Portion			
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
		Contra Costa County Portion			
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
		Total			
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 4.54%. 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 jurisdiction.

San Francisco Bay Area Rapid Transit District
2021-22 Assessed Valuation by Jurisdiction

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
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	44,022,520,483	4.95	44,022,520,483	100%
Total District	$889,781,582,683	100.00%		
Summary by County:				
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	309,107,105,616	34.74	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

Non-Residential:	2021-22 Assessed Valuation[1]	% of Total	No. of Parcels	% of Total
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
	City and County of San Francisco		
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
	Alameda County		
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
	Contra Costa County		
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
	Total Three BART Counties		
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

	Property Owner	Primary Land Use	County	2021-22 Assessed Valuation	% of Total[(1)]
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
				$24,222,501,540	2.85%

(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 top twenty secured taxpayers in the Three BART Counties. 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 twenty largest secured taxpayers in the Three BART Counties 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

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 4/1/22
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

OVERLAPPING GENERAL FUND DEBT:	% Applicable	Debt 4/1/22
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
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$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 XIIIA of the California Constitution. Article XIIIA of the State Constitution, adopted and known as Proposition 13, was approved by the voters in June 1978. Section 1(a) of Article XIIIA 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 XIIIA 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 XIIIA 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 XIIIA 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 XIIIA 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 XIIIA 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 XIIIA.

Article XIIIC and Article XIIID 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 XIIIC and XIIID to the California Constitution. Article XIIIC 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 XIIIC 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 XIIIC 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 XIIID addresses assessments and property-related fees and charges. Article XIIID explicitly provides that nothing in Article XIIIC or XIIID 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 XIIIB of the California Constitution. State and local government agencies in California are each subject to annual "appropriations limits" imposed by Article XIIIB of the Constitution of the State of California ("Article XIIIB"). Article XIIIB 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 XIIIB 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 XIIIB or thereafter authorized by the voters.

As amended at the June 5, 1990 election by Proposition 111, Article XIIIB 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 XIIIB. 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 XIIIB 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 XIIIA, Article XIIIB, Article XIIIC, Article XIIID, 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, the Coronavirus Response and Relief Supplemental Appropriations Act (the "CRRSAA") was enacted, which included a $900 billion COVID-19 relief package. The CRRSSA 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 CRRSSA 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 XIIIA 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 "AAA" 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 Investors Service, 405 Howard Street, Suite 300, San Francisco, California 94105 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.

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

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SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

General Description of the District

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

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

Administration

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

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

The District Directors are:

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

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

Principal statutory officers include:

<u>Robert Powers, General Manager</u>

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

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

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

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

<u>Christopher S. Gan, Interim Controller/Treasurer</u>

The Board of Directors appointed Mr. Gan as the Interim Controller-Treasurer of the District, effective March 22, 2021. In this role, Mr. Gan plans, organizes, directs, and administers the functions of the District's finances, including investment, debt administration, cash collection and revenue services, risk management, and controllership. He also provides advice and financial information to District staff and the Board of Directors. Mr. Gan joined the District in June 1999 as Accounting Manager in the Finance Department and was promoted to Assistant Controller in December 2012. In this role, he was responsible for managing all accounting-related functions in the District, including general accounting, accounts payable, accounts receivable, payroll, and financial reporting. Mr. Gan is a certified public accountant in California and holds a Bachelor of Science degree in Commerce, major in accounting, from De La Salle University in the Philippines.

Matthew Burrows, General Counsel

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

Principal executive management staff appointed by the General Manager include:

Shane Edwards, Interim Assistant General Manager, Operations

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

Pamela Herhold, Assistant General Manager, Performance and Budget

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

THE BART SYSTEM

General Description

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

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

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

BART began operations in the early 1970s with Transbay service beginning in 1974. A number of East Bay extensions to North Concord/Martinez and Pittsburg/Bay Point to the northeast and Castro Valley and Dublin/Pleasanton to the southeast were added in the mid-1990s and a new station in the Warm Springs district of Fremont in southern Alameda County (the "Warm Springs Extension") was opened in 2017. The SFO Extension (as defined herein), consisting of service to five stations in San Mateo County, opened in 2003 with BART assuming operational control of the SFO Extension from the San Mateo County Transit District ("SamTrans") in 2007.

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

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

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

Revenue Hours

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

Ridership

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

Average Weekday Ridership

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

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

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

The ongoing COVID-19 pandemic, which began approximately eight months into Fiscal Year 2019-20, contributed to a sharp decline in ridership. From July 2019 through February 2020, average weekday trips were just over 405,000, and were approximately just 5% below the expected baseline as of March 2, 2020. Ridership fell drastically after each of the Three BART Counties instituted shelter-in-place orders in response to the COVID-19 outbreak (collectively, the "Shelter-In-Place Orders") on March 17, 2020. From March 2020 through June 2020, ridership fell to just over 66,000 average weekday trips, bringing average weekday trips in Fiscal Year 2019-20 to just over 288,000. In Fiscal Year 2020-21, average weekday trips were just below 53,000, reflecting a full year of depressed ridership figures due to the effects of the COVID-19 pandemic. Ridership has fluctuated in Fiscal Year 2021-22, declining in December 2021 as a result of the onset and spread of the Omicron variant of COVID-19 and increasing since. Average weekday trips in April through April 23, 2022 were 130,101. For a discussion of the District's long-term ridership outlook, and how the decline in ridership has affected and is expected to continue to affect the District's finances, see "DISTRICT FINANCIAL INFORMATION – Management's Discussion of Historical Financial Results and Adopted Budget for Fiscal Year 2021-22" and "– Preliminary Budget for Fiscal Year 2022-23" below. During this period of reduced ridership and service, the District has accelerated its capital programs to take advantage of increased maintenance windows.

During the COVID-19 pandemic, monthly station exits at the District's downtown San Francisco stations decreased at a higher rate than at the District's other stations, as many large employers in the District's service area implemented policies that required or permitted employees to work remotely. These policies resulted in fewer employees commuting into San Francisco, and according to Cushman & Wakefield, the vacancy rate in San Francisco offices reached 20.5% and

19.9% in the third and fourth quarters of calendar year 2021, respectively. The District anticipates that ridership will increase when San Francisco employers permit or require employees to return to the office.

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

Passenger Fares

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

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

Average District Fare Increases

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

* All fares increased by an average 6.1% with the exception of the 16.7% increase to the minimum fare and the 167% increase to the premium fare charged for trips to or from SFO station.
** Planned fare increase deferred from January 2022 to July 2022 to support regional recovery from the COVID-19 pandemic. This deferral reduces expected fare revenue by approximately $3.5 million in Fiscal Year 2021-22.

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

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

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

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

Parking Programs

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

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

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

Power Supply

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

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

Pursuant to legislative authorization and the Wholesale Electricity Portfolio Policy, the District's energy supply needs are currently met through a portfolio of short-term, medium-term and long-term supply contracts, including power purchase agreements with hydroelectric, solar, and wind facilities. In 2017, the District executed two twenty-year renewable power purchase agreements ("PPAs") – a wholesale solar PPA and a wholesale wind PPA – to secure the majority of its electricity supply needs in 2021 and beyond at cost-effective, fixed prices. The projects, known as the Slate Solar Project and the Sky River Wind Project, are located in Kings County and Kern County, respectively, and achieved commercial operation in 2021. Together, the two projects are expected to serve greater than 55% of the District's annual electric load. The balance of the District's power supply is comprised of approximately 35% hydroelectric imports from the Pacific Northwest, approximately 5% of federal preference hydroelectric power from the Western Area Power Administration's Central Valley Project, and approximately 5% from other registered renewable resources including the Lake Nacimiento hydroelectric project, the Gridley solar project, and five on-site solar installations at BART facilities. The District also receives marginal quantities of electricity from California's wholesale electric market for purposes of filling any hourly imbalances among load and supply.

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

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

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

BART FINANCINGS AND CAPITAL PROGRAMS

Powers of the District

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

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

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

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

Sources of Funds

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

General Obligation Bonds

Pursuant to voter approval in the Three BART Counties in 1962, the District issued a total of $792 million aggregate principal amount of general obligation bonds in twelve series during the years 1963 through 1969 to pay a portion of the cost of planning, acquisition and construction of the original 71-mile BART System, excluding the Transbay Tube and its approaches. All such original general obligation bonds have been paid.

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

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

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

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

Sales Tax Revenue Bonds

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

Outstanding Sales Tax Revenue Bonds

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

Rail Vehicle Replacement Program

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

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

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

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

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

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

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

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

Earthquake Safety Program

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

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

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

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

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

System Renewal Program and System Reinvestment Program

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

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

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

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

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

System Expansion Program

Planned extensions of the BART System include:

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

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

VTA estimates the total capital cost for the Silicon Valley Extension at approximately \$9.3 billion in Year-Of-Expenditure ("YOE") dollars. The SVBX, with a capital cost of approximately \$2.4 billion in YOE dollars, was granted an FTA Full Funding Grant Agreement in March 2012. VTA estimates that the second phase of the Silicon Valley Extension will have an estimated capital cost of approximately \$6.9 billion in YOE dollars. Planning and environmental studies for the second phase have been completed and the FTA issued the Record of Decision in June 2018. FTA granted entry into the Federal New Starts Program in March 2016; however, the federal budget proposal for Fiscal Year 2019-20 raised concerns about the viability of the Federal New Starts Program and in November 2018 VTA submitted an Expression of Interest letter to the FTA to enter the federal Expedited Project Delivery ("EPD") Pilot Program (which is funded through the "Consolidated Appropriations Act, 2019") in lieu of the New Starts Program. In June 2019, the

FTA selected VTA as its first EPD participant. In August 2019 the FTA allocated $125 million to the second phase of the Silicon Valley Extension, and in January 2021 allocated an additional $100 million to the project. The VTA received a Notice of Funding Opportunity from the FTA on July 28, 2020, and submitted a formal application requesting federal funds under the EPD in mid-2021. In October 2021, the VTA received a Letter of Intent from FTA (the precursor to the execution of a Full Funding Grant Agreement) announcing the project was formally selected for funding through the EPD. The FTA's Letter of Intent will be in effect for two years, and during that time VTA plans to continue to advance design, receive actual contractor bids, identify and mitigate or eliminate perceived risks, finalize an overall cost estimate, and solidify the funding plan to ultimately achieve a Full Funding Grant Agreement. It is anticipated that federal funding through the EPD will cover approximately 25% of the cost of the second phase of the Silicon Valley Extension, with the remaining portion funded by a variety of State and local funding sources. The FTA estimates that the second phase of the Silicon Valley Extension will cost approximately $9.1 billion, exceeding VTA's original cost estimate of approximately $6.9 billion.

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

Hayward Maintenance Complex. BART repairs and maintains its revenue rolling stock at four primary shop facilities in Concord, Daly City, Hayward and Richmond, as well as at a secondary facility in Hayward. The primary shop facilities perform preventive and regular train maintenance based on operating hours, as well as unscheduled failure repairs. The Hayward Maintenance Complex ("HMC") is being expanded to accommodate additional demand caused by the extension of the BART System into Santa Clara County and planned core system service extension. The HMC project consists of the acquisition and improvement of four properties on the west side of the existing HMC to provide a new component repair shop, a revenue vehicle overhaul shop, a new central parts warehouse, and a new maintenance and engineering non-revenue vehicle shop. The project also includes the construction of additional storage tracks for a maximum of 250 vehicles on undeveloped BART property on the east side of the HMC, referred to as HMC Phase 2 - East Storage Yard. The project is proceeding in two phases, Phase 1 (consisting of both Phase 1 and Phase 1A) and Phase 2, and will cost approximately $2.2 billion.

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

Security Enhancement Program

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

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

Service and Capacity Enhancement Program

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

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

Transbay Corridor Core Capacity Project. Prior to the COVID-19 pandemic, BART increasingly experienced severe crowding on the system, both onboard trains and in stations. To address crowding onboard trains, BART is proceeding with the Transbay Corridor Core Capacity Project, which will implement a package of improvements (train control modernization, additional rail cars, new traction power substations, and additional rail vehicle storage capacity) that will allow BART to increase frequencies on the system. See "BART FINANCINGS AND CAPITAL PROGRAMS – Rail Vehicle Replacement Program" and "BART FINANCINGS AND CAPITAL PROGRAMS – System Expansion Program – *Hayward Maintenance Complex*" herein; see also discussions of CBTC system and traction power upgrades within "BART FINANCINGS AND

CAPITAL PROGRAMS – System Renewal Program and System Reinvestment Program. On June 20, 2019, the FTA approved this project to enter the Core Capacity Engineering Phase of the FTA's Capital Investment Grant Program. In September 2020, the District entered into Full Funding Grant Agreement with the FTA for a $1.17 billion Capital Investment Grant ("CIG") to help fund the Transbay Corridor Core Capacity Project. Other minor capacity enhancement projects such as tail track improvements and crossovers are implemented as grant funding is secured through a variety of sources. The Transbay Corridor Core Capacity Project is projected to cost approximately $2.7 billion, and is anticipated to be funded by the $1.17 billion CIG along with approximately $1.53 billion in local, state and regional matching funds.

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

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

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

BART Headquarters Acquisition and Improvement

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

Funding Developments

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

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

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

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

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

Thereafter, the DOL took the position that the District Court's ruling did nothing more than require it to reconsider whether PEPRA infringes upon collective bargaining rights. However, the DOL did agree to conditionally certify the federal grants subject to certain terms and conditions. Those conditions require the District to potentially return the grant funds or alternatively to reimburse employees for pension contributions. Federal transit funds were being provided subject to these conditions. The parties returned to District Court to, again, address the DOL's position.

On January 24, 2018, the Court, again, ruled that the DOL's determination that PEPRA interfered with collective bargaining rights was in error.

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

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

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

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

21, the District generated approximately $3.0 million from the LCFS. For additional information regarding LCTOP and the LCFS, see Note 8 to the audited financial statements of the District included as Appendix B to this Official Statement.

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

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

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

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

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

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

In the second suit, filed by Randall Whitney, representing himself, against MTC and other unnamed defendants, the plaintiff asserted, among other things, that: (i) SB 595 is unconstitutional, and (ii) that RM3 is a special tax which would require two-thirds voter approval (the "MTC Litigation" and, together with the Jarvis Lawsuit, the "Challenges to SB 595 and RM3"). After the defendants prevailed at the local level, on June 29, 2020, the Court of Appeal affirmed in full the Superior Court's judgments in the Challenges to SB 595 and RM3. On July 8, 2020, appellants filed a petition for rehearing in the Court of Appeal and, on July 13, 2020, the Court of Appeal denied such motion. On August 10, 2020, appellants filed a petition in the Supreme Court of California seeking review of the Court of Appeal's decision. The Supreme Court granted review on October 14, 2020, but ordered briefing deferred pending resolution of another case, *Zolly v.*

City of Oakland (*Zolly*). In *Zolly*, the Court of Appeal held that local-government-imposed franchise fees, which the Court of Appeal stated are arguably subject to a similar exception for entrance to or use of local agency property under Article XIII C of the California Constitution, must be reasonably related to the value of the franchise. The City of Oakland petitioned the California Supreme Court for review of the Court of Appeal's decision in *Zolly* and, on August 12, 2020, the California Supreme Court granted review.

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

DISTRICT FINANCIAL INFORMATION

Financial Statements

A copy of the most recent audited financial statements of the District prepared by Crowe LLP ("Crowe"), San Francisco, California, is included as Appendix B to this Official Statement. See Appendix B—"SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT REPORT ON AUDIT OF FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021." The financial statements of the District included in Appendix B to this Official Statement have been audited by Crowe, whose report thereon appears in such Appendix. Crowe was not requested to consent to the inclusion of its report in Appendix B, nor has Crowe undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by Crowe with respect to any event subsequent to the date of its report.

Historical Financial Results

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

HISTORICAL FINANCIAL RESULTS OF GENERAL OPERATING FUND

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

(1) For a discussion regarding the decline in ridership during the COVID-19 pandemic, see "THE BART SYSTEM – Ridership" herein.
(2) Investment income amount in audited financial statements is higher due to inclusion of investment income from District Funds other than the District's General Operating Fund.
(3) Excludes property tax revenue collected for the debt service of the general obligation bonds.
(4) The increase in other financial assistance in Fiscal Year 2019-20 is primarily attributable to increases in revenues recognized under Measure A in the current and prior years, increases in revenues received under the LCTOP, the LCFS, and other STA grant funds, and the recognition of revenues from the VTA in connection with the opening of the SVBX. The decrease in other financial assistance in Fiscal Year 2020-21 is primarily attributable to decreases in revenues recognized under Measure A, decreases in STA grant funds, and decreases in revenues received under the LCFS, which were partially offset by increases in revenues from the VTA in connection with the operation of the SVBX.
(5) Federal emergency relief grants provided by the Federal Transit Administration recognized as revenue during the fiscal year.
(6) Relates to District's share of expenses paid to local operators providing passenger access to BART not covered by STA funds.
(7) Other Non-Labor expenses include professional and technical fees, rent, repairs and maintenance, Clipper Card and interchange fees, cost of providing paratransit services, feeder agreement with SFMTA, costs for other utilities, and other miscellaneous expenses.
(8) Amount reported is higher in audited financial statements because such amounts in the financial statements include depreciation expense.
(9) "Bond Debt Service" reported above represents actual amount remitted to cover debt service paid from the General Operating Fund, which excludes general obligation bonds. Amount in audited financial statements under "Interest Expense" represents interest expenses for all District debts, net of capitalized interest expense through Fiscal Year 2018-19. For a complete discussion of BART's long term debt, see Note 6 to the audited financial statements of the District included as Appendix B to this Official Statement.
(10) BART Car Funding Exchange represents a transfer to MTC in exchange for the same amount in federal preventive maintenance grant provided by MTC to the District. The federal grant received is shown as part of Financial Assistance – Other.
(11) Operating Ratio is defined as the total operating revenues divided by the total operating expenses, net of expenses associated with the implementation of GASB 68 and GASB 75, which affected pension expense and other post-employment benefit expenses.
(12) Farebox Ratio is defined as total passenger revenues divided by total operating expenses, net of expenses associated with the implementation of GASB 68 and GASB 75, which affected pension expense and other post-employment benefit expenses.

Management's Discussion of Historical Financial Results

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

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

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

Other operating assistance received by BART includes STA, ranging from $10.1 million to $32.5 million received annually during Fiscal Year 2015-16 through Fiscal Year 2020-21, although amounts have fluctuated. STA revenues for Fiscal Year 2020-21 were $21.4 million. Additional financial assistance comes from BART's portion of the one percent (1%) general property tax levy, which ranged from $38.1 million in Fiscal Year 2015-16 to $54.9 million in Fiscal Year 2020-21, with annual growth rates between 4.8% and 9.8% after recovery from the recession and continued increases in Bay Area real estate prices despite the COVID-19 pandemic. The District also received operating assistance from the VTA in connection with the completion of the SVBX in June 2020. The District received approximately $1 million in Fiscal Year 2019-20, and approximately $37 million in Fiscal Year 2020-21 from the VTA.

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

Emergency Assistance Funds Expended by the District

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

[1] Columns may not sum to totals due to rounding.
[2] BART has already received approximately $829,203,000 of such remaining amount from FTA and expects to draw down the remainder from FTA in the future.

Operating expenses, excluding depreciation, increased by approximately $123 million between Fiscal Year 2015-16 and Fiscal Year 2020-21. Expense increases during these six years included additional service and investments in the BART System, the opening of the Warm Springs Extension (March 2017), the opening of the Antioch Extension (May 2018), the opening of the SVBX (June 2020), as well as additional staff and funds to address areas such as system maintenance, quality of life, fare evasion, safety and security, and station cleanliness. In October 2020, the Board of Directors approved a seven-point plan to reduce operating expenses in order to address the short- and long-term impact of the COVID-19 pandemic on ridership. The plan included (i) pursuing efficiencies around contracting and other reductions to BART's non-labor budget; (ii) continuing BART's hiring freeze and eliminating most current vacancies; (iii) negotiating a retirement incentive package with labor union leadership; (iv) re-assigning or re-training staff wherever possible to fill critical gaps created by departures; (v) filling critical capital budget vacancies with operating staff wherever possible; (vi) allocating service dependent staff to capital projects to accelerate capital program delivery; and (vii) exploring additional cost savings measures with labor partners and non-represented employees. Through the implementation of this plan, net operating expenses, excluding depreciation, declined by approximately $76 million in Fiscal Year 2020-21 compared to the prior fiscal year. This reduction included a decline in net labor expenses by approximately $60 million, which was driven by a decrease of approximately

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

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

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

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

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

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

Operating expenses in Fiscal Year 2021-22 are budgeted to increase by approximately 1.0% from the adopted Fiscal Year 2020-21 budget, mainly due to increases in net labor costs. Under new labor agreements effective Fiscal Year 2021-22 through either Fiscal Year 2023-24 or Fiscal Year 2024-25, labor cost growth is anticipated to slow over the next three years. See "DISTRICT FINANCIAL INFORMATION – Labor Relations and Employee Retirement Benefits" herein. Operating sources in Fiscal Year 2021-22 are budgeted to increase approximately 11.3% from the adopted Fiscal Year 2020-21 budget, mainly due to increases in sales tax proceeds, fare revenues, and emergency federal assistance used to fill the budget gap created by reduced ridership levels. In particular, the District is able to achieve a balanced budget in Fiscal Year 2021-22 by utilizing emergency federal assistance. See "INVESTMENT CONSIDERATIONS – Infectious Disease Outbreak" in the forepart of this Official Statement.

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

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

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

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

The table below shows the revenue and expense projections in the adopted 2021-22 Budget compared to the revenues and expenses in the Preliminary 2022-23 Budget, as well as the District's year-end forecasted results for Fiscal Year 2021-22:

District Operating Budget (millions)	Fiscal Year 2021-22 Adopted*	Fiscal Year 2021-22 Year-End Projections*†	Fiscal Year 2022-23 Preliminary*	Fiscal Year 2021-22 Adopted vs. Fiscal Year 2022-23 Preliminary*
Revenue				
Passenger Revenue (Rail and ADA)	$ 166.4	$ 132.8	$ 222.2	$ 55.8
Non-Fare Revenue	29.3	31.4	32.5	3.2
Total Financial Assistance	437.3	466.8	448.0	10.7
Sales Tax Proceeds	*261.7*	*297.3*	*299.0*	*37.3*
Property Tax Proceeds	*54.5*	*56.4*	*58.0*	*3.5*
Low Carbon Transit Operations Program	*4.4*	*4.4*	*10.3*	*5.9*
Low Carbon Fuel Standard Program	*22.6*	*17.4*	*16.6*	*(6.0)*
Other	*94.2*	*91.3*	*64.1*	*(30.1)*
Federal Emergency Assistance	385.7	317.3	328.5	(57.2)
Total Sources	**1,018.7**	**948.3**	**1,031.2**	**12.5**
Expense				
Net Labor and Benefits	649.7	588.3	646.8	(2.9)
Power	48.9	48.7	52.7	3.8
Other Non-Labor	134.6	127.6	144.3	9.7
ADA Paratransit	14.0	14.0	16.7	2.7
Purchased Transportation	12.4	7.3	12.7	0.3
Total Expense	**859.6**	**785.8**	**873.2**	**13.6**
Sales Tax Debt Service and Allocations	**159.1**	**162.5**	**158.0**	**(1.1)**
TOTAL USES	**1,018.7**	**948.3**	**1,031.2**	**12.5**

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

BART's preliminary capital budget for Fiscal Year 2022-23 is currently under development. The Preliminary 2022-23 Budget projects an approximately $1.44 billion capital budget for Fiscal Year 2022-23, reflecting a 1.2% increase from the capital budget for Fiscal Year

* Columns may not sum to totals due to rounding.
† Projections as of February 28, 2022.

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

Risk Management and Insurance

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

Pursuant to a recent evaluation of District liabilities for workers' compensation, outstanding losses as of December 31, 2021 are projected to total $58,006,709 (undiscounted). The required reserves discounted 3% are $48,423,405. Ultimate District workers' compensation losses are limited to $4,000,000 self-insured retention per occurrence for the forecast periods and are estimated at $17,695,400 for Fiscal Year 2022-23 and $17,932,200 for Fiscal Year 2023-24. Outstanding losses for automobile and general liability are projected to be $16,418,357 (undiscounted). The required reserves discounted 3% are $15,780,045.

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

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

Investment Policy

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

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

1. Preservation of capital - The investment portfolio should be structured to minimize the probability of a loss of principal value through adequate diversification of investments across a variety of security offerings, maturities, and financial institutions.

2. Liquidity – Funds shall be invested only until date of anticipated need or for a lesser period. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets.

3. Yield – generation of the best available return on investment without compromise of the first two objectives.

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

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

INVESTMENT DISTRIBUTION
as of March 31, 2022

Certificates of Deposit	$891,843
Cash on Hand and in Bank	179,506,600
Mutual Fund	28,688,291
Local Agency Investment Fund	75,058,097
Investments – Treasury Bonds & Notes	509,958,360
Total	$794,103,191

Source: District.

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

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

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

Labor Relations and Employee Retirement Benefits

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

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

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

The District has taken steps to control rising pension and healthcare costs. In 2019, the District and ATU, SEIU and AFSCME modified their existing agreements to require employees to pay their full pension contribution (plus an additional one percent share) and receive a corresponding wage offset. Since July 1, 2020, all employees represented by ATU, SEIU and AFSCME, as well as non-represented employees, contribute 8% of their wages to their pensions. Since July 1, 2021, BPOA and BPMA safety employees contribute 10% to 14.25% of their wages to their pensions, depending on their CalPERS status. In addition, employee contributions to medical premiums continue to increase by 3% per year, along with continuation of the additional employee premium contribution of $37 per month. Employees will continue to be eligible each year to receive a lump sum payment in the event that ridership increases above certain forecasted levels, but in Fiscal Year 2020-21 ridership levels were such that no lump sum payment was owed.

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

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

Annual Actuarial Valuation Reports. In calculating the annual actuarially required contribution rates, the CalPERS actuary calculates, on the basis of certain assumptions, the actuarial present value of benefits that CalPERS expects to fund under the CalPERS Plans, which includes two components, the normal cost and the unfunded actuarial accrued liability (the "UAAL"). The normal cost represents the actuarial present value of benefits that CalPERS expects to fund under the CalPERS Plans that are attributed to the current year, and the UAAL represents the actuarial present value of benefits that CalPERS will fund that are attributed to past years. The UAAL represents an estimate of the actuarial shortfall between assets on deposit at CalPERS and the present value of the benefits that CalPERS will pay under the CalPERS Plans to retirees and active employees upon their retirement. The UAAL is based on several assumptions, including the rate of investment return, average life expectancy, average age of retirement, inflation, salary increases and occurrences of disabilities. In addition, calculation of the UAAL involves certain actuarial adjustments. As a result, prospective investors are encouraged to consider the UAAL as an estimate of the unfunded actuarial present value of the benefits that CalPERS will fund under the CalPERS Plans to retirees and active employees upon their retirement, and not as a fixed or hard expression of the liability the District owes to CalPERS under the CalPERS Plans.

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

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

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

Contribution Rates

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

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

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

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

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

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

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

(1) Dollars reflect rounding.
Sources: CalPERS Annual Valuation Report as of June 30, 2020.

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

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

(1) Dollars reflect rounding.
Sources: CalPERS Annual Valuation Report as of June 30, 2020.

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

Irrevocable Supplemental Pension Trust. On March 28, 2019, the Board adopted a Pension Funding Policy and authorized the Controller-Treasurer to establish a District-controlled IRS Section 115 Irrevocable Supplemental Pension Trust. The Trust was established in February 2020 and the assets in the Trust are to be held for the sole and exclusive purpose of making pension payments. Payments can include paying down pension liability or making regular pension payments when required payments exceed the budgeted projections. Assets placed into the Trust cannot be used for any other purpose and are not available to satisfy general creditors of the District. The District has contributed $10 million in Fiscal Year 2018-19 and added an additional $10 million in Fiscal Years 2019-20 and 2020-21. The District intends to continue to add to the Trust through Fiscal Year 2028-29. Total contribution over the ten-year period would be $100 million ending in Fiscal Year 2028-29.

Money Purchase Pension Plan

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

Other Post-retirement Benefits

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

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

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

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

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

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

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

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

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

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

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APPENDIX B

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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SAN FRANCISCO BAY AREA
RAPID TRANSIT DISTRICT

ANNUAL FINANCIAL REPORT
June 30, 2021

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

ANNUAL FINANCIAL REPORT
June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
San Francisco Bay Area Rapid Transit District
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and fiduciary activities of the San Francisco Bay Area Rapid Transit District ("the District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the District, as of June, 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11, the Retiree Survivor Benefit Trust was initially funded during the year ended June 30, 2021, and is presented as an additional employee benefit trust fund in the fiduciary fund financial statements as of July 1, 2020. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net pension liability and related ratios, the schedule of employer pension contributions, the schedule of changes in net OPEB liability and related ratios, and the schedule of employer OPEB contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinions on the financial statements that collectively comprise the District's basic financial statements. The combining statement of fiduciary net position and the combining statement of changes in fiduciary net position are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statement of fiduciary net position and the combining statement of changes in fiduciary net position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated November 23, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

San Francisco, California
November 23, 2021

Introduction

The following discussion and analysis of the financial performance and activity of the San Francisco Bay Area Rapid Transit District (the District or BART) provide an introduction and understanding of the basic financial statements of the District for the years ended June 30, 2021 and 2020. This discussion was prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

The District is an independent agency created in 1957 by the legislature of the State of California for the purpose of providing an adequate, modern, interurban mass rapid transit system in the various portions of the metropolitan area surrounding the San Francisco Bay. The District started its revenue operations in September 1972. It presently operates a 131-mile, 50-station system serving the five counties of Alameda, Contra Costa, San Francisco, San Mateo and Santa Clara. On June 13, 2020 the District celebrated the opening of the Berryessa Extension in Santa Clara County, which added two (2) stations and 10 miles of track to the system. The Operating and Maintenance agreement provides guidance on the financial, maintenance and operating responsibilities of each party, where Valley Transportation Authority (VTA) owns the extensions including the transit centers and the District operates the service and maintains the system. The governance of the District is vested in a Board of Directors composed of nine members, each representing an election district within the District.

The Financial Statements

The basic financial statements provide information about the District's Enterprise Fund and Fiduciary Funds. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB).

Enterprise fund – The enterprise fund summarizes the District's business activities related to operating, capital, and financing transactions. The enterprise fund consolidates the financial information associated with the District's General Fund, Capital Funds and Debt Service Funds.

General Fund: The General Fund accounts for the District's operating activities. Revenues and expense in the General Fund are distinguished between operating and nonoperating. Operating revenues includes receipts from passenger fares, parking revenues, telecommunication revenues, advertising, and other income associated with transit operations. Operating expenses consists of labor and non-labor expenses associated with providing transit services. Sales tax revenues, property tax revenues, and funding from local, state, and federal agencies that are used for paying operating expenses are recognized in the General Fund as nonoperating income.

Capital Funds: These funds account for financial resources to be used for the acquisition or construction of capital assets. Major sources of revenues for these funds comes primarily from grants, proceeds from sale of bonds, or allocations from the General Fund. Upon completion of a capital project, all of the associated cost are capitalized and transferred to the District's General Fund.

Debt Service Funds: These funds account for transactions related to long-term debt obligations associated with the District's Sales Tax Revenue and General Obligation bonding programs. Transactions recorded on these funds includes the recognition of the debt obligations upon issuance of the bonds, recognition of the discount or premiums related to the bond issuance and the subsequent amortization, receipt of funds to cover debt service from sales tax revenues allocated by the General Fund and from property tax assessments, payments of debt obligations, both principal and interest expense, and recognition of investment income earned from funds held prior to making the debt service payments.

Fiduciary Funds: BART's Fiduciary funds shows the financial position and summarizes the activities of the District's Retiree Health Benefit Trust and Survivors' Benefit Trust (the Trust). Balances reflected in the fiduciary fund financial statements are not reflected in the Enterprise Fund since the trust assets are restricted to be used for the benefit of the beneficiaries of those funds.

Overview of the Enterprise Fund Financial Statements

The *Statement of Net Position* reports assets, deferred outflows of resources, liabilities, deferred inflows of resources and the difference as *net position*. The entire equity section is combined to report total *net position* and is displayed in three components - *net investment in capital assets; restricted net position; and unrestricted net position*.

The *Statement of Revenues, Expenses and Change in Net Position* consist of operating and nonoperating revenues and expenses based upon definitions provided by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, as amended by GASB Statement No. 36, *Recipient Reporting for Certain Shared Nonexchange Revenues*, and GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*. Accordingly, significant recurring sources of the District's revenues, such as capital contributions, are reported separately, after nonoperating revenues and expenses.

The *Statement of Cash Flows* are presented using the direct method and include a reconciliation of operating loss to net cash used in operating activities.

Condensed Statements of Revenues, Expenses and Change in Net Position

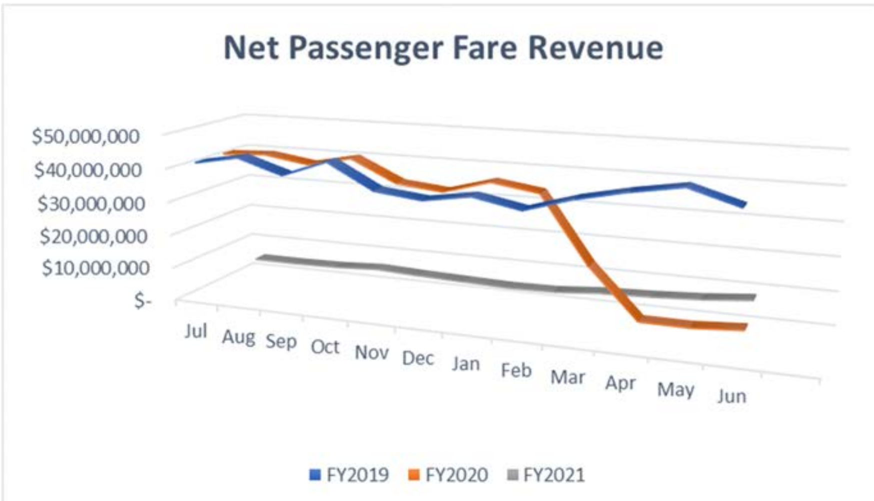
A summary of the District's Statements of Revenues, Expenses and Change in Net Position for the years 2021 and 2020 is as follows (dollar amounts in thousands):

			Change Favorable (Unfavorable)	
	2021	2020	Amount	Percent
Operating revenues	$ 90,509	$ 394,934	$ (304,425)	-77.1%
Operating expenses, net	989,764	1,067,529	(77,765)	-7.3%
Operating loss	(899,255)	(672,595)	(226,660)	33.7%
Nonoperating revenues, net	857,231	675,601	181,630	26.9%
Capital contributions	365,812	256,676	109,136	42.5%
Change in net position	323,788	259,682	64,106	24.7%
Net position, beginning of year	7,029,834	6,770,152	259,682	3.8%
Net position, end of year	$ 7,353,622	$ 7,029,834	$ 323,788	4.6%

Operating Revenues

Operating revenues decreased by $304,425,000 in fiscal year 2021 driven by the full year impact of the COVID 19 pandemic. The significant decline in transit ridership translated to a decrease in passenger fares by 82% or $279,000,000 compared to the previous fiscal year. Average weekday ridership in fiscal year 2021 was 52,922 compared to 288,271 in fiscal year 2020. Parking revenues, advertising, and fines and forfeitures, which are heavily dependent on ridership, also fell by $30,005,000 in fiscal year 2021. After the lockdown in the San Francisco Bay Area was instituted in March 2020, the District's ridership plummeted to as low as 6% of the pre-COVID baseline. Ridership gradually recovered to about 41,000 per day at the end of June 2020. Almost a year later, as more people got vaccinated and as the District's ridership trended positive, the District started to take measures to bring back capacity previously curtailed at the beginning of the pandemic. Between May and June 2021, additional trains were added back in the system and some station entrances previously closed were reopened. Average ridership at June 30, 2021 was 76,000 per day.

The chart below shows the monthly net passenger fare revenue from fiscal year 2019 to 2021.



Operating Expenses, Net

In fiscal year 2021, net operating expenses declined by $77,765,000 compared to the previous year. In October 2020, the Board approved the following seven-point plan to reduce expenses in order to address the short and long term impact of the pandemic on ridership and revenue:

- Pursue efficiencies around contracting and other reductions to the District's non-labor budget
- Continue hiring freeze, eliminate most current vacancies
- Negotiate a retirement incentive package with union leadership
- Re-assign or re-train staff wherever possible to fill critical gaps created by departures
- Fill critical capital budget vacancies with operating staff wherever possible
- Load shed service dependent staff to capital projects to accelerate capital program delivery
- Explore additional cost savings measures with labor partners and non-represented employees

By implementing the seven-point plan, net labor expense declined by $58,181,000 in fiscal year 2021 driven by decrease of $25,883,000 in overtime expense and increase of $22,717,000 in labor reimbursement through redeployment of staff to capital projects which was made possible by shorter train operating schedules. In addition, Other Post-Employment Benefits (OPEB) expense also decreased by $29,780,000, offset by increase of $14,133,000 in incentive payment related to the District Retirement Incentive Program (DRIP) and by increase in labor cost by $6,956,000 for COVID related benefits paid to employees, as mandated by the federal government and by the State of California.

Total non-labor expense fell by $19,584,000 in fiscal year 2021. Interchange fees, Clipper and other bank fees were down by $7,401,000, and purchased transportation related expenses declined by $9,725,000 due to reduce ridership and fewer paratransit trips. Materials cost and maintenance related expenses were down by $7,676,000 due to reduction in train service, offset by increase of $7,265,000 in insurance claims.

Nonoperating Revenues, Net

Net nonoperating revenues increased by $181,630,000 in fiscal year 2021 primarily driven by the utilization of emergency relief grants provided by the federal government. The Federal Transit Administration allocated the District grants that are intended to cover losses in fare revenues, as a consequence of the pandemic, in the amount of $377,053,000 from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and $378,138,000 from the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA). Total federal emergency relief funds recognized in the current fiscal year amounted to $402,396,000 compared to $185,510,000 in the prior fiscal year. The grant from CARES Act provided $191,544,000 and CRRSSA contributed $210,852,000, for a net increase of $216,886,000.

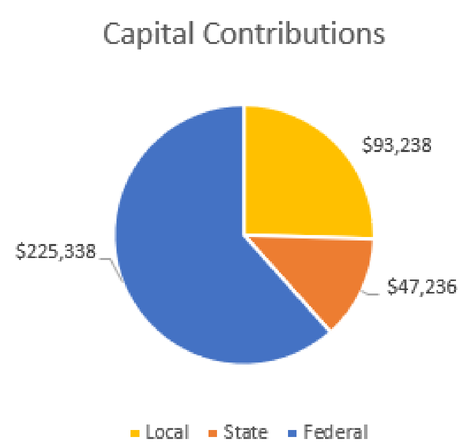
Subsidy from the Santa Clara Valley Transportation Authority (VTA) related to the operations of the 2 new stations associated with the extension to Silicon Valley was significantly higher and increased by $35,957,000, compared to $1,183,000 reported in fiscal year 2020, as the current fiscal year covered operation for a full year compared to two weeks in fiscal year 2020. Property tax revenues collected for general operations increased slightly by $2,492,000 due to continued appreciation in property values despite the pandemic, while property tax generated to cover debt service for the District's General Obligation Bonds increased by $22,877,000.

The increases in non-operating revenues were offset by decrease of $8,373,000 in sales tax revenue due to decrease in taxable activities as a consequence of the pandemic, $12,393,000 decrease in State Transit Assistance due to lower allocations received from the program, $18,131,000 decrease in investment income due to extraordinary low interest environment, $19,879,000 decrease in revenue from sale of Low Carbon Fuel Standard Program credits driven by lower number of credits sold, decrease of $11,561,000 in San Mateo Measure A, as funds were exhausted to cover the shortfall of the San Francisco International Airport Extension (SFO Extension), and from $4,931,000 increase in interest expense, and $28,371,000 in planning related costs recognized in the current fiscal year associated with the Link21 project.

Capital Contributions

The revenues from capital contributions relate to grants and other financial assistance received by the District from federal, state, and local agencies to fund capital projects. The District receives mostly reimbursement-type grants of which the District has to first incur eligible costs under the provider's program before qualifying for the grant resources. Revenues from capital contributions are recognized at the time when the eligible project costs are incurred.

In fiscal year 2021 the District received capital contributions of $365,812,000 from the following sources (amounts in thousands):



Major sources of local revenues came from the Metropolitan Transportation Commission (MTC) Exchange Fund, VTA subsidy for capital projects, Bridge Tolls revenue from MTC, Union City, Contra Costa Transportation Authority (CCTA) Measure J, and Alameda County Transportation Commission (ACTC) Measure B and BB, which were used to fund, among others, the Rail Car Procurement Project, eBART Parking Lot, Station Modernization, the Union City Station Phase II Intermodal Project and the Warm Springs Irvington Station Design. Major sources of revenues from the State includes the State's Proposition 1B funds and SB1 Public Transportation Account, which were used to fund, among others, the Communication-Base Train Control (CBTC), Station Modernization, and Canopy and Escalator Replacement projects. Major funding from the federal government came from Federal Transit Administration Section 5307, 5309 and 5337 grants. A significant portion of these funding were allocated and spent to support the Rail Car Replacement, Hayward Maintenance Complex, Core Capacity, CBTC-CIG, Fare Gate & Station Hardening and the 34.5 KV Transformer Replacement projects.

The major additions in fiscal years 2021 and 2020 to capital projects are detailed on page 10.

Condensed Statements of Net Position

A comparison of the District's *Statements of Net Position* as of June 30, 2021 and 2020 is as follows (dollar amounts in thousands):

			Change	
			Favorable (Unfavorable)	
	2021	2020	Amount	Percent
Current assets	$ 1,014,907	$ 980,852	$ 34,055	3.5%
Capital assets, net	9,867,533	9,186,321	681,212	7.4%
Noncurrent assets - other	835,291	664,965	170,326	25.6%
Total assets	11,717,731	10,832,138	885,593	8.2%
Deferred outflows of resources	215,592	221,708	(6,116)	-2.8%
Current liabilities	420,283	453,660	(33,377)	-7.4%
Noncurrent liabilities	4,011,024	3,467,825	543,199	15.7%
Total liabilities	4,431,307	3,921,485	509,822	13.0%
Deferred inflows of resources	148,394	102,527	45,867	44.7%
Net position				
Net investment in capital assets	7,426,365	7,127,402	298,963	4.2%
Restricted	205,370	177,449	27,921	15.7%
	(278,113)	(275,017)	(3,096)	1.1%
Total net position	$ 7,353,622	$ 7,029,834	$ 323,788	4.6%

Current Assets

In fiscal year 2021, current assets increased by $34,055,000 primarily due to increase of $168,274,000 in cash, cash equivalents and investments, increases of $9,812,000 and $1,588,000, in materials and supplies inventory for spare parts received and in contract warranty receivable, respectively, related to the Rail Car Procurement project, increase of $2,518,000 in property tax receivable due to timing, and offset by decrease of $149,043,000 in government receivables. The decreased in government receivables was due to timing in invoicing, collection and receiving payments from the granting agencies. The balance in government receivables in prior year includes $185,510,000 covering 5 months of revenue from the COVID 19 emergency relief funds compared to $107,135,000 covering 3 months in the current fiscal year.

Noncurrent Assets - Other

Noncurrent assets – other increased in fiscal year 2021 by $170,326,000 principally driven by increase in restricted cash and investments from the proceeds of the 2020C Measure RR General Obligation Bonds issued in August 2020 in the amount of $700,000,000 to be used for funding various Measure RR projects. Funds set aside for debt service of outstanding General Obligation Bonds and Sales Tax Revenue Bonds also increased by $24,588,000 during the year. The increases in restricted cash and investments were offset during the fiscal year by $481,162,000 in project funds used to pay various projects of which $456,755,000 came from proceeds of General Obligation Bonds and Sales Tax Revenue Bonds, and $25,206,000 were from Proposition 1B funds received from the State of California in prior years. Restricted cash and investments also declined by $20,255,000 from the utilization of the San Francisco Extension Reserve Fund which was used to cover the shortfall for operating the extension in fiscal year 2021. In addition, $54,862,000 of noncurrent unrestricted investments at June 30, 2020 have matured in fiscal year 2021 and were invested in new securities with maturity of less than a year.

Current Liabilities

Current liabilities decreased in fiscal year 2021 by $33,377,000 primarily due to decrease of $48,334,000 in payable to vendors and contractors caused by timing in receipt and settlement of invoices. Liabilities related to the Survivors Benefit Trust also declined by $8,673,000 due to contribution made to the Trust at the beginning of the fiscal year. Other changes include net increase in interest payable by $7,324,000 related to debt service for the new 2020C RR General Obligation Bonds issued in August 2020; increase in unearned revenue by $15,099,000 representing advances from VTA for their subsidy contributions to Silicon Valley Extension, offset by a decrease of $4,539,000 in advances received from other local and State agencies; increase of $3,810,000 in current portion of long-term debt based on debt service requirement; increase of $1,034,000 in current portion of self-insurance related liabilities based on actuarial valuations, and increase of $1,411,000 in the current portion of accrued compensated absences

Noncurrent Liabilities

Noncurrent liabilities increased in fiscal year 2021 by $543,199,000 primarily due to increase in net long-term debt by $603,737,000. In August 2020, the District issued the third tranche of Measure RR General Obligation Bonds for $700,000,000 to provide the funds necessary to support the Measure RR projects. This increase was offset by $137,010,000 in principal payments on sales tax revenue bonds and general obligation bonds in fiscal year 2021. Other changes to noncurrent liabilities include an increase of $77,061,000 in premium on bonds payable associated with the latest bond issuance, offset by $32,504,000 for the annual amortization of the premium; decrease of $3,810,000 in long-term debt from increase in amount reclassified to current liability; net increase in noncurrent self-insurance liabilities in the amount of $7,448,000 to increase the self-insurance reserves for additional loses recognized during the year; decrease in other post-employment liability in the amount of $108,171,000, offset by increase of $67,089,000 in the net pension liability per actuarial valuations; and decrease in noncurrent unearned revenues in the amount of $26,075,000 as cash advance received from grants and other form of revenues from other agreements are earned.

Capital Assets

Details of capital assets, net of accumulated depreciation, as of June 30, 2021 and 2020 are as follows (dollar amounts in thousands):

	2021	2020
Land and easements	$ 700,649	$ 672,998
Construction in progress	1,979,177	1,689,288
Stations, track, structures and improvements	4,925,618	4,839,718
Buildings	532,491	409,187
Systemwide operation and control	118,945	136,224
Revenue transit vehicles	639,269	488,736
Service and Miscellaneous equipment	133,600	123,099
Capitalized constructon and start-up costs	282,806	290,200
Repairable property items	526,367	510,064
Information systems	28,611	26,807
Total capital assets, net	$ 9,867,533	$ 9,186,321

During fiscal year 2021, the District's capital assets before depreciation and retirement increased by $911,448,000. Additions during the fiscal year were related to the following assets (dollar amounts in thousands):

	2021
Guideway	$ 387,486
Passenger stations	174,527
Maintenance & administration building	115,205
Revenue transit vehicles	170,360
Communication and information system	43,838
Automatic fare collections and other equipment	20,032
	$ 911,448

Additional information related to the District's capital assets can be found in Note 4 – Capital Assets and Note 6 – Long-Term Debt.

The District has entered into contracts for the construction of various facilities and equipment totaling approximately $2,887,803,000 at June 30, 2021.

Long-Term Debt

The outstanding balance of total long-term debt (including current portion but excluding unamortized balance of bond premium/discounts) as of June 30, 2021 and 2020 are as follows (dollar amounts in thousands):

	2021	2020
Bonds payable from and collateralized by a pledge of sales tax revenues	$ 686,295	$ 712,455
General obligation bonds	1,871,890	1,282,740
	$ 2,558,185	$ 1,995,195

Sales Tax Revenue Bonds are rated "AA+" by Standard and Poor's Global Ratings (S&P) and "AA" by Fitch Ratings. General Obligation Bonds are rated "Aaa" by Moody's and "AA" by S&P.

In August 2020, $700,000,000 were added to total long-term debt due to the issuance of the 2020C Measure RR General Obligation Bonds. Principal payments made on outstanding bonds during the year were $26,160,000 for Sales Tax Revenue Bonds and $110,850,000 for the General Obligation Bonds. Additional information on the District's long-term debt obligations can be found in Note 6 – Long -Term Debt.

Economic Factors and Next Year's Budgets

On June 10, 2021, the District's Board of Directors adopted a balanced operating budget of $1,018,661,000 and a capital budget of $1,419,277,000 for fiscal year 2022 (FY22).

The FY22 operating budget is $103,808,000 higher than the fiscal year 2021 (FY21) budget. The budget increase is primarily driven by two major factors: an increase in service and enhanced system cleaning, as well as capital investments that were suspended in FY21 due to uncertainty related to the COVID-19 pandemic. The adopted FY22 budget assumes that over the course of the year, BART averages 34% of pre-COVID ridership. The costs associated with running rich service despite lower ridership are partially offset by using the operating reserves set aside in FY21 funded by revenue recognized from CRRSAA and remaining CRRSAA grants that will be recognized in FY22 and American Rescue Plan (ARP) funds, budgeted at $327,800,000 and $57,000,000, respectively, in FY22. On the expense side, the FY22 adopted budget includes funding to provide expanded service frequencies and hours starting as of August 30th, 2021, funding for enhanced train and station cleaning, as well as a significant increase in operating and capital allocations, described in detail below.

FY22 operating revenues are severely constrained due to the COVID-related ridership decline, though improved over FY21 levels. Rail passenger revenue is budgeted to be 12% higher ($17,786,000) in FY22 than in the FY21 budget, though it is important to note that FY21 ridership revenue actuals were significantly lower than budgeted. Sales tax revenue is estimated to increase by 9% or $22,674,000 in FY22 compared to the FY21 budget; this increase is in line with FY21 actual sales tax receipts, which outperformed budget. Property tax revenue is budgeted to increase by 8% ($3,882,000) in FY22 as compared to FY21, to reflect strong real estate property appreciation in the Bay Area real estate market.

The FY22 budget funds a rail service plan that supports BART's crucial role supporting the Bay Area's re-opening. This plan includes restoration of 15-minute headways before 8 pm six days a week, and extends system closing time back from 9 pm to midnight. Sundays continue the 9 pm closure and reduced frequencies. This additional service, initially scheduled to begin August 30, 2021, was budgeted at $39,949,000 in FY22. In addition, the FY22 budget includes provision of $9,285,000 for enhanced train and station cleaning to improve rider safety and experience.

BART drastically scaled back allocations from operating reserves and to fund capital projects in FY21 to reflect uncertainty around ongoing funding during the COVID-19 pandemic. Due to the award of federal emergency funding, the District opted to restore and increase allocation funding levels in FY22. A total of $85,334,000 was added to FY22 budget allocations (both operating and capital) to fund BART to Antioch Diesel Multiple Unit (DMU) overhauls as well as to restore the District's priority capital projects, miscellaneous capital allocations, and the pension trust to pre-COVID levels.

Increased costs are partially offset by the elimination of the $43,780,000 COVID expenses set aside in FY21 as well as $16,241,000 in savings realized from the abolition of positions vacated through the District Retirement Incentive Program (DRIP).

A full $684,000,000 (48%) of capital expenses in FY22 are directed to System Reinvestment including a portion of the New Rail Car Program, updates to the Hayward Maintenance Complex (HMC), renewing train control components, traction power, guideway infrastructure and other capital projects. Service and Capacity Enhancement represents 37% ($524,000,000) of the budget and will focus on station access improvements and modernization, upgraded facilities at HMC and Concord Shop, as well as train control modernization and traction power upgrades as part of the Core Capacity program. The Earthquake Safety Program, which represents 6% ($86,000,000) of the FY22 capital budget, will focus on the Transbay Tube Seismic Retrofit project. Other capital work on essential security upgrades, life safety improvements, service and capacity enhancements, and ADA/system accessibility improvements will also continue.

Contacting the District's Financial Management

The District's financial report is designed to provide the District's Board of Directors, management, investors, creditors, legislative and oversight agencies, citizens and customers with an overview of the District's finances and to demonstrate its accountability for funds received. For additional information about this report, please contact Christopher Gan, Interim Controller-Treasurer, at 2150 Webster Street., P.O. Box 12688, Oakland, California 94612.

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SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
PROPRIETARY FUND FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
June 30, 2021
(Dollar amounts in thousands)

ASSETS	
Current assets	
Unrestricted assets	
Cash and cash equivalents	$ 293,362
Investments	370,000
Government receivables	197,206
Receivables and other assets	36,402
Materials and supplies	70,753
Total unrestricted current assets	967,723
Restricted assets	
Cash and cash equivalents	28,809
Investments	11,728
Receivables and other assets	6,647
Total restricted current assets	47,184
Total current assets	1,014,907
Noncurrent assets	
Capital assets	
Nondepreciable	2,679,826
Depreciable, net of accumulated depreciation	7,187,707
Unrestricted assets	
Receivables and other assets	84
Restricted assets	
Cash and cash equivalents	399,207
Investments	422,429
Receivables and other assets	13,571
Total noncurrent assets	10,702,824
Total assets	11,717,731
DEFERRED OUTFLOWS OF RESOURCES	
Losses on refundings of debt	12,217
Pension related	166,370
Other postemployment benefits related	37,005
Total deferred outflows of resources	215,592

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
PROPRIETARY FUND FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
June 30, 2021
(Dollar amounts in thousands)

LIABILITIES	
Current liabilities	
Accounts payable and other liabilities	$ 277,222
Unearned revenue	56,302
Current portion of long-term debt	65,825
Self-insurance liabilities	20,934
Total current liabilities	420,283
Noncurrent liabilities	
Accounts payable and other liabilities	52,979
Unearned revenue	90,821
Long-term debt, net of current portion	2,742,914
Self-insurance liabilities, net of current portion	51,405
Net other postemployment benefits liability	245,151
Net pension liability	827,754
Total noncurrent liabilities	4,011,024
Total liabilities	4,431,307
DEFERRED INFLOWS OF RESOURCES	
Pension related	4,419
Other postemployment benefits related	143,975
Total deferred inflows of resources	148,394
NET POSITION	
Net investment in capital assets	7,426,365
Restricted for debt service and other liabilities	205,370
Unrestricted (deficit)	(278,113)
Total net position	$ 7,353,622

The accompanying notes are an integral part of these basic financial statements.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
PROPRIETARY FUND FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
For the year ended June 30, 2021
(Dollar amounts in thousands)

Operating revenues	
Fares	$ 62,528
Other	27,981
Total operating revenues	90,509
Operating expenses	
Transportation	215,274
Maintenance	374,529
Police services	88,054
Construction and engineering	34,769
General and administrative	233,795
Depreciation	228,528
Total operating expenses	1,174,949
Less - capitalized costs	(185,185)
Net operating expenses	989,764
Operating loss	(899,255)
Nonoperating revenues (expenses)	
Transactions and use tax - sales tax	258,522
Property tax	195,951
Operating financial assistance	497,524
Investment income	1,523
Interest expense	(65,837)
Planning and Studies	(28,372)
Other expense	(2,080)
Total nonoperating revenues, net	857,231
Change in net position before capital contributions	(42,024)
Capital contributions	365,812
Change in net position	323,788
Net position, beginning of year	7,029,834
Net position, end of year	$ 7,353,622

The accompanying notes are an integral part of these basic financial statements.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
PROPRIETARY FUND FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS
For the year ended June 30, 2021
(Dollar amounts in thousands)

Cash flows from operating activities	
Receipts from customers	$ 62,182
Payments to suppliers	(203,779)
Payments to employees	(572,935)
Payments related to planning and studies	(28,372)
Other operating cash receipts	25,077
Net cash used in operating activities	(717,827)
Cash flows from noncapital financing activities	
Transactions and use tax (sales tax) received	211,459
Property tax received	52,977
Operating financial assistance received	696,632
Net cash provided by noncapital financing activities	961,068
Cash flows from capital and related financing activities	
Transactions and use tax (sales tax) received	47,063
Property tax received	129,495
Capital grants received	293,543
Expenditures for facilities, property and equipment	(924,931)
Proceeds from disposition of property	108
Principal paid on long-term debt	(137,010)
Payments of long-term debt issuance and service costs	(2,080)
Proceeds from issuance of General Obligation Bonds	777,061
Interest paid on long-term debt	(89,792)
Deposit refunded	(384)
Net cash provided by capital and related financing activities	93,073
Cash flows from investing activities	
Proceeds from sale and maturity of investments	619,241
Purchase of investments	(999,183)
Interest received	3,211
Net cash used in investing activities	(376,731)
Net change in cash and cash equivalents	(40,417)
Cash and cash equivalents, beginning of year	761,795
Cash and cash equivalents, end of year	$ 721,378
Reconciliation of cash and cash equivalents to the Statement of Net Position	
Current unrestricted cash and cash equivalents	$ 293,362
Current restricted cash and cash equivalents	28,809
Noncurrent restricted cash and cash equivalents	399,207
Total cash and cash equivalents	$ 721,378

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
PROPRIETARY FUND FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS
For the year ended June 30, 2021
(Dollar amounts in thousands)

Reconciliation of operating loss to net cash used in operating activities	
Operating loss	$ (899,255)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	228,528
Provision for inventory obsolescence	(227)
Provision for doubtful accounts	(3,085)
Amortization of leasehold improvements	1,465
Amortization of ground lease	(1,235)
Loss on disposal of assets	95
Expenses for planning and studies	(28,372)
Net effect of changes in:	
Receivables and other assets	68
Materials and supplies	(9,583)
Accounts payable and other liabilities	(23,433)
Self-insurance liabilities	8,482
Unearned revenue	(950)
Net pension liability	67,089
Deferred outflows of resources related to pensions	8,923
Deferred inflows of resources related to pensions	(25,183)
Net other postemployment benefits liability	(108,170)
Deferred outflows of resources related to other postemployment benefits	5,560
Deferred inflows of resources related to other postemployment benefits	61,456
Net cash used in operating activities	$ (717,827)

Noncash transactions	
Capital assets acquired with a liability at year-end	$ 135,992
Change in fair value of investments	(1,600)
Amortization of long-term debt premium and discount	(32,504)
Amortization of loss on refunding of debt	1,225
Capital grants included in government receivables	187,213

The accompanying notes are an integral part of these basic financial statements.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
FIDUCIARY FUND FINANCIAL STATEMENTS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2021
(Dollar amounts in thousands)

ASSETS		
Cash and cash equivalents	$	50,395
Receivables and other assets		
Receivable from BART		459
Interest & dividend receivables		364
Prepaid expenses		18
Total receivables and other assets		841
Investments		
Domestic common stocks		64,097
Foreign stocks		4,126
U.S. Treasury obligations		27,425
Mortgage Backed Securities		6,024
Mutual funds - equity		232,625
Mutual funds - fixed income securities		83,445
Corporate obligations		40,077
Foreign obligations		2,925
Total investments		460,744
Total assets		511,980
LIABILITIES		
Accounts payable		208
Total liabilities		208
Net position restricted for other postemployment benefits	$	511,772

The accompanying notes are an integral part of these basic financial statements.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
FIDUCIARY FUND FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended June 30, 2021
(Dollar amounts in thousands)

Additions	
Employer contributions	$ 45,978
Employee contributions	9,456
Net investment income	
Interest income	5,641
Realized and unrealized gains on investments	89,540
Investment expense	(498)
Net investment income	94,683
Total additions	150,117
Deductions	
Benefit payments	27,186
Legal fees	6
Audit fees	36
Insurance expense	28
Administrative fees	217
Total deductions	27,473
Change in net position	122,644
Net position restricted for other postemployment benefits, beginning of year	389,128
Net position restricted for other postemployment benefits, end of year	$ 511,772

The accompanying notes are an integral part of these basic financial statements.

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity: The San Francisco Bay Area Rapid Transit District (the District or BART) is a public agency created by the legislature of the State of California in 1957 and regulated by the San Francisco Bay Area Rapid Transit District Act, as amended, and subject to transit district law as codified in the California Public Utilities Code. The disbursement of funds received by the District is controlled by statutes and by provisions of various grant contracts entered into with federal, state and local agencies.

Basis of Accounting and Presentation: The basic financial statements provide information about the District's Enterprise Fund and the Retiree Health Benefit Trust and Survivor Benefit Trust (the Trusts). Separate statements for each fund category – proprietary and fiduciary – are presented. The basic financial statements are reported using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Revenues from property taxes are recognized in the fiscal year for which the taxes are levied; revenue from sales taxes are recognized in the fiscal year when the underlying exchange takes place; revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied; and revenue from investments is recognized when earned.

The Enterprise Fund, a proprietary fund, distinguishes operating revenues and expenses from nonoperating items. The District's operating revenues are generated directly from its transit operations and consist principally of passenger fares. Operating expenses for the transit operations include all costs related to providing transit services. These costs include labor, fringe benefits, materials, supplies, services, utilities, leases and rentals, and depreciation on capital assets. All other revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

The Trusts, fiduciary funds, are used to account for assets held by the District as a trustee to pay retiree health care premiums and survivor benefits. The assets of the Trusts cannot be used to support the District's programs. Separate financial statements are maintained for the Retiree Health Benefit Trust and Survivor Benefit Trust, the former receives contributions from the District, whereas the latter is solely funded by employee, retiree and survivor contributions.

Cash Equivalents: For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments: The District records investment transactions on the trade date. Investments in nonparticipating interest-earning investment contracts (e.g. nonnegotiable certificates of deposits and guaranteed investment contracts) are reported at cost and all other investments are at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District measures its investments at fair value and categorizes its fair value measurements within the fair value hierarchy established by GAAP. As a matter of policy, the District usually holds investments until their maturity.

Restricted Assets: Certain assets are classified as restricted assets on the statement of net position because their use is subject to externally imposed stipulations, either by certain bond covenants, laws or regulations or provisions of debt agreements. Restricted assets are further categorized as current and non current based on the planned use, i.e., current restricted assets are expected to be consumed or realized within a year. Noncurrent restricted assets on the other hand includes cash and claims to cash that are restricted as to withdrawal or use for other than current operations, that are designated for disbursement in the acquisition or construction of noncurrent assets, or that are segregated for the liquidation of long-term debts. Cash and cash equivalent and investments specifically capital funds and debt service funds are included in the noncurrent restricted assets.

(Continued)

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Grants/Contributions: The District receives grants from the Federal Transit Administration (FTA) and other agencies of the U.S. Department of Transportation, the State of California, and local transportation funds for the acquisition of transit-related equipment, improvements and preventative maintenance. Capital grants receivables represent amounts expected from governmental agencies to reimburse the District for costs incurred for capital projects (Note 8) and are reported as government receivables on the statement of net position.

Materials and Supplies: Materials and supplies consist primarily of replacement parts for the system and rail vehicles, which are stated at cost using the average-cost method. Materials and supplies are expensed as consumed.

Bond Discounts, Premiums and Losses on Refunding: The bond discounts, premiums and losses on refunding are amortized over the term of the bonds as a component of interest expense. The unamortized portion of these items, except the losses on refunding, which are reported as deferred outflows of resources, are presented as an adjustment of the face amount of bonds payable.

Capital Assets: Capital assets are stated at cost or at acquisition value of donated assets and depreciated using the straight-line method over the estimated useful lives of the assets ranging from 3 to 80 years. The District's policy is to capitalize acquisitions of capital assets with a cost of $5,000 or more and a useful life of more than one year, and all costs related to capital projects, regardless of amounts. Upon disposition, costs and accumulated depreciation/amortization are removed from the accounts and resulting gains or losses are included in operations.

The District capitalizes as intangible capital assets, internally generated intangibles such as computer software. Easements and rights-of-way are capitalized and recorded as part of land and are not amortized as they have indefinite useful lives while computer software is amortized over a period of 20 years.

Major improvements and betterments to existing facilities and equipment are capitalized. Costs for maintenance and repairs that do not extend the useful life or the service utility of the applicable assets are charged to expense as incurred.

Unearned Revenue: Unearned revenue consists of (1) prepayments of revenues related to license fees paid by telecommunication companies for the use of the District's right of way for wireless accessibility to their customers; (2) estimated passenger tickets sold but unused; (3) advances received from grant agreements; (4) prepayments of ground lease revenues (Note 13); and (5) value of property received in exchange for the District's property not yet transferred at the end of the fiscal year. The detailed balances of unearned revenue as of June 30, 2021 is presented below (dollar amounts in thousands):

	Current	Non Current	Total
Telecom license fees	$ 3,336	$ 4,019	$ 7,355
Passenger/Parking tickets	18,084	-	18,084
Grant advances	17,986	10,401	28,387
Ground leases	1,797	46,291	48,088
Property exchange*	-	30,110	30,110
VTA advances	15,099	-	15,099
Total	$56,302	$90,821	$147,123

*Transaction related to the Richmond parking garage and parcel exchange that has not been fully transferred yet. Please refer to Note 13 for further information.

(Continued)

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences: Compensated absences are reported and accrued as a liability in the period incurred. Compensated absences have a total balance of $76,408,000 as of June 30, 2021, and are shown in the statement of net position under accounts payable and other liabilities (see Note 5) as follows (dollar amounts in thousands):

Current liabilities	$	26,488
Noncurrent liabilities		49,920
	$	76,408

Pollution Remediation: The recognition of pollution remediation obligations (including contamination) address the current or potential detrimental effects of existing pollution by estimating costs associated with participating in pollution remediation activities, such as site assessments and cleanups. There are no known material remediation obligations that the District is currently or potentially involved in.

Net Position: Net investment in capital assets include capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Restricted net position consists of assets where constraints on their use are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation. Restricted net position includes amounts restricted for debt service and other liabilities. Unrestricted net position consists of net position that does not meet the definition of restricted or net investment in capital assets. This net position component includes net position that has been designated by management for specific purposes, which in the case of the District include allocations to fund capital projects, and other liabilities, which indicate that management does not consider them to be available for general operations. Generally, the District's policy is to spend restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Transactions and Use Tax (Sales Tax) Revenues: The State of California legislation authorizes the District to impose a 0.5% transaction and use tax within District boundaries, which is collected and administered by the State Board of Equalization. Of the amounts available for distribution, 75% is paid directly to the District for the purpose of paying operating expenses, except for the portion that is paid directly to trustees to cover principal and interest payments of maturing sales tax revenue bonds. The remaining 25% is allocated by the Metropolitan Transportation Commission (MTC) to the District, the City and County of San Francisco, and the Alameda-Contra Costa Transit District for transit services. The District records the total transactions and use taxes earned (including amounts paid to the trustees) as nonoperating revenue.

Property Taxes, Collection and Maximum Rates: The State of California Constitution Article XIII.A provides that the general purpose maximum property tax rate on any given property may not exceed 1% of its assessed value unless an additional amount for general obligation debt has been approved by voters. Assessed value is calculated at 100% of market value as defined by Article XIII.A and may be adjusted by no more than 2% per year, unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1% tax levy among the counties, cities, school districts and other districts, such as the District.

(Continued)

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District receives an allocation of property tax revenues for transit operations. Additionally, beginning in fiscal year 2006, the District received property tax allocations for the debt service payments on Measure AA General Obligation Bonds. Beginning in fiscal year 2018, the District also received property tax allocation for the debt service of Measure RR General Obligation Bonds. As required by the law of the State of California, the District utilizes the services of each of the three BART Counties of Alameda, Contra Costa and San Francisco for the assessment and collection of taxes for District purposes. District taxes are collected at the same time and on the same tax rolls as county, school district and other special district taxes. Property taxes are recorded as revenue in the fiscal year of levy. Assessed values are determined annually by the Assessor's Offices of City and County of San Francisco, County of Alameda and County of Contra Costa on January l, and become a lien on the real properties at January 1. The levy date for secured and unsecured properties is July 1 of each year. Secured taxes are due November l and February 1 and are delinquent if not paid by December 10 and April 10, respectively. Unsecured property tax is due on July 1 and becomes delinquent after August 31.

Operating Financial Assistance: Financial assistance grants for operations from federal, state and local agencies are reported as nonoperating revenue in the period in which all eligibility requirements have been satisfied (Note 8).

Collective Bargaining: Approximately 86% of the District's employees are subject to collective bargaining. The current bargaining units consist of the following:

- American Federation of State, County and Municipal Employees (AFSCME), Local 3993
- Amalgamated Transit Union (ATU), Local 1555
- Service Employees International Union (SEIU), Local 1021
- BART Police Officers Association (BPOA)
- BART Police Managers Association (BPMA)

Capitalized Costs: The District initially charges employee salaries, wages and benefits to operating expenses by functional expense category. Labor costs included in those amounts that are associated with capital projects are subsequently adjusted to be included in the cost of the related capital asset. This adjustment is reflected in the statement of revenues, expenses and change in net position as a reduction of operating expenses.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the District's Pension Plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by California Public Employees' Retirement System (CalPERS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms.

Other Post-Employment Benefits (OPEB): The District currently has the following OPEB Plans: Retiree Health Benefit Plan, Survivor Benefit Plan and Life Insurance. For purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, information about the fiduciary net position of the District's OPEB Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans Benefit payments and contribution due from employer or retirees and survivors (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms.

(Continued)

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

New Accounting Pronouncements Adopted: GASB Statement No. 84, Fiduciary Activities, establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Adoption of this statement did not have a significant impact to the District's financial statements.

GASB Statement No. 90, Majority Equity Interests, is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Adoption of this statement did not have a significant impact to the District's financial statements.

GASB Statement No. 93, Replacement of Interbank Offered Rates (IBOR), is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement, except for paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. Management is currently evaluating the effect of paragraphs 11b, 13, and 14 on the District's financial statements. Adoption of the remaining paragraphs of this statement did not have a significant impact to the District's financial statements.

(Continued)

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents, and Investments of the Enterprise Fund

Cash, cash equivalents and investments are reported in the Enterprise Fund as follows (dollar amounts in thousands):

	Unrestricted	Restricted	Total
Cash and cash equivalents	$ 293,362	$ 428,016	$ 721,378
Investments	370,000	434,157	804,157
Total	$ 663,362	$ 862,173	$ 1,525,535

In March 2019, the Board approved the creation of Pension Funding Policy and an Internal Revenue Service (IRS) Section 115 Irrevocable Supplemental Pension Trust for the purpose of providing additional funds to pay down the District's liability base or be used as stabilization fund if the required CalPERS pension contributions exceed the budgeted projections. In fiscal year 2021, an additional $10,000,000 was deposited to the Section 115 account and investment loss of $37,000 was recognized by the Trust. The balance of Section 115 Irrevocable Supplemental Pension Trust account as of June 30, 2021 was $20,257,000 and is reflected as part of restricted cash and cash equivalents.

Investment Policy: The California Public Utilities Code, Section 29100, and the California Government Code (CGC), Section 53601, provide the basis for the District's investment policy. To meet the objectives of the investment policy – (1) preservation of capital, (2) liquidity, and (3) yield – the investment policy, approved by the Board of Directors, specifically identifies the types of permitted investments, as well as any maturity limits and other restrictions. The following table presents the authorized investment, requirements, and restrictions per the CGC and the District's investment policy:

	Maximum Maturity (1)		Maximum % of Portfolio		% with One Issuer		Minimum Rating (2)	
Investment Type	CGC	District	CGC	District	CGC	District	CGC	District
U.S. Treasury Obligations (bills, bonds, or notes)	5 years	5 years	None	None	None	None	None	None
U.S. Agencies	5 years	5 years	None	None	None	None	None	None
Bankers' Acceptances	180 days	180 days	40%	40%	30%	30%	None	None
Commercial Paper (3)	270 days	270 days	25%	25%	10%	10%	P1	P1
Negotiable Certificates	5 years	5 years	30%	30%	None	None	None	None
Repurchase Agreements	1 year	1 year	None	None	None	None	None	None
Reverse Repurchase Agreements	92 days	90 days	20%	20%	None	None	None	None
Local Agency Investment Fund	N/A	N/A	None	20%	None	None	None	None
Non-Negotiable Time Deposits	5 years	5 years	30%	30%	None	None	None	None
Medium Term Notes/Bonds (3)	5 years	5 years	30%	30%	None	None	A	A
Municipal Securities of California Local Agencies	5 years	5 years	None	None	None	None	None	None
Mutual Funds	N/A	N/A	20%	20%	10%	10%	AAA	AAA
Notes, Bonds, or Other Obligations	5 years	5 years	None	None	None	None	None	None
Mortgage Pass-Through Securities	5 years	5 years	20%	20%	None	None	AAA	AAA
Financial Futures (3)	N/A	N/A	None	None	None	None	None	None

Footnotes
(1) In the absence of a specified maximum, the maximum is 5 years.
(2) Minimum credit rating categories include modifications (+/-).
(3) District will not invest in these investment types unless specifically authorized by the Board.

(Continued)

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments Authorized by Debt Agreements: The District must maintain required amounts of cash and investments with fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds and funds set aside for debt service. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Securities of the U.S. Government and its agencies	None	None	None	None
Housing Authority Bonds or project notes issued by public agencies or municipalities fully secured by the U.S.	None	None	None	None
Obligations of any state, territory, or commonwealth of the U.S. or any agency or political subdivisions thereof	None	Aa1/AA+	None	None
Collateralized time deposits	None	A-1	None	None
Commercial paper	None	Aaa/AAA	None	None
Repurchase agreements	None	None	None	None
Money market mutual funds	None	None	None	None
Investment agreements	None	Aa1/AA+	None	None
Other investments approved by the Board that will not adversely affect ratings on bonds	None	None	None	None
Corporate bonds, notes, and debentures	None	Aa1/AA+	None	None
Local Agency Investment Fund	None	None	None	None

Interest Rate Risk: Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. One of the District's primary objectives is to provide sufficient liquidity to meet its cash outflow needs, however, the District does not have any policies specifically addressing interest rate risk, except as outlined in the CGC. A summary of investments by type of investments and by segmented time distribution as of June 30, 2021, is as follows (dollar amounts in thousands):

		Investment Maturities (in Years)	
	Total	Less Than 1	1 - 5
Money market mutual funds*	$ 310,407	$ 310,407	$ -
U.S. Treasuries	647,072	601,194	45,878
U.S. government agencies	113,521	113,521	-
Commercial paper	73,172	73,172	-
Foreign government bonds	63,969	63,969	-
Mutual funds	20,257	20,257	-
Certificates of deposit	889	889	-
Total investments subject to interest rate risk	1,229,287	$ 1,183,409	$ 45,878
Deposits with banks	293,635		
Imprest funds	2,613		
Total cash and investments	$ 1,525,535		

* weighted-average maturity

(Continued)

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Credit Risk: The District's credit rating risk is governed by Section 53601 of the CGC which, among others, limits investments in money market mutual funds to those funds with the highest evaluations granted by the rating agencies, which is AAAm. There are no investment limits on the securities of U.S. Treasury or certain U.S. government agencies that are backed by the full faith and credit of the United States government. The following is a summary of the credit quality distribution for securities with credit exposure as rated by Standard & Poor's, Fitch Ratings and/or Moody's as of June 30, 2021 (dollar amounts in thousands):

		Credit Ratings			
	Total	AAA	AA	A	Not Rated
Money market mutual funds	$ 310,407	$ 268,692	$ -	$ 41,715	$ -
U.S. Treasuries	647,072	647,072	-	-	-
U.S. government agencies	113,521	113,521	-	-	-
Commercial paper	73,172	-	-	73,172	-
Foreign government bonds	63,969	63,969	-	-	-
Mutual funds	20,257	-	-	-	20,257
Certificates of deposit	889	-	-	-	889
Total investments subject to credit risk	1,229,287	$ 1,093,254	$ -	$ 114,887	$ 21,146
Deposits with banks	293,635				
Imprest funds	2,613				
Total cash and cash equivalents and investments	$ 1,525,535				

(Continued)

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Fair Value Hierarchy: The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs (the District does not value any of its investments using Level 3 inputs).

The following is a summary of the fair value of investments of the District as of June 30, 2021 (dollar amounts in thousands):

Investments by Fair Value Level	Total	Level 1	Level 2
Money market mutual funds	$ 310,407	$ 268,692	$ 41,715
U.S. Treasuries	647,072	647,072	-
U.S. government agencies	113,521		113,521
Commercial paper	73,172	-	73,172
Foreign government bonds	63,969	-	63,969
Mutual funds	20,257	-	20,257
Total investments at fair value	1,228,398	$ 915,764	$ 312,634
Excluded from FMV hierarchy reporting:			
Certificate of deposit	889		
Total investments	$ 1,229,287		
Cash and cash equivalents			
Deposits with banks	293,635		
Imprest funds	2,613		
Total cash and cash equivalents and investments	$ 1,525,535		

Investments valued at $915,764,000 in fiscal year 2021 are classified in Level 1 of the fair value hierarchy. This asset category consists of U.S Treasury securities and money market mutual funds which are valued using Institutional Bond quotes, i.e., quoted market prices in active markets.

Total investments valued at $312,634,000 in fiscal year 2021 are classified in Level 2 of the fair value hierarchy. Fair value was determined using Matrix Pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

(Continued)

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Concentration of Credit Risk: The District does not have a policy to limit investments in any one issuer to no more than 5% of the total portfolio. However, the District is required to disclose investments that represent a concentration of 5% or more of investments in any one issuer other than U.S. Treasury obligations and pooled investments. The District has investments in International Bank for Reconstruction and Development of $63,900,000 and FHLB of $113,500,000 as of June 30,2021, which exceed 5% of total investments.

Custodial Credit Risk – Deposits: For deposits, custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The CGC Section 53652 requires California banks and savings and loan associations to secure governmental deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure governmental deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total deposits. Such collateral is considered to be held in the District's name.

Custodial Credit Risk – Investments: For investments, custodial credit risk is the risk that in the event of a failure of the counterparty, the District may not be able to recover the value of its investments. The exposure to the District is limited as the District's investments are held in the District's name by a third-party safe-keeping custodian that is separate from the counterparty or in the custody of a trust department, as required by bond covenants.

Investments of the Retiree Health Benefit Trust and Survivor Benefit Trust

Investment Policy: The investment objective of the Trusts is to achieve consistent long-term growth for the Trusts and to maximize income consistent with the preservation of capital for the sole and exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the Trusts. The District's Board of Directors establishes the general investment policy and guidelines for the Trusts. Allowable investments under the Trusts investment guidelines include:

- Cash equivalents such as U.S. Treasury bills, money market mutual funds, short-term interest fund (STIF) trusts, commercial paper rated A1/P1, banker's acceptances, certificates of deposits and repurchase agreements;
- Fixed income securities, which include U.S. agency and corporation bonds (including Yankees) and preferred stock and Rule 144A issues, and mortgage or asset-backed securities; and
- Equity securities, including U.S. traded common, preferred stocks and convertible stocks and bonds, including American Depository Receipts.

Interest Rate Risk: The Trusts' investment policies mitigate exposure to changes in interest rates by requiring that the assets of the Trust be invested in accordance with the following asset allocation guidelines:

Asset Class	Minimum	Maximum	Preferred
Equity securities	45%	70%	60%
Fixed income securities	25%	45%	35%
Cash equivalents	3%	10%	5%

(Continued)

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Fixed income securities have the following maturity restrictions: (1) maximum maturity for any single security is 40 years, and (2) the weighted average portfolio maturity may not exceed 25 years.

A summary of investments by type of investments and by segmented time distribution as of June 30, 2021, is as follows (dollar amounts in thousands):

		Investment Maturities (in years)				
	Total	Less Than 1	1 - 5	6 - 10	More Than 10	NA
U.S. Treasury obligations	$ 27,425	$ 14,984	$ 7,317	$ 5,124	$ -	$ -
Mortgage backed securities	6,024	-	1,576	3,628	820	-
Corporate obligations	40,077	921	10,948	20,499	7,709	-
Foreign obligations	2,925	-	1,030	1,895	-	-
Mutual funds - fixed income securities	83,445	-	-	-	-	83,445
Total investments subject to interest rate risk	159,896	$ 15,905	$ 20,871	$ 31,146	$ 8,529	$ 83,445
Domestic common stocks	64,097					
Foreign stocks	4,126					
Mutual funds - equity	232,625					
Money market mutual funds & cash in banks	50,395					
Total cash and cash equivalents and investments	$ 511,139					

(Continued)

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Credit Risk: The Trusts' credit risk policy is defined in its Statement of Investment Policy approved by the District's Board of Directors. The policy states that the Board recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Trusts' objectives and that the Trusts' investment managers are expected to make reasonable efforts to control risk. The investment policy requires that all of the Trusts' assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Trusts, with minimal impact on market prices. The investment policy also demands that no single investment shall exceed five percent of the total Trusts assets, at market value, except obligations of the U.S. government, short-term money market funds, index funds and other diversified commingled accounts; and for actively managed equity accounts, where, for issues that comprise more than 4% of the account's stated benchmark, the limit shall be 125% of the weight of the common stock benchmark.

The following is a summary of the credit quality distribution for securities with credit exposure as rated by Standard & Poor's and/or Moody's as of June 30, 2021 (dollar amounts in thousands):

		Credit Ratings						
	Total	AAA	AA	A	BBB	BB	B	Not Rated
U.S. Treasury obligations	$ 27,425	$ 27,425	$ -	$ -	$ -	$ -	$ -	$ -
Mortgage backed securities	6,024	-	6,024	-	-	-	-	-
Corporate obligations	40,077	8,149	1,286	8,941	21,505	196	-	-
Foreign obligations	2,925	-	272	949	1,704	-	-	-
Mutual funds - fixed income securities	83,445	-	-	-	-	-	-	83,445
Total investments subject to credit risk	159,896	$ 35,574	$ 7,582	$ 9,890	$ 23,209	$ 196	$ -	$ 83,445
Domestic common stocks	64,097							
Foreign stocks	4,126							
Mutual funds - equity	232,625							
Money market mutual funds & cash in banks	50,395							
Total cash and cash equivalents and investments	$ 511,139							

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Fair Value Hierarchy: The Trusts categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the Trusts as of June 30, 2021 (dollar amounts in thousands):

Investments by Fair Value Level	Total	Level 1	Level 2
Domestic common stocks	$ 64,097	$ 64,097	$ -
Foreign stocks	4,126	4,126	-
U.S. Treasury obligations	27,425	27,425	-
Mortgage backed securities	6,024	-	6,024
Mutual funds - equity	232,625	6,250	226,375
Corporate obligations	40,077	-	40,077
Foreign obligations	2,925	-	2,925
Mutual funds - fixed income securities	3,294	3,294	-
Total investments at fair value	$ 380,593	$ 105,192	$ 275,401
Investment measured at Net Asset Value			
Mutual funds - fixed income securities	80,151		
Total investments	460,744		
Money market mutual funds & cash in banks	50,395		
Total cash and cash equivalents and investments	$ 511,139		

Investments classified in Level 1 of the fair value hierarchy valued at $105,192,000 in fiscal year 2021 are valued using quoted prices in active markets.

Investments amounting to $275,401,000 in fiscal year 2021 are classified under Level 2 of the fair value hierarchy and are valued using matrix pricing, which is used to value securities based on the securities' relationship to benchmark quoted prices.

The fixed income commingled fund totaling $80,151,000 as of June 30, 2021 is valued using the net asset value (NAV) methodology. The NAV is derived from the value of these investments, accrued income, anticipated cash flow (maturities) and other fund expenses. This fixed income strategy investment is similar to the mutual fund, but at a lower cost for institutional investors. The investment has daily liquidity and any interest earned in the fund is redeemable immediately after the acquisition. There is no restriction on the redemption frequency and the notice period is not currently in place although Western Asset does reserve the right to implement a 15-day notice period per the Confidential Offering Memorandum. The Trust do not have an unfunded commitment related to this investment type.

NOTE 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Concentration of Credit Risk: The Trusts' investment policies mitigate exposure to concentration of credit risk by diversifying the portfolio and limiting investments in any one issuer to no more than 5% of the total portfolio with the following exceptions: obligations of the U.S. Government, diversified short term money market funds, index funds, other diversified comingled accounts and actively managed equity accounts. As

of June 30, 2021, none of the investments exceed 5% of total investments or 5% of the fiduciary net position except pooled investments.

Custodial Credit Risk – Investments: For investments, custodial credit risk is the risk that in the event of a failure of the counterparty, the Trusts may not be able to recover the value of its investments. The exposure to the Trusts is limited as the Trusts' investments are in the custody of a third-party custodian that is separate from the counterparty.

NOTE 3 – RECEIVABLES AND OTHER ASSETS

The District reports the following aggregated accounts as receivables and other assets in the statement of net position as of June 30, 2021 (dollar amounts in thousands):

Prepaid expenses	$ 17,939
Deposit for Power Supply	13,571
Property tax receivables	9,015
Contract Warranty Receivable	3,291
Imprest deposits for self-insurance liabilities	2,334
Interest receivable - other investments	1,287
Capitol Corridor Joint Powers Authority receivable (Note 13)	1,621
Telecommunications	1,614
Other	6,591
Allowance for doubtful accounts	(559)
Total receivables and other assets	$ 56,704
Current, unrestricted portion	$ 36,402
Current, restricted portion	6,647
Noncurrent, unrestricted portion	84
Noncurrent, restricted portion	13,571
Total receivables and other assets	$ 56,704

NOTE 4 – CAPITAL ASSETS

Changes to capital assets during the fiscal year ended June 30, 2021, were as follows (dollar amounts in thousands):

	July 1, 2020	Additions and Transfers	Retirements and Transfers	June 30, 2021
Capital assets, not being depreciated				
Land and easements	$ 672,998	$ 27,651	$ -	$ 700,649
Construction in progress	1,689,288	911,448	(621,559)	1,979,177
Total capital assets, not being depreciated	2,362,286	939,099	(621,559)	2,679,826
Capital assets, being depreciated				
Tangible asset				
Stations, track, structures and improvements	6,279,127	207,893	(8)	6,487,012
Buildings	428,481	130,475		558,956
System-wide operation and control	726,302	2,928	(47)	729,183
Revenue transit vehicles	1,589,834	176,475	(210,556)	1,555,753
Service and miscellaneous equipment	418,356	29,713	(1,457)	446,612
Capitalized construction and start-up costs	592,494	3	-	592,497
Repairable property items	638,380	42,148	(138)	680,390
Intangible asset				
Information systems	60,649	4,273	(23)	64,899
Total capital assets, being depreciated	10,733,623	593,908	(212,229)	11,115,302
Less accumulated depreciation				
Tangible asset				
Stations, track, structures and improvements	(1,439,409)	(120,540)	(1,445)	(1,561,394)
Buildings	(19,293)	(7,172)	-	(26,465)
System-wide operation and control	(590,078)	(20,207)	47	(610,238)
Revenue transit vehicles	(1,101,098)	(25,920)	210,534	(916,484)
Service and miscellaneous equipment	(295,257)	(19,068)	1,313	(313,012)
Capitalized construction and start-up costs	(302,294)	(7,397)	-	(309,691)
Repairable property items	(128,316)	(25,756)	49	(154,023)
Intangible asset	-			-
Information systems	(33,843)	(2,468)	23	(36,288)
Total accumulated depreciation	(3,909,588)	(228,528)	210,521	(3,927,595)
Total capital assets, being depreciated, net	6,824,035	365,380	(1,708)	7,187,707
Total capital assets, net	$ 9,186,321	$ 1,304,479	$ (623,267)	$ 9,867,533

(Continued)

NOTE 4 - CAPITAL ASSETS (Continued)

To replace the District's aging fleet of revenue rail vehicles, on May 10, 2012, the Board of Directors authorized the award of a contract to Bombardier Transit Corporation for the procurement of additional and replacement cars. The base contract provides for the design, engineering, manufacture, testing, supply spare parts, special tools, test equipment, cab simulator, documentation, drawings, program management, in-service support, warranty, training and data submittal, management and support of 260 heavy rail transit vehicles, with several options to procure additional vehicles thereafter, including two options for 150 vehicles, one option for 115 vehicles, and one option for 100 vehicles. The District awarded the base contract for 260 vehicles and exercised options to the additional vehicles for a total purchase of 775 vehicles, comprised of 310 "D" (control cab-equipped) and 465 "E" (non- control) cars. The total project cost for the 775 vehicles is approximately $2,584,000,000 and is being paid from funding sources including funds from FTA, MTC, VTA and from the District. In addition to the 775 new vehicles on order, the District plans to acquire an additional 425 new cars to enable a peak capacity of 30 scheduled ten-car trains per hour via the Transbay Tube, for the network as expanded to Santa Clara by Phase II of the Silicon Valley Extension. These additional cars will be all "E" (non-control cars), which will bring the revenue fleet to 310 "D" and 890 "E" cars, for a total of 1,200 cars. As of June 30, 2021, a total of 286 cars have been delivered and deployed in revenue service.

At an election held on November 8, 2016, the District obtained an authorization to issue General Obligation Bonds (Measure RR) up to $3,500,000,000 to finance its System Renewal Program in order to keep BART safe; prevent accidents/breakdowns/delays; relieve overcrowding; and to address critical infrastructure needs which include replacing and upgrading 90 miles of severely worn tracks, tunnels damaged by water intrusion, 44-year old train control systems, and other deteriorating infrastructure. Please see Note 6 for a summary of major projects and related expenses funded by Measure RR.

A portion of assets capitalized in fiscal year 2021 relates to the cost of the BART Headquarters (BHQ). The purchase price and build out cost for the new building was financed through the issuance of the 2019A Sales tax revenue bonds (see Note 6). Detail of assets capitalized as of June 30,2021 is presented below (dollar amounts in thousands):

Land	$	27,651
Building and improvement		155,585
Technology and fixtures		19,680
	$	202,916

The District has entered into contracts for the construction of various facilities and equipment totaling approximately $2,887,803,000 at June 30, 2021.

NOTE 5 - ACCOUNTS PAYABLE AND OTHER LIABILITIES

The District reports the following aggregated payables as accounts payable and other liabilities in the statement of net position as of June 30, 2021 (dollar amounts in thousands):

	Current	Non-Current	Total
Payable to vendors and contractors	$ 167,360	$ 3,055	$ 170,415
Employee salaries and benefits	39,409	-	39,409
Accrued compensated absences	26,488	49,920	76,408
Accrued interest payable	43,965	4	43,969
Liabilities at the end of year	$ 277,222	$ 52,979	$ 330,201

Accrued compensated absences activity for fiscal year 2021 is presented below (in thousands):

Compensated absences- July 1, 2020	$ 75,824
Leave benefit earned	61,263
Leave benefit used	(60,679)
Compensated absences- June 30, 2021	76,408
Less: Non-current portion	(49,920)
Current portion of compensated absences	$ 26,488

NOTE 6 - LONG-TERM DEBT

Long-term debt activity for the fiscal year ended June 30, 2021 is summarized as follows (dollar amounts in thousands):

	July 1, 2020	Additions	Payments/ Amortization	June 30, 2021
2012A Sales Tax Revenue Refunding Bonds	$ 11,605	$ -	$ (3,565)	$ 8,040
2012B Sales Tax Revenue Bonds	8,335	-	(2,715)	5,620
2015A Sales Tax Revenue Refunding Bonds	132,435	-	(7,785)	124,650
2016A Sales Tax Revenue Refunding Bonds	80,665	-	(3,300)	77,365
2017A Sales Tax Revenue Refunding Bonds	118,260	-	-	118,260
2017B Sales Tax Revenue Refunding Bonds	57,845	-	(8,795)	49,050
2019A Sales Tax Revenue Bonds	223,020	-	-	223,020
2019B Sales Tax Revenue Refunding Bonds	80,290	-	-	80,290
2013C General Obligation Bonds - Measure AA	110,040	-	(18,185)	91,855
2015D General Obligation Refunding Bonds - Measure AA	273,555	-	(1,165)	272,390
2017E General Obligation Refunding Bonds - Measure AA	75,060	-	(6,125)	68,935
2019F General Obligation Bonds - Measure AA	205,100	-	-	205,100
2019G General Obligation Refunding Bonds - Measure AA	43,500	-	-	43,500
2017A General Obligation Bonds - Measure RR	262,280	-	(4,940)	257,340
2019B General Obligation Bonds - Measure RR	313,205	-	(5,440)	307,765
2020C General Obligation Bonds - Measure RR	-	700,000	(74,995)	625,005
	1,995,195	700,000	(137,010)	2,558,185
Add (less):				
Original issue premiums and discounts, net	205,997	77,061	(32,504)	250,554
Total long-term debt	2,201,192	$ 777,061	$ (169,514)	2,808,739
Less current portion of long-term debt	(62,015)			(65,825)
Long-term debt, net of current portion	$ 2,139,177			$ 2,742,914

<u>2012 Series A Sales Tax Revenue Refunding Bonds (the 2012A Refunding Bonds)</u>: On October 4, 2012, the District issued the 2012 Series A Sales Tax Revenue Refunding Bonds, with a principal amount of $130,475,000 and a premium of $23,439,000 to provide sufficient funds, along with $10,690,000 in other District funds, to refund $51,605,000 principal amount of the Association of Bay Area Governments BART SFO Extension Bond (Airport Premium Fare), 2002A Bonds, to refund the remaining balance of the 2001 Bonds with an aggregate principal amount of $41,745,000, to refund $63,615,000 principal amount of the 2006 Bonds, and to fund costs of issuance of the 2012A Refunding Bonds. The 2012A Refunding Bonds are special obligations of the District, payable from and secured by a pledge of sales tax revenues. In December 2017, a portion of the 2012A Refunding Bonds in the amount of $26,820,000 were refunded from the proceeds of 2017 Series A and 2017 Series B Sales Tax Revenue Refunding Bonds. Additionally, in October 2019, $72,335,000 of the outstanding 2012A Refunding Bonds were refunded from the proceeds of the 2019B Refunding Bonds. On June 30, 2021, the 2012A Refunding Bonds consist of serial bonds amounting to $8,040,000 with interest rates ranging from 4% to 5% with various maturity dates from July 1, 2021 to July 1, 2022.

(Continued)

NOTE 6 - LONG-TERM DEBT (Continued)

2012 Series B Sales Tax Revenue Bonds (the 2012B Bonds): On October 4, 2012, the District issued the 2012 Series B Sales Tax Revenue Bonds, with a principal amount of $111,085,000 to provide financing for the Oakland International Airport Connector Project and to fund the costs of issuance. The 2012B Bonds are special obligations of the District, payable from and secured by a pledge of sales tax revenues. In December 2017, a portion of the 2012B Bonds in the amount of $86,025,000 were refunded from the proceeds of the 2017 Series A and 2017 Series B Sales Tax Revenue Refunding Bonds. On June 30, 2021, the 2012B Bonds consist of serial bonds amounting to $5,620,000 with interest rates ranging from 2.527% to 2.677% with various maturity dates from July 1, 2021 to July 1, 2022.

2015 Series A Sales Tax Revenue Refunding Bonds (the 2015A Refunding Bonds): In October 2015, the District issued the 2015 Series A Sales Tax Revenue Refunding Bonds, with a principal amount of $186,640,000 and a premium of $31,350,000 to, along with other District funds, provide sufficient funds to (1) refund $231,250,000 principal amount of the District's 2005 Refunding Bonds; (2) refund $720,000 principal amount of the District's 2006 Bonds; and (3) fund costs of issuance associated with the 2015A Refunding Bonds. The 2015A Refunding Bonds are special obligations of the District, payable from and secured by a pledge of Sales Tax Revenues derived from a transaction and use tax levied by the District in Alameda and Contra Costa Counties and the City and County of San Francisco. On June 30, 2021, the 2015A Refunding Bonds consist of serial bonds amounting to $124,650,000 with interest rates of 5%, with various maturity dates from July 1, 2021 to July 1, 2034.

2016 Series A Sales Tax Revenue Refunding Bonds (the 2016A Refunding Bonds): In August 2016, the District issued 2016 Series A Sales Tax Revenue Refunding Bonds, with a principal amount of $83,800,000 and a premium of $11,855,000 to provide sufficient funds, along with other District funds, to (1) refund $94,450,000 principal amount of the District's 2006A Refunding Bonds, and (2) to fund costs of issuance associated with the 2016A Refunding Bonds. The 2016A Refunding Bonds are special obligations of the District, payable from and secured by a pledge of Sales Tax Revenues derived from a transaction and use tax levied by the District in Alameda and Contra Costa Counties and the City and County of San Francisco. On June 30, 2021, the 2016A Refunding Bonds consist of serial bonds amounting to $77,365,000 with interest rates ranging from 2.% to 5%, with various maturity dates from July 1, 2021 to July 1, 2036.

2017 Series A and 2017 Series B Sales Tax Revenue Refunding Bonds (the 2017A Refunding Bonds and 2017B Refunding Bonds): In December 2017, the District issued 2017 Series A Sales Tax Revenue Refunding Bonds with a principal amount of $118,260,000 and 2017 Series B Sales Tax Revenue Refunding Bonds with a principal amount of $67,245,000 to provide sufficient funds, along with other District funds, to (1) refund all of the outstanding principal balance amounting to $115,095,000 of the District's 2010 Sales Tax Refunding Bonds, refund a portion of the outstanding principal balance amounting to $26,820,000 of the District's 2012 Series A Sales Tax Refunding Bonds, and refund a portion of outstanding principal balance amounting to $86,025,000 of the District's 2012 Series B Sales Tax Revenue Bonds and 2) fund costs of issuance associated with the 2017 Series A and 2017 Series B Refunding Bonds. The 2017A Refunding Bonds and 2017B Refunding Bonds are special obligations of the District, payable from and secured by a pledge of Sales Tax Revenues derived from a transaction and use tax levied by the District in Alameda and Contra Costa Counties and the City and County of San Francisco. On June 30, 2021, the 2017A Refunding Bonds consist of serial bonds amounting to $118,260,000 with interest rates ranging from 3% to 5%, with various maturity dates from July 1, 2023 to July 1, 2034; and the 2017B Refunding Bonds consist of serial bonds amounting to $49,050,000 with interest rates ranging from 2.387% to 2.621% with various maturity dates from July 1, 2021 to July 1, 2023.

(Continued)

NOTE 6 - LONG-TERM DEBT (Continued)

2019 Series A Sales Tax Revenue Bonds (the 2019A Bonds): In October 2019, the District issued 2019 Series A Sales Tax Revenue Bonds with a principal amount of $223,020,000 to provide sufficient funds (1) to fund the acquisition, renovation, improvement and equipping of facilities which will serve as the District's new headquarters; (2) to provide capitalized interest through July 1, 2021; and (3) to fund costs of issuance associated with the 2019A Bonds. The 2019A Bonds are special obligations of the District, payable from and secured by a pledge of Sales Tax Revenues derived from a transaction and use tax levied by the District in Alameda and Contra Costa Counties and the City and County of San Francisco. On June 30, 2021, the 2019A Bonds consist of serial bonds amounting to $113,485,000 with interest rates ranging from 4% to 5%, with various maturity dates from July 1, 2029 to July 1, 2039 and term bonds with interest rate of 3% in the amount of $109,535,000 due on July 1, 2044, with mandatory redemptions at various dates beginning July 1, 2040 through July 1, 2044.

2019 Series B Sales Tax Revenue Refunding Green Bonds (the 2019B Refunding Bonds): In October 2019, the District issued 2019 Series B Sales Tax Revenue Green Bonds with a principal amount of $80,290,000 to provide sufficient funds to (1) refund $72,335,000 of the District's 2012A Bonds; and (2) fund costs of issuance associated with issuance of the 2019B Refunding Bonds. The 2019B Refunding Bonds are special obligations of the District, payable from and secured by a pledge of Sales Tax Revenues derived from a transaction and use tax levied by the District in Alameda and Contra Costa Counties and the City and County of San Francisco. On June 30, 2021, the 2019B Refunding Bonds consist of serial bonds amounting to $80,290,000 with interest rates ranging from 1.891% to 3.098%, with various maturity dates from July 1, 2023 to July 1, 2036.

2013 Measure AA General Obligation Bonds, Series C (the 2013C Measure AA GO Bonds): On November 21, 2013, the District issued the 2013 Series C Measure AA General Obligation Bonds, with a principal amount of $240,000,000. The 2013C Measure AA GO Bonds are general obligations of the District, payable from and secured solely by ad valorem taxes 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. No other revenues of the District are pledged to the payment of the 2013C Measure AA GO Bonds. The 2013C Measure AA GO Bonds constitute the third issue of general obligation bonds issued pursuant to the Measure AA authorization to provide financing for earthquake safety improvements to District facilities in the Three District Counties, including strengthening tunnels, bridges, overhead tracks, the underwater Transbay Tube and the Berkeley Hills Tunnel. In August 2019, a portion of the 2013C Measure AA GO Bonds in the amount of $59,540,000 were refunded using other District funds and proceeds from the 2019 Series G Measure AA Green Bond Refunding GO Bonds. On June 30, 2021, the 2013C Measure AA GO Bonds consist of $91,855,000 in serial bonds due from August 1, 2021 to August 1, 2033 with interest ranging from 3% to 5%.

NOTE 6 - LONG-TERM DEBT (Continued)

2015 Measure AA General Obligation Bonds Refunding Series D (the 2015D Measure AA Refunding GO Bonds): In October 2015, the District issued the 2015 Series D Measure AA Refunding General Obligation Bonds, with a principal amount of $276,805,000 and a premium of $42,300,000. The 2015D Measure AA Refunding GO Bonds are general obligations of the District, payable from and secured solely by ad valorem taxes 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. No other revenues of the District are pledged to the payment of the 2015D Measure AA Refunding GO Bonds. The purpose of the 2015D Measure AA Refunding GO Bonds is to apply the proceeds and refund $34,680,000, principal amount of the District's 2005A Measure AA Refunding GO Bonds and to advance refund $265,735,000 principal amount of the District's 2007B GO Bonds, and to pay costs of issuance of the 2015D Measure AA Refunding GO Bonds. The refunded bonds were issued to finance earthquake safety improvements to the District facilities, including aerial trackway structures, overhead and underground trackway structures, stations and administrative, maintenance, and operations facilities, and to finance additional retrofits to facilitate rapid return to service after an earthquake or other disasters.

On June 30, 2021, the 2015D Measure AA Refunding GO Bonds consist of $272,390,000 in serial bonds due from August 1, 2021 to August 1, 2035 with interest ranging from 2% to 5%. The serial bonds maturing on or after August 1, 2026 are subject to redemption prior to their respective stated maturities, 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, 2025, at the principal amount of such 2015D Measure AA Refunding GO Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium. If less than all of the 2015D Measure AA Refunding GO Bonds are called for redemption, the 2015D Measure AA Refunding GO Bonds shall be redeemed in inverse order of maturities (or as otherwise directed by the District), and if less than all of the 2015D Measure AA Refunding GO Bonds of any given maturity are called for redemption, the portions of 2015D Measure AA Refunding GO Bonds of a given maturity shall be determined by lot.

2017 Measure AA General Obligation Bonds Refunding Series E (the 2017E Measure AA Refunding GO Bonds): In June 2017, the District issued the 2017 Series E Measure AA Refunding General Obligation Bonds, with a principal amount of $84,735,000 and a premium of $9,341,000. The 2017E Measure AA Refunding GO Bonds are general obligations of the District, payable from and secured solely by ad valorem taxes 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. No other revenues of the District are pledged to the payment of the 2017E Measure AA Refunding GO Bonds. The purpose of the 2017E Measure AA Refunding GO Bonds is to apply the proceeds, together with other District funds, to current refund $93,780,000, principal amount of the District's 2007B Measure AA Refunding GO Bonds and to pay costs of issuance of the 2017E Measure AA Refunding GO Bonds. The refunded bonds were issued to finance earthquake safety improvements to the District facilities, including aerial trackway structures, overhead and underground trackway structures, stations and administrative, maintenance, and operations facilities, and to finance additional retrofits to facilitate rapid return to service after an earthquake or other disasters.

NOTE 6 - LONG-TERM DEBT (Continued)

On June 30, 2021, the 2017E Measure AA Refunding GO Bonds consist of $68,935,000 in serial bonds due from August 1, 2036 to August 1, 2037 with interest ranging from 4% to 5%. The serial bonds maturing on or after August 1, 2036 are subject to redemption prior to their respective stated maturities, 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, 2027, at the principal amount of such 2017E Measure AA Refunding GO Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium. If less than all of the 2017E Measure AA Refunding GO Bonds are called for redemption, the 2017E Measure AA Refunding GO Bonds shall be redeemed in inverse order of maturities (or as otherwise directed by the District), and if less than all of the 2017E Measure AA Refunding GO Bonds of any given maturity are called for redemption, the portions of 2017E Measure AA Refunding GO Bonds of a given maturity shall be determined by lot.

<u>2019 Measure AA General Obligation Bonds (Green Bonds) Series F-1 and Series F-2 (the 2019F-1 Measure AA GO Bonds and 2019F-2 Measure AA GO Bonds)</u>: In August 2019, the District issued the 2019 Measure AA General Obligation Bonds Series F-1 with a principal amount of $205,100,000 and 2019 Measure AA General Obligation Series F-2 with a principal amount of $34,900,000. The 2019 Measure AA GO Bonds Series F-1 and Series F-2 are general obligations of the District, payable from and secured solely by ad valorem taxes 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. No other revenues of the District are pledged to the payment of the 2019 Measure AA GO Bond Series F-1 and Series F-2. On June 30, 2021, the 2019F-1 Measure AA GO Bonds consist of $205,100,000 in serial bonds due from August 1, 2022 to August 1, 2033 with interest ranging from 3% to 5%. The total outstanding balance of $34,900,000 on the 2019F-2 Measure AA Go Bonds were fully paid in September 2019.

The 2019F-1 Measure AA GO Bonds and 2019F-2 Measure AA GO Bonds constitute the last issuance of general obligation bonds issued pursuant to the Measure AA authorization to provide financing for earthquake safety improvements to District facilities in the Three District Counties, including strengthening tunnels, bridges, overhead tracks, the underwater Transbay Tube and the Berkeley Hills Tunnel.

<u>2019 Measure AA General Obligation Bonds Green Bond Refunding Series G (the 2019G Measure AA Refunding GO Bonds)</u>: In August 2019, the District issued the 2019 Measure AA Refunding Green Bond General Obligation Bonds Series G, with a principal amount of $43,500,000. The 2019G Measure AA Refunding GO Bonds are general obligations of the District, payable from and secured solely by ad valorem taxes 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. No other revenues of the District are pledged to the payment of the 2019G Measure AA Refunding GO Bonds. The purpose of the 2019G Measure AA Refunding GO Bonds is to apply the proceeds, together with other District funds, to refund $59,540,000, principal amount of the District's 2013C Measure AA GO Bonds and to pay costs of issuance. The refunded bonds were issued to finance earthquake safety improvements authorized under Measure AA and will be redeemed on August 1, 2023. At June 30, 2021, the 2019G Measure AA Refunding GO Bonds consist of $36,745,000 in serial bonds due from August 1, 2029 to August 1, 2034 with interest ranging from 2.622% to 2.922% and term bonds in the amount of $6,755,000, with interest of 3.145% due from August 1, 2035 to August 1, 2037.

NOTE 6 - LONG-TERM DEBT (Continued)

2017 Measure RR General Obligation Bonds (the 2017A Measure RR GO Bonds): In June 2017, the District issued the 2017 Series A Measure RR General Obligation Bonds with an aggregate principal amount of $300,000,000 and a premium of $35,641,000. The 2017A Measure RR GO Bonds were issued in 2 series, 2017A-1 Measure RR Bonds in the amount of $271,600,000 and 2017A-2 Measure RR Bonds (Federally Taxable) in the amount of $28,400,000. The 2017A Measure RR GO Bonds are part of a $3,500,000,000 authorization approved at an election held on November 8, 2016 (Election of 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” 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 acquisition or improvement of real property. The 2017A Measure RR GO Bonds constitute the first issue of general obligation bonds being issued pursuant to the Measure RR authorization. Proceeds from the 2017A Measure RR Bonds will be applied to (1) finance the projects described in Measure RR, and (2) pay a portion of the debt service on the 2017A Measure RR Bonds through February 1, 2018, including the debt service in full of the 2017A-2 Bonds.

The 2017A Measure RR GO Bonds are general obligations of the District, payable from and secured solely by ad valorem taxes 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. No other revenues of the District are pledged to the payment of the 2017A Measure RR GO Bonds.

At June 30, 2021, the 2017A-1 Measure RR GO Bonds consist of $126,220,000 in serial bonds due from August 1, 2021 to August 1, 2037 with interest ranging from 2% to 5%, a $58,500,000 term bond with interest of 4% maturing on August 1, 2042, and a $72,620,000 term bond with interest of 5% maturing in August 1, 2047. The 2017A-1 serial bonds maturing on or after August 1, 2028 are subject to redemption prior to their respective stated maturities, 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, 2027, at the principal amount of such 2017A-1 Measure RR GO Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium. If less than all of the 2017A-1 Measure RR GO Bonds are called for redemption, the 2017A-1 Measure RR GO Bonds shall be redeemed in inverse order of maturities (or as otherwise directed by the District), and if less than all of the 2017A-1 Measure RR GO Bonds of any given maturity are called for redemption, the portions of 2017A-1 Measure RR GO Bonds of a given maturity shall be determined by lot. The 2017A-1 Term Bonds maturing on August 1, 2042, and August 1, 2047 are subject to mandatory sinking fund redemption beginning August 1, 2038, at a redemption price equal to the principal amount to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption.

2019 Measure RR General Obligation Bonds (Green Bonds) Series B-1 and B-2 (the 2019B-1 Measure RR GO Bonds and 2019B-2 Measure RR GO Bonds): In August 2019, the District issued the 2019 Measure RR General Obligation Bonds Series B-1 with an aggregate principal amount of $313,205,000 and 2019 Measure RR General Obligation Bonds Series B-2 with an aggregate principal amount of $46,795,000. The 2019B-1 Measure RR GO Bonds and 2019B-2 Measure RR GO Bonds constitute the second issuance under authorization approved at an election held on November 8, 2016 (Election of 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”.

NOTE 6 - LONG-TERM DEBT (Continued)

The 2019 Measure RR GO Bonds Series B-1 and Series B-2 are general obligations of the District, payable from and secured solely by ad valorem taxes 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. No other revenues of the District are pledged for debt service of these bonds. The full principal balance of $46,795,000 pertaining to the 2019B-2 Measure RR GO Bonds were fully paid in September 2019. On June 30, 2021, the 2019B-1 Measure RR GO Bonds consist of $159,935,000 in serial bonds due from August 1, 2021 to August 1, 2039 with interest ranging from 3% to 5%, a term bond with principal balance of $37,750,000 due on August 1, 2044 with 4% interest, and a term bond with principal balance of $110,080,000 due on August 1, 2049, with 3% interest.

<u>2020 Measure RR General Obligation Bonds (Green Bonds) Series C-1 and C-2 (the 2020C-1 Measure RR GO Bonds and 2020C-2 Measure RR GO Bonds)</u>: On August 27, 2020, the District issued the 2020C Measure RR General Obligation Bonds, with an aggregate principal amount of $700,000,000. The 2020C Measure RR GO Bonds were issued in 2 series, 2020 Series C-1 Green Bonds in the amount of $625,005,000 and 2020 Series C-2 Federally Taxable Green Bonds in the amount of $74,995,000. The 2020C-1 and 2020C-2 Measure RR GO Bonds constitute the third issuance under authorization approved at an election held on November 8, 2016 (Election of 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". The 2020C-1 and 2020C-2 Measure RR GO Bonds are general obligations of the District, payable from and secured solely by ad valorem taxes 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. No other revenues of the District are pledged to the payment of the 2020C-1 and 2020C-2 Measure RR GO Bonds. Proceeds from the 2020C-1 and 2020C-2 Measure RR Bonds will be used to finance specific acquisition, construction and improvement projects for District facilities approved by the voters and to pay the costs of issuance. The full principal balance of $74,995,000 pertaining to the 2020C-2 Measure RR GO Bonds were fully paid in September 2020. On June 30, 2021, the 2020C-1 Measure RR GO Bonds consist of $336,490,000 in serial bonds due from August 1, 2024 to August 1, 2039 with interest ranging from 2% to 5%, a term bond with principal balance of $86,385,000 due on August 1, 2045 with 4% interest, and a term bond with principal balance of $202,130,000 due on August 1, 2050, with 3% interest.

After the issuance of the 2020 Measure RR GO Bonds, Series C-1 and Series C-2, the remaining Measure RR General Obligation Bonds that can be issued by the District as authorized under Measure RR is $2,140,000,000.

NOTE 6 - LONG-TERM DEBT (Continued)

Measure RR proceeds, uses and balances are listed below (dollar amounts in thousands):

2017 RR GO Bond Series A-1 and A-2 proceeds		$ 300,000
2019 RR GO Bond Series B-1 and B-2 proceeds		360,000
2020 RR GO Bond Series C-1 and C-2 proceeds		700,000
Total bonds proceeds as of June 30, 2021		1,360,000
Project fund expenditures:		
Fiscal year 2017	$ 17,892	
Fiscal year 2018	87,435	
Fiscal year 2019	229,155	
Fiscal year 2020	309,031	
Fiscal year 2021	407,274	1,050,787 *
Balance of bond proceeds as of June 30, 2021		$ 309,213

* Includes accrual of $36,926,000

The following are the major projects and related expenses funded by proceeds from Measure RR GO Bonds issued through June 30, 2021 (dollar amounts in thousands):

Project	Description	Cumulative Expenses Through June 30, 2020	FY21 Project Expenses	Cumulative Expenses Through June 30, 2021
15CQ002	Rails,ties,fasteners Ph3	$ 106,730	$ 17,981	$ 124,711
15EJ450	M-Line 34.5 KV replace ph.II	46,092	32,672	78,764
15EJRR1	34.5 KV AC cable replacement	49,544	10,277	59,821
15EKRR1	TP-switch stations & gap break	53,331	5,269	58,600
09AU000	TBT retrofit #1 (underwater)	1,655	53,383	55,038
09EK300	Emergency generator for TBT	27,298	13,283	40,581
15CQ018	Rail relay	25,281	9,971	35,252
15EJRRA	A-Line 34.5kV AC cable replace	583	33,461	34,044
15TC002	Renewal of tunnels & structures	22,027	9,964	31,991
09JA000	Link21	8,186	20,627	28,813
15CQ011	A65/A75 interlocking (replacement)	3,721	19,370	23,091
15LK002	San Francisco escalator replacement	13,512	8,024	21,536
49GH000	Train control modernization - CENGR	19,602	(8)	19,594
15CQ005	C35 interlocking	18,031	1,374	19,405

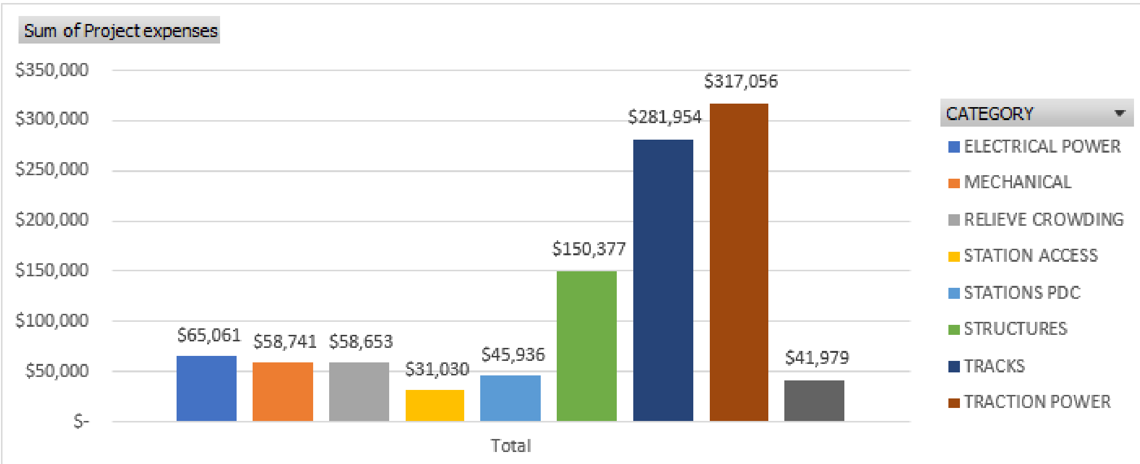
NOTE 6 - LONG-TERM DEBT (Continued)

Project	Description	Cumulative Expenses Through June 30, 2020	FY21 Project Expenses	Cumulative Expenses Through June 30, 2021
15EK350	Substation replace/install group II	$ 9,115	$ 6,242	$ 15,357
15TC007	Aerial fall protection	961	13,071	14,032
54RR004	M&E line rail equipment	8,866	4,992	13,858
15CQ006	C25 interlocking	10,176	3,402	13,578
15ELRR1	MPR install & rectifier rehabilitation	8,516	4,586	13,102
49GH002	TCMP- enabling work	8,774	3,458	12,232
09AF002	Replace cross pass doors TBT control	11,491	513	12,004
15CQ017	Rail re-profiling	4,552	5,934	10,486
05HA002	El Cerrito Del Norte station modernization	5,297	4,284	9,581
15EJRRC	C-Line 34.5kV AC cable replace	3,625	5,863	9,488
15CQ008	KLine interlocks K23,K25,K33C15	5,554	3,837	9,391
15CQ004	Track C55 interlocking	8,843	188	9,031
15CQ016	Direct fixation pads	6,030	2,330	8,360
49GH004	CBTC - CIG	-	8,116	8,116
15CQ014	R65 mainline interlocking	282	7,687	7,969
01RQ100	HMC phase 2 preliminary engineering	8,577	(650)	7,927
15EJRRK	K-Line 34.5kV AC cable replacement	5,315	2,572	7,887
15CQ001	Rails,ties, fasteners 2	7,734	-	7,734
15EJRRR	R-Line 34.kV AC cable replacement	1,533	6,036	7,569
05HA001	El Cerrito Del Norte gateway	991	6,487	7,478
54RR250	Fire services yards ORY	3,893	3,480	7,373
11IA002	Civic Center platform stairs	3,756	3,126	6,882
15IIRR1	Stations, Emergency Lighting	4,043	2,802	6,845
54RR270	Fire services yards ORY	1,776	4,850	6,626
01VM001	UC intermodal station phase 2A	1,340	5,109	6,449
15ELRR3	Third rail replacement phase 3	6,140	277	6,417
15AARR1	Tunnel LED lighting upgrade	3,888	2,295	6,183
15TC023	Fences systemwide	1,895	4,223	6,118
54RR610	Facilities HVAC replacement phase 1 & 2	1,260	4,839	6,099
15EK600	Substation for core capacity	5,644	295	5,939
15EIRR1	CWS bulk supply transformer	2,109	3,647	5,756
96DARR1	FTA core capacity	5,436	(61)	5,375
	Others	90,508	47,796	138,304
	Total Measure RR project expenses	$ 643,513	$ 407,274	$ 1,050,787

(Continued)

NOTE 6 - LONG-TERM DEBT (Continued)

Cumulative Measure RR Project Expenses per category are presented below (dollar amounts in thousands):



Of the total expended amount of $1,050,787,000, $912,841,000 were reimbursed by the Trustee from the bond proceeds as of June 30, 2021.

Defeased Bonds: On various dates, the District issued bonds to refund certain outstanding sales tax revenue bonds previously issued by the District. In fiscal year 2018, the 2017A Sales Tax Revenue Refunding Bonds and 2017B Sales Tax Revenue Refunding Bonds were issued in December 2017 to refund all of the outstanding principal balance amounting to $115,095,000 of the District's 2010 Sales Tax Refunding Bonds, refund a portion of outstanding principal balance amounting to $26,820,000 of the District's 2012 Series A Sales Tax Refunding Bonds, and refund a portion of outstanding principal balance amounting to $86,025,000 of the District's 2012 Series B Sales Tax Revenue Bonds. During fiscal year 2020, the District issued in August 2019, Measure AA Refunding General Obligation Bonds Series G, and together with other District funds, refunded a portion of the outstanding principal balance amounting to $59,540,000 of the District's 2013C Measure AA GO Bonds. In October 2019, the District refunded $72,335,000 of the outstanding principal balance of the District's 2012A Sales Tax Revenue Bonds from the proceeds of the 2019B Refunding Sales Tax Revenue Bonds.

On the above-described defeasances, the District placed in irrevocable trusts, the required amounts to pay the future debt service payments on the defeased bonds. The advance refunding met the requirement of the in-substance debt defeasance, and the defeased bonds were removed from the District's long-term debt. Accordingly, the trust accounts assets and liabilities for the defeased bonds are not included in the District's financial statements.

NOTE 6 - LONG-TERM DEBT (Continued)

The outstanding principal balance of the defeased Sales Tax Revenue Bonds were $185,180,000 as of June 30, 2021. Outstanding defeased bonds associated with Measure AA General Obligation Bonds on June 30, 2021 were $59,540,000.

Arbitrage Bonds: The District is subject to certain bond covenants, including the rules set forth by IRS Code Section 148a, which requires that interest earned on the proceeds of a tax-exempt bond issuance does not exceed the interest expense related to those bonds, which qualifies those bonds as arbitrage bonds. Any excess interest income is subject to a 100% tax and is payable to the Federal Government. The District has recorded an estimated arbitrage liability with a balance amounting to $4,000 in fiscal year 2021, which is included in accounts payable and other liabilities in the statement of net position.

Pledge of Revenue to Repay Sales Tax Revenue Bonds: The District issues sales tax revenue bonds primarily to finance a portion of its capital projects. The sales tax revenue bonds are special obligations of the District, payable from and secured by a pledge of sales tax revenues derived from a seventy-five percent (75.0%) portion of a transactions and use tax levied by the District in Alameda and Contra Costa Counties and the City and County of San Francisco in an amount equal to one-half of one percent (0.5%) of gross retail receipts.

The sales tax revenue bonds outstanding as of June 30, 2021 consist of the 2012A Refunding Bonds, the 2012B Bonds, 2015A Refunding Bonds, the 2016A Refunding Bonds, the 2017A Refunding Bonds, and the 2017B Refunding Bonds, the 2019A Bonds, and the 2019B Refunding Bonds. Interest on the sales tax revenue bonds is payable on January 1 and July 1 of each year, and the principal is payable on July 1 of the scheduled year until July1, 2044. The total principal and interest remaining on these sales tax revenue bonds is $956,803,000 as of June 30, 2021, which is 10.62% of the total projected sales tax revenues of $9,013,397,000 as of June 30, 2021 covering the period from fiscal year 2022 through fiscal year 2044 based on the last scheduled bond principal payment as of June 30, 2021.

The pledged sales tax revenues recognized in fiscal year 2021 was $258,522,000 compared to total debt service payments of $47,063,000 in fiscal year 2021.

Events of Default and Acceleration Clauses: The District is considered to be in default if the District fails to pay the principal or redemption price of or sinking fund installment for, or interest on, any outstanding bond, when and as the same will become due and payable, whether on the interest payment date, at maturity, by call redemption, or otherwise. If the District defaults on its obligations under the bond indenture, the Trust Agreements do not contain provision allowing for the accelerated provision in the event of a default in the payment of principal and interest on the GO Bonds and Sales Tax Revenue Bonds when due. In the event of a default by the District, each holder of the bonds will have the right to exercise the remedies, subject to the limitations thereon, set forth in the respective Trust Agreements.

Debt Service Requirements - Sales Tax Revenue Bonds: The following is a schedule of long-term debt principal and interest payments required for sales tax revenue bonds as of June 30, 2021 (dollar amounts in thousands):

NOTE 6 - LONG-TERM DEBT (Continued)

	2012A Refunding Bonds		2012B Bonds		2015A Refunding Bonds	
Year ending June 30:	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 3,865	286	$ 2,775	111	$ 2,675	$ 6,166
2023	4,175	104	2,845	38	2,795	6,029
2024	-	-	-	-	2,935	5,886
2025	-	-	-	-	16,215	5,407
2026	-	-	-	-	17,090	4,574
2027 - 2031	-	-	-	-	64,365	10,572
2032 - 2036	-	-	-	-	18,575	1,913
	$ 8,040	$ 390	$ 5,620	$ 149	$ 124,650	$ 40,547

	2016A Refunding Bonds		2017A Refunding Bonds		2017B Refunding Bonds	
Year ending June 30:	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 3,465	$ 2,796	$ -	$ 5,652	$ 15,995	$ 1,042
2023	3,640	2,618	-	5,652	17,995	623
2024	3,835	2,431	9,185	5,423	15,060	197
2025	4,030	2,235	12,065	4,892	-	-
2026	4,235	2,028	12,520	4,277	-	-
2027 - 2031	24,050	7,475	55,700	11,971	-	-
2032 - 2036	27,875	3,673	28,790	2,008	-	-
2037	6,235	94	-	-	-	-
	$ 77,365	$ 23,350	$ 118,260	$ 39,875	$ 49,050	$ 1,862

	2019A Refunding Bonds		2019B Refunding Bonds		Total Sales Tax Revenue	
Year ending June 30:	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ -	$ 7,999	$ -	$ 2,122	$ 28,775	$ 26,174
2023	-	7,999	-	2,122	31,450	25,185
2024	-	7,999	4,250	2,082	35,265	24,018
2025	-	7,999	4,440	1,998	36,750	22,531
2026	-	7,999	4,640	1,903	38,485	20,781
2027 - 2031	6,520	39,671	28,175	7,633	178,810	77,322
2032 - 2036	32,890	35,813	32,835	3,228	140,965	46,635
2037 - 2041	94,705	22,243	5,950	92	106,890	22,429
2042 - 2045	88,905	5,433	-	-	88,905	5,433
	$ 223,020	$ 143,155	$ 80,290	$ 21,180	$ 686,295	$ 270,508

(Continued)

NOTE 6 - LONG-TERM DEBT (Continued)

Debt Service Requirements – General Obligation Bonds: The following is a schedule of long-term debt principal and interest payments required for general obligation bonds as of June 30, 2021 (dollar amounts in thousands):

	2013C Measure AA General Obligation Bonds		2015D Measure AA Refunding General Obligation Bonds		2017E Measure AA General Obligation Bonds	
Year ending June 30:	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 18,365	$ 3,965	$ 8,235	$ 12,118	$ -	$ 3,089
2023	10,985	3,292	9,235	11,897	-	3,089
2024	10,825	2,771	10,190	11,504	-	3,089
2025	10,640	2,250	11,405	11,021	-	3,089
2026	10,420	1,755	12,600	10,478	-	3,089
2027 - 2031	29,465	2,410	86,035	40,888	-	15,443
2032 - 2036	1,155	116	134,690	14,826	-	15,443
2037 - 2041	-	-	-	-	68,935	2,977
	$ 91,855	$ 16,559	$ 272,390	$ 112,732	$ 68,935	$ 49,308

	2019F Measure AA General Obligation Bonds		2019G Measure AA Obligation Bonds		Total Measure AA General Obligation Bonds	
Year ending June 30:	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ -	$ 8,437	$ -	$ 1,228	$ 26,600	$ 28,837
2023	6,095	8,315	-	1,228	26,315	27,821
2024	6,340	8,035	-	1,228	27,355	26,627
2025	6,660	7,743	-	1,228	28,705	25,331
2026	6,925	7,437	-	1,228	29,945	23,987
2027 - 2031	41,765	31,757	15,695	5,718	172,960	96,216
2032 - 2036	56,435	19,461	24,355	2,083	216,635	51,929
2037 - 2041	80,880	4,823	3,450	91	153,265	7,891
	$ 205,100	$ 96,008	$ 43,500	$ 14,032	$ 681,780	$ 288,639

NOTE 6 - LONG-TERM DEBT (Continued)

	2017A Measure RR General Obligation Bonds		2019B Measure RR General Obligation Bonds		2020C Measure RR General Obligation Bonds	
Year ending June 30:	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 5,185	$ 11,455	$ 5,265	$ 12,064	$ -	$ 20,398
2023	5,445	11,271	5,525	11,795	-	20,398
2024	5,555	11,161	5,800	11,511	-	20,398
2025	5,665	10,964	6,090	11,214	9,560	20,159
2026	5,950	10,674	6,395	10,902	10,035	19,669
2027 - 2031	34,530	48,476	37,110	49,254	58,200	90,165
2032 - 2036	43,715	39,190	47,365	38,744	72,130	76,196
2037 - 2041	53,890	28,836	59,030	27,190	101,715	62,501
2042 - 2046	66,215	16,116	70,295	15,784	140,110	46,696
2047 - 2051	31,190	1,579	64,890	3,965	233,255	20,244
	$ 257,340	$ 189,722	$ 307,765	$ 192,423	$ 625,005	$ 396,824

	Total Measure RR General Obligation Bonds		Total Measure AA & RR General Obligation Bonds	
Year ending June 30:	Principal	Interest	Principal	Interest
2022	$ 10,450	$ 43,917	37,050	72,754
2023	10,970	43,464	37,285	71,285
2024	11,355	43,070	38,710	69,697
2025	21,315	42,337	50,020	67,668
2026	22,380	41,245	52,325	65,232
2027 - 2031	129,840	187,895	302,800	284,111
2032 - 2036	163,210	154,130	379,845	206,059
2037 - 2041	214,635	118,527	367,900	126,418
2042 - 2046	276,620	78,596	276,620	78,596
2047 - 2051	329,335	25,788	329,335	25,788
	$ 1,190,110	$ 778,969	$ 1,871,890	$ 1,067,608

NOTE 7 - RISK MANAGEMENT

The District faces numerous types of risks: Liabilities to patrons from District related activities, injuries to District's employees from work related hazards, damage to property and operating systems from fire, flood, explosion and earth movement, acts of terrorism which can cause either damage to our property, loss of operations, loss of revenues, or, injuries to our patrons caused by this peril, and errors and omissions made by the Board of Directors and/or executive management. The District manages its risks through a combination of self-insurance and risk transfer (traditional insurance). The District carry a large self -insured retention for workers' compensation, which is $4,000,000 per accident with a $10,000,000 limit of liability, The District's casualty and property programs carry a retention of $5,000,000 for any one occurrence. Claims in excess of the self-insured retentions are covered up to a total of $200,000,000 by insurance policies. There have been no settlement amounts during the past three years that have exceeded the District's insurance coverages.

The self-insurance programs are administered by independent claims adjustment firms. Claim expenses and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Liabilities are discounted at a 3% rate, in part, upon the independent adjustment firms' estimate of reserves necessary for the settlement of outstanding claims and related administrative costs and include estimates of claims that have been incurred but not yet reported, including loss adjustment expenses. Such reserves are estimated by professional actuaries through June 30 and are subject to periodic adjustments as conditions warrant.

The estimated liability for insurance claims on June 30, 2021 is believed to be sufficient to cover any costs arising out of claims filed or to be filed for accidents occurring through that date. At June 30, 2021, the estimated amounts of these liabilities were $72,339,000.

Changes in the reported liabilities since the beginning of the respective fiscal years are as follows (dollar amounts in thousands):

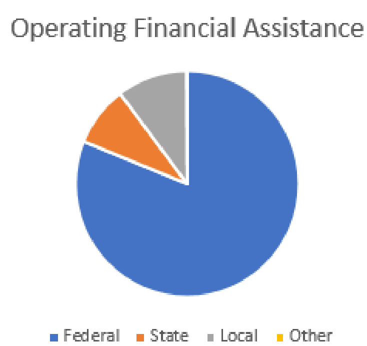
	2021	2020
Liabilities at beginning of year	$ 63,858	$ 61,776
Current year claims and changes in estimates	24,864	19,335
Payments of claims	(16,383)	(17,253)
Liabilities at the end of year	72,339	63,858
Less current portion	(20,934)	(19,900)
Net noncurrent portion	$ 51,405	$ 43,958

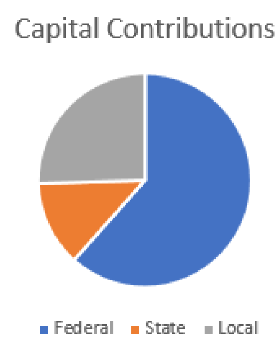
(Continued)

NOTE 8 - OPERATING FINANCIAL ASSISTANCE AND CAPITAL CONTRIBUTIONS

The District reports the following aggregated operating financial assistance and capital contributions in the statements of revenues, expenses, and changes in net position for the year ended June 30, 2021 (dollar amounts in thousands):

	Operating Financial Assistance	Capital Contributions
Federal	$ 403,664	$ 225,338
State	42,837	47,236
Local	51,023	93,238
	$ 497,524	$ 365,812





Federal Operating Financial Assistance and Capital Contributions

The District is a recipient of grants from the Federal Transit Administration under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and Coronavirus Response and Relief Appropriation Act of 2021 (CRRSAA). The grants specifically cover operating shortfall resulting from the effect of the pandemic and to cover additional expenses incurred associated with preventing the spread and dealing with and responding to issues brought by the coronavirus. Eligibility period starts on January 20, 2020, up to December 31, 2023. The District recognized from these relief grants a total of $ 402,395,000 in operating financial assistance in fiscal year 2021 (dollar amounts in thousands).

	Award	Earned in Prior Year	Earned in FY 2021
CARES Act	$ 377,053	$ 185,510	$ 191,543
CRRSAA	378,138	-	210,852
Total	$ 755,191	$ 185,510	$ 402,395

NOTE 8 - OPERATING FINANCIAL ASSISTANCE AND CAPITAL CONTRIBUTIONS (Continued)

Federal capital contributions are grants received from the Federal Transit Administration (FTA) and other agencies of the U.S. Department of Transportation, U.S. Department of Homeland Security and U.S. Department of Justice to support a variety of projects. Among the major projects funded by federal grants in fiscal year 2021 were the Rail Car Replacement Program, Hayward Maintenance Complex, Fare Gate Renovations, Train Control Modernization Program, and FTA Core Capacity Project.

State Operating Financial Assistance and Capital Contributions

Revenues provided by the State of California comes from the following sources (dollar amounts in thousands):

	Operating Financial Assistance	Capital Contributions
State Transit Assistance	$ 30,963	$ 1,013
Proposition 1B - PTMISEA	-	26,380
Low Carbon Transit Operations Program	8,535	-
Low Carbon Fuel Standard Program Revenue	3,003	-
Other State Grants	336	19,843
	$ 42,837	$ 47,236

State Transit Assistance: The District is entitled to receive state operating and capital assistance from State Transit Assistance (STA). In fiscal year 2021, the District received total STA of $21,849,000 for general operations. These funds are allocated by MTC based on the ratio of the District's transit operation revenue and local support to the revenue and local support of all state transit agencies. The District also received $801,000 as part of the settlement agreement with San Mateo County Transit District (SamTrans) to fund the operating cost of the San Francisco International Airport Extension (SFO Extension). In addition, the District earned in fiscal year 2021 $7,336,000 of STA revenue – State of Good Repair (SGR) grants funded from fiscal year 19-20 allocation in the amount of $1,241,000 and from fiscal year 20-21 allocation in the amount of $6,095,000 for preventive maintenance projects, $944,000 from STA Block Grant to support the elevator attendant program in San Francisco, and $33,000 in STA funds received from Metropolitan Transportation Commission (MTC) for reimbursement of discounts associated with the means-based fare program implemented in fiscal year 2021. Capital projects funded by STA includes the Oakland Airport Connector Signage Refresh project and Link21.

Proposition 1B PTMISEA Grants: The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B on November 7, 2006, includes a program of funding in the amount of $4,000,000,000 to be deposited in the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA). Of this amount, $3,600,000,000 in the PTMISEA is available to project sponsors in California for allocation to eligible public transportation projects.

The District has cumulatively received a total grant amount of $354,201,000 in PTMISEA grant funds to fund various BART capital projects. The grants received are in the form of cash for $349,010,000 and reimbursement grants for $5,191,000.

NOTE 8 - OPERATING FINANCIAL ASSISTANCE AND CAPITAL CONTRIBUTIONS (Continued)

The following schedules show the changes in activities related to the PTMISEA grant funds during fiscal year 2021 (dollar amounts in thousands):

	Grant Fund Balance, Beginning of Year	Grants Received	Project Costs Incurred	Grant Fund Balance, End of Year	Interest Balance, Beginning of Year	Interest Earned	Project Costs Incurred	Interest Balance, End of Year	Grant Fund Balance, End of Year
eBART Extension	$ -	$ -	$ -	$ -		$ -	$ -	$ -	$ -
Ashby Elevator	-	-	-	-	-	-	-	-	-
Station Modernization	47,209	(50)	25,261	21,898	4,593	40	387	4,246	26,144
Seismic Retrofit	-	-	-	-	-	-	-	-	-
Oakland Airport Connector	-	-	-	-	-	-	-	-	-
Warm Springs Extension	-	-	-	-	-	-	-	-	-
Walnut Creek Transit Oriented Development	2	300	269	33	3	-	-	3	36
Balboa Park Eastside	459	(250)	46	163	37	-	-	37	200
Berkeley Station Entrance	58	-	(142)	200	85	-	-	85	285
Access Improvements	406	-	162	244	100	1	-	101	345
Station Signage[1]	-	-	-	-	-	-	-	-	-
Train Control	1,588	-	784	804	295	2	-	297	1,101
	$ 49,722	$ -	$ 26,380	$ 23,342	$ 5,113	$ 43	$ 387	$ 4,769	$ 28,111

[1] The project is on a reimbursement basis.

During fiscal year 2021, the PTMISEA funds had earned interest income of $43,000. On June 30, 2021, the unused portion of PTMISEA grant funds received in cash are shown on the statement of net position as a component of unearned revenues as follows (dollar amounts in thousands):

Unearned Revenue, end of year	$ 23,342
Less noncurrent portion	(6,995)
Net current portion	$ 16,347

Low Carbon Transit Operations Program: Beginning in fiscal year 2015, the District has applied and received an allocation from the Low Carbon Transit Operations Program (LCTOP). The LCTOP is one of several programs established by the California Legislature in 2014 through Senate Bills 862 (SB 862) and 852 (SB 852). The source of funds for LCTOP is from the state's Cap-and-Trade Program annual proceeds and was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. Eligible projects and programs include new or expanded bus or rail services, expanded intermodal transit facilities, equipment acquisition, fueling, maintenance and other operating costs. In August 2020, the District received in cash the FY20 LCTOP funding from the State of California for $8,535,000. This money was provided by the State to partially offset operating costs associated with the Antioch Extension in fiscal year 2021. The District fully utilized this allocation in fiscal year 2021, including the interest earned, which amounted to $2,000.

NOTE 8 - OPERATING FINANCIAL ASSISTANCE AND CAPITAL CONTRIBUTIONS (Continued)

Low Carbon Fuel Standard (LCFS) Program Revenue: The California Air Resources Board identified the Low Carbon Fuel Standard (LCFS) as one of the nine discrete early action measures to reduce California's greenhouse gas (GHG) emissions that cause climate change. The California LCFS requires fuel producers to reduce the carbon content of fuels to help the state meet its greenhouse gas (GHG) emission-reduction goals. The LCFS allows low and zero carbon fuel producers and transportation providers to generate credits and requires high carbon-intensity fuel providers to purchase credits while they work to reduce their carbon content. As a rail transportation agency which operates an electrified commuter rail system, BART generates LCFS credits and can translate these credits into revenues by selling it to high intensity fuel providers, such as oil refineries. In fiscal year 2021, the District generated $3,003,000 from the LCFS program.

Other State Grants: The District receives other types of grants from the State of California for transit-related assets and improvements.

Local Operating and Capital Financial Assistance

Revenues from local funding sources were generated from the following sources (dollar amounts in thousands):

	Operating Financial Assistance	Capital Contributions
VTA Financial Assistance	$ 37,140	$ 9,176
ACTC Measure B	2,366	5,667
ACTC Measure BB	3,245	2,249
CCTA Measure J	114	3,854
San Mateo Measure A/Prop 1B	3,803	-
Rail Car Exchange Fund	-	38,113
Regional Measure - Bridge Tolls	1,000	12,887
Other Local Assistance	3,355	21,292
	$ 51,023	$ 93,238

(Continued)

NOTE 8 - OPERATING FINANCIAL ASSISTANCE AND CAPITAL CONTRIBUTIONS (Continued)

Valley Transportation Authority (VTA) Financial Assistance: On June 13, 2020, the first phase of the Silicon Valley Berryessa Extension Project (SBVX) commenced revenue service. The Phase 1 extension extends the District's Warm Springs Station in Fremont to 2 new stations in the south bay, Milpitas and Berryessa. The Operations and Maintenance agreement requires VTA to be responsible for funding subsidies for the ongoing operating, maintenance and capital costs attributable to the extension including a share on costs associated with the District's core system, both operating and capital costs, and to provide dedicated funding for such cost. Total subsidy received from VTA in fiscal year 2021 are summarized below (dollar amount in thousands):

	Operating	Capital	Total
Unused Subsidy Balance 6/30/20	$ 1,939	$ 1,062	$ 3,001
Cash Received FY21	37,744	20,671	58,415
Recognized as Revenue FY21	(37,140)	(9,177)	(46,317)
Unused Subsidy Balance 6/30/21	$ 2,543	$ 12,556	$ 15,099

On June 30, 2021, the unused subsidy balance of funds received from VTA are shown on the statement of net position as a component of current unearned revenues.

Alameda County Transportation Commission Measure B and BB: The District receives Paratransit funds provided to cities and transit operators from Alameda County Transportation Commission (ACTC) Measure B funds to be used for services aimed at improving mobility for seniors and persons with disabilities. Beginning in April 2015, the ACTC also allocated to the District Measure BB funds to supplement the funding needed for the paratransit program. Additional Measure BB funds were also allocated to the District for transit operations, maintenance, and safety programs. ACTC is the administrator of both Measure B and BB funds. Revenues from Measure B to support paratransit programs in fiscal year 2021 amounted to $2,366,000. Measure BB funds revenues for transit operations were $811,000, and for paratransit operations, were $2,434,000, in fiscal year 2021. The District also recognized grants revenue from Measure B capital fund in the amount of $5,667,000 for the Warm Springs Irvington Station Project and Measure BB capital fund in the amount of $2,249,000 for the 19th Street Station Modernization Project, in fiscal year 2021.

Rail Car Exchange Fund: The District's fleet replacement project consisting of construction for the A, B, C1 and C2 fleet replacement was formally launched in 2013. To set aside funding for this program, the District and MTC entered into the BART Car Replacement Funding Exchange Agreement on May 24, 2006. Under the agreement, MTC agrees to program federal funds to eligible BART projects that are ready to be delivered within the year of MTC's programming action. In exchange for MTC programming funds for ready-to-go BART projects, the District will deposit an equal amount of local unrestricted funds into a restricted account established to fund BART's car replacement program. MTC is the exclusive administrator of the restricted account and any withdrawal of funds from the account requires prior approval from the MTC Commission and the District's Board. In fiscal year 2021, the District utilized $38,113,000 from this restricted account to cover costs incurred for the rail car replacement project. On June 30, 2021, the restricted account for BART's car replacement program held by MTC, which is excluded from the District's financial statements, reported a balance of $367,556,000.

NOTE 8 - OPERATING FINANCIAL ASSISTANCE AND CAPITAL CONTRIBUTIONS (Continued)

San Mateo Measure A/Prop 1B: This financial assistance relates to the recognition of the 2.0% San Mateo County half cent sales tax (Measure A) received by the District in the current year in the amount of $1,775,000 and balances set aside in previous years in the amount of $2,028,000 from Measure A and Prop 1B received from Sam Mateo County Transit District (Samtrans) to cover the operating shortfall of the BART San Francisco International Airport Extension (SFO Extension) in fiscal year 2021. On February 28, 2007, the District, San Mateo County Transit District (SamTrans), and MTC entered into a Tri-Party Agreement (Agreement) establishing the operational and financial arrangement regarding the BART San Francisco International Airport Extension. To fund the operating costs of the SFO Extension, the Agreement provided that (1) the District would receive up-front funding of $24,000,000 from MTC and $32,000,000 from SamTrans from their shares of Proposition 1B funds; (2) the District would also receive 2.0% of the San Mateo County half cent sales tax, Measure A, which was reauthorized by the voters of San Mateo County in 2004, for 25 years beginning in fiscal year 2009; this amount is currently equal to approximately $1,600,000 per year; and (3) MTC shall allocate to the District additional STA revenue-based funds beginning in fiscal year 2009, which would otherwise be available for allocation to SamTrans as a result of the completion of the Traffic Congestion Relief Program projects, in an amount of $801,000 annually. The above funds will be used first to cover any operating deficit on the SFO Extension and then to complete SamTrans' funding commitment of $145,000,000 to the District's Warm Springs Extension Project. In December 2013, MTC adopted Resolution No. 4123, the Transit Core Capacity Challenge Grant Program, which re-directs the $145,000,000 of SFO Net Operating Revenues to BART's New Railcar Procurement Program.

The up-front funding of $24,000,000 from MTC was allocated to the District in 2008 in the form of Regional Measure 2 (RM2) revenues as a local match to capital projects funded by the Transit Capital Priorities Program. For the purpose of the Tri-Party Agreement, the District made up-front deposits equivalent to the RM2 revenues in the reserve account and MTC reimbursed the District with RM2 revenues, as the funds were earned. The District has received the full amount from MTC in fiscal year 2018. SamTrans' $32,000,000 contribution was funded with approximately $22,500,000 in Proposition 1B funds and $9,500,000 in a direct allocation.

As of June 30, 2021, the balance of the program reserves is as follows (dollar amounts in thousands):

Reserves, beginning of year	$ 78,521
Received/accrued	
Measure A	1,775
STA	801
Interest earnings	96
Total	81,193
Less amount used to cover SFO extension operating shortfall	(52,398)
Reserves, end of year	$ 28,795

NOTE 9 - EMPLOYEES' RETIREMENT BENEFITS

Plan Description: All eligible employees participate in the Public Employees' Retirement Fund (the Fund) of CalPERS under the Miscellaneous Plan and the Safety Plan of the San Francisco Bay Area Rapid Transit District. The Fund is an agent multiple-employer defined benefit retirement plan that acts as a common investment and administrative agent for 3,093 local public agencies and school districts within the State of California. The Fund provides retirement, disability, and death benefits based on the employee's years of service, age and compensation. Most employees become eligible for benefits after five years of service and 50 years of age (age 52 for employees hired after January 1, 2013, see paragraph below.) These benefit provisions and all other requirements are established by State statute and District contractual agreements.

Pursuant to the California Public Employees' Pension Reform Act of 2013 (PEPRA), new members, defined as active members first hired on or after January 1, 2013, or who were hired after a break in service of more than six months, are required to contribute 50% of the "normal" pension cost. That amount is currently 13% of covered payroll for safety and 6.25% of covered payroll for miscellaneous. Represented employees were exempt from this provision; however, as a result of a court decision, they were determined to be covered effective December 30, 2014. There is currently a pending District Court case related to PEPRA's impact on represented employees which could alter the applicability of PEPRA to represented employees in the future.

Copies of CalPERS' annual financial report may be obtained from their Executive Office by writing or calling the Plan: California PERS, P.O. Box 942709, Sacramento, CA 94229-2709, (916) 326-3420. A separate report for the District's plan is not available.

Benefits Provided: The District provides service retirement and disability retirements, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. The death benefit is as follows: The Basic Death Benefit for Miscellaneous employees and for Safety employees, it is the 4th level of 1959 Survivor Benefit.

The Plan's provisions and benefits in effect on June 30, 2021, are summarized as follows:

	Miscellaneous Plan		Safety Plan	
	Prior to	On or After	Prior to	On or After
Hire date	January 1, 2013	January 1, 2013	January 1, 2013	January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62	3.0% @ 50	2.70% @ 57
Benefit vesting schedule	5 years	5 years	5 years	5 years
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	55	62	50	57
Monthly benefits, as a percentage of eligible compensation	2.0%	2.0%	3.0%	2.7%
Required employee contribution rates	7.00%	7.00%	9.78%	14.75%
Required employer contribution rates	9.381%	9.381%	28.301%	28.301%

(Continued)

NOTE 9 - EMPLOYEES' RETIREMENT BENEFITS (Continued)

Starting in fiscal year 2019, in addition to the contributions noted above, employer contributions include additional unfunded liability payments, details of which are listed below (dollar amounts in thousands):

Miscellaneous Plan	$ 48,572
Safety Plan	10,609
Total	$ 59,181

On June 30, 2021, the following employees were covered by the benefit terms:

	Miscellaneous Plan	Safety Plan
Inactive employees or beneficiaries currently receiving benefits	2,915	309
Inactive employees entitled to but not yet receiving benefits	21	1
Active employees	3,540	184
Total	6,476	494

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For fiscal year 2021, the average employee contribution rate for the Miscellaneous Plan is 7.00% and for the Safety Plan is 9.78% of their annual covered payroll. For employer's contribution, beginning in fiscal year 2018, CalPERS collects the employer contribution toward the plan's unfunded liability as a dollar amount instead of the prior method, which is based on a contribution rate. The District's actuarially determined employer contribution rate to cover the normal cost in fiscal year 2021 was 9.381% and 28.301% for Miscellaneous and Safety Plans, respectively, of annual covered payroll for the District's employees. Annual covered payroll amounted to $421,782,000 for the fiscal year ended June 30, 2021 for the District's employees. The District's total employer contribution in fiscal year 2021 amounted to $104,518,000, consisting of $45,337,000 for normal cost and $59,181,000 for payment of unfunded liability.

Net Pension Liability: The District's net pension liability for the Plans is measured as the total pension liability, less the pension plan's fiduciary net position. A summary of principle assumptions and methods used to determine the net pension liability is shown below.

NOTE 9 - EMPLOYEES' RETIREMENT BENEFITS (Continued)

Actuarial Assumptions: The June 30, 2021 total pension liabilities were based on the following actuarial methods and assumptions:

	Miscellaneous	Safety
Reporting date	June 30, 2021	June 30, 2021
Measurement date	June 30, 2020	June 30, 2020
Valuation date	June 30, 2019	June 30, 2019
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost
Actuarial assumptions:		
Discount rate	7.15%	7.15%
Inflation	2.5%	2.5%
Payroll growth	2.875%	2.875%
Investment rate of return	7.15%	7.15%
Mortality rate table [1]	Derived using CalPERS' Membership	Derived using CalPERS' Membership

[1] The probabilities of mortality are based on 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Discount Rate: The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability

Long-term Rate of Return: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

NOTE 9 - EMPLOYEES' RETIREMENT BENEFITS (Continued)

The expected real rates of return by asset class are as follows:

Asset class[1]	Assumed asset allocation	Real return years 1-10[2]	Real return years 11+[3]
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00	1.00	2.62
Inflation assets	0.00	0.77	1.81
Private equity	8.00	6.30	7.23
Real assets	13.00	3.75	4.93
Liquidity	1.00	0.00	-0.92

[1] In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in bot Global Equity Securities and Global Debt Securities.
[2] An expected inflation of 2.00% used for this period.
[3] An expected inflation of 2.92% used for this period.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the District as of the June 30, 2020 measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate (dollar amounts in thousands):

	Discount Rate - 1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
Miscellaneous Plan			
District's Net Pension Liability (Asset)	$ 994,873	$ 675,092	$ 406,251
Safety Plan			
District's Net Pension Liability (Asset)	$ 204,538	$ 152,662	$ 109,968

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 9 - EMPLOYEES' RETIREMENT BENEFITS (Continued)

Change in Net Pension Liability: The following table shows the changes in the net pension liability for the Miscellaneous Plan for the fiscal year ended June 30, 2021, based on a measurement date of June 30, 2020 (dollar amounts in thousands):

	Increase (Decrease)		
Miscellaneous Plan	Total Pension Liability	Plan Fiduciary Net Pension	Net Pension Liability (Asset)
Balance June 30, 2020	$ 2,562,612	$ 1,939,776	$ 622,836
Changes during the year			
Service cost	57,054	-	57,054
Interest on the total pension liability	181,474		181,474
Differences between expected and actual experience	12,856		12,856
Net Plan to Plan resource movement		525	(525)
Contributions from the employer		76,895	(76,895)
Contributions from the employees		28,551	(28,551)
Net investment income		95,892	(95,892)
Benefit payments, including refunds of employee contributions	(131,807)	(131,807)	-
Administrative expense		(2,735)	2,735
Other miscellaneous income	-	-	-
Net changes	119,577	67,321	52,256
Balance at June 30, 2021	$ 2,682,189	$ 2,007,097	$ 675,092

(Continued)

NOTE 9 - EMPLOYEES' RETIREMENT BENEFITS (Continued)

The following table shows the changes in the net pension liability for Safety Plan for the fiscal year ended June 30, 2021, based on measurement date of June 30, 2020 (dollar amounts in thousands):

	Increase (Decrease)		
Safety Plan	Total Pension Liability	Plan Fiduciary Net Pension	Net Pension Liability (Asset)
Balance June 30, 2020	$ 364,779	$ 226,950	$ 137,829
Changes during the year			
Service cost	8,160	-	8,160
Interest on the total pension liability	26,416		26,416
Differences between expected and actual experience	10,303		10,303
Net Plan to Plan resource movement		(525)	525
Contributions from the employer		16,614	(16,614)
Contributions from the employees		2,938	(2,938)
Net investment income		11,338	(11,338)
Benefit payments, including refunds of employee contributions	(19,418)	(19,418)	-
Administrative expense		(319)	319
Other miscellaneous income	-	-	-
Net changes	25,461	10,628	14,833
Balance at June 30, 2021	$ 390,240	$ 237,578	$ 152,662

(Continued)

NOTE 9 - EMPLOYEES' RETIREMENT BENEFITS (Continued)

The following table shows the changes in the net pension liability for the total of Miscellaneous and Safety Plans for the fiscal year ended June 30, 2021, based on measurement date of June 30, 2020 (dollar amounts in thousands):

	Increase (Decrease)		
Total Miscellaneous and Safety Plans	Total Pension Liability	Plan Fiduciary Net Pension	Net Pension Liability (Asset)
Balance June 30, 2020	$ 2,927,391	$ 2,166,726	$ 760,665
Changes during the year			
Service cost	65,214	-	65,214
Interest on the total pension liability	207,890	-	207,890
Differences between expected and actual experience	23,159	-	23,159
Net Plan to Plan resource movement	-	-	-
Contributions from the employer	-	93,509	(93,509)
Contributions from the employees	-	31,489	(31,489)
Net investment income	-	107,230	(107,230)
Benefit payments, including refunds of employee contributions	(151,225)	(151,225)	-
Administrative expense	-	(3,054)	3,054
Other miscellaneous income	-	-	-
Net changes	145,038	77,949	67,089
Balance at June 30, 2021	$ 3,072,429	$ 2,244,675	$ 827,754

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: For the fiscal year ended June 30, 2021, the District incurred a pension expense of $154,844,000.

NOTE 9 - EMPLOYEES' RETIREMENT BENEFITS (Continued)

On June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (dollar amounts in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Miscellaneous Plan		
Pension contributions subsequent to measurement date	$ 85,108	$ -
Changes in assumptions	-	(4,419)
Differences between actual and expected experience	34,575	-
Net differences between projected and actual earnings on plan investments	16,268	-
Total	$ 135,951	$ (4,419)
Safety Plan		
Pension contributions subsequent to measurement date	$ 19,410	$ -
Changes in assumptions	-	-
Differences between actual and expected experience	9,106	-
Net differences between projected and actual earnings on plan investments	1,903	-
Total	$ 30,419	$ -
Total Miscellaneous and Safety Plans		
Pension contributions subsequent to measurement date	$ 104,518	$ -
Changes in assumptions	-	(4,419)
Differences between actual and expected experience	43,681	-
Net differences between projected and actual earnings	-	
on plan investments	18,171	-
Total	$ 166,370	$ (4,419)

The $104,518,000 deferred outflow of resources for pension contributions after the measurement date in fiscal year 2021 will be recognized as a reduction of net pension liability in fiscal year 2022.

(Continued)

NOTE 9 - EMPLOYEES' RETIREMENT BENEFITS (Continued)

Other deferred inflows and deferred outflows of resources as of June 30, 2021 related to pensions will be recognized in future pension expense as follows (dollar amounts in thousands):

Measurement period ending June 30:	Miscellaneous Plan Deferred Outflows / (Inflows) of Resources	Safety Plan Deferred Outflows / (Inflows) of Resources
2021	$ 2,231	$ 4,432
2022	16,744	4,424
2023	17,439	1,188
2024	10,010	965
Total	$ 46,424	$ 11,009

NOTE 10 - MONEY PURCHASE PENSION PLAN

Most District employees participate in the Money Purchase Pension Plan (MPPP), which is a supplemental retirement defined contribution plan. Effective January 1981, the District's employees elected to withdraw from the Federal Social Security System (FICA) and established the Money Purchase Pension Plan. The District contributes an amount equal to 6.65% of eligible employees' annual compensation (up to $29,700 after deducting the first $133 paid during each month) up to a maximum annual contribution of $1,868 for all employees except part-time SEIU employees pursuant to their labor agreement. An additional contribution to the MPPP equal to 1.627% of eligible compensation is provided to all employees except for part-time SEIU and employees in the CalPERS safety pension plan. Prior to 2013 payment of this additional contribution was suspended for all CalPERS eligible individuals, with various effective dates, pursuant to labor agreements and District policy as a cost saving measure. These payments resumed on July 1, 2013. However, starting in 2014 per the labor agreements with ATU, SEIU, and AFSCME, the District retained 0.0888% of the 1.627% contribution. The District also retained this same amount for non-represented employees. In addition, the District retained $37 per month of the 1.627% for ATU, SEIU, and AFSCME employees who elected medical to pay for medical premiums.

The annual compensation limit subject to the additional contribution is established by the Internal Revenue Code Section 401(a) (17). Each employee's account is available for distribution upon such employee's termination.

The District's total expense and funded contribution for this Plan for the year ended June 30, 2021 was $12,376,000. The MPPP assets at June 30, 2021 (excluded from the accompanying financial statements) per the plan administrator's unaudited reports were $432,831,000. At June 30, 2021, there were approximately 293 participants receiving payments under this plan.

The Plan issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing or calling: BART Investments Plans Committee, 2150 Webster Street 4th Floor, Oakland, California 94612, (510) 464-6238.

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS

In addition to the retirement benefits described in Notes 9 and 10, and specified in the District's contractual agreements, the District provides certain other postemployment benefits ("OPEB") to employees, which may include medical benefits to retirees and surviving spouses, retiree life insurance, survivor dental and vision benefits, and medical benefits to survivors of active employees. Most employees who retire directly from the District or their surviving spouses are eligible for medical benefits if the employee retires at or after age 50 with a minimum of 5 years of service with the District, elects to take an annuity from CalPERS and makes a timely election of retiree medical.

Retiree Health Benefit Plan: This is a single employer OPEB plan that covers the medical benefits of retirees. Eligible retirees covered under this plan only pay the designated premium rate and the balance is paid by the Retiree Health Benefit Trust (RHBT).

In compliance with GASB requirements, the District accounts for OPEB on an accrual basis and created the RHBT. The purpose of establishing the RHBT is to facilitate the provision of medical benefits and other health and welfare benefits ("retiree medical benefits") for the qualifying retirees of the District; to provide the means for financing the costs and expenses of operating and administering such benefits; to hold Trust assets for the sole and exclusive purpose of providing benefits to participants and beneficiaries; and to defray the reasonable expenses of administering the RHBT and designated plans. The RHBT covers the funding for the "retiree medical benefits", which include retiree medical benefits and medical benefits provided to widows and widowers of retirees. Assets placed into the RHBT cannot be used for any other purposes and are not available to satisfy general creditors of the District. Under California state law, the restrictions on the use of any proceeds from liquidation of the RHBT are significant enough to render the RHBT effectively irrevocable.

The RHBT is administered by one or more Trustees appointed by the District's Board of Directors. Currently, the Board has appointed the District's Controller-Treasurer as the Trustee. The RHBT issues a publicly available audited financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Retiree Health Benefit Trust, San Francisco Bay Area Rapid Transit District, 2150 Webster Street, P.O. Box 12688, Oakland, California 94612.

Survivor Benefit Plan: This is a single-employer OPEB plan that enables eligible surviving dependents of participating employees to continue their BART-provided group health, dental or vision insurance on a financially favorable basis following the death of the participating employee. Subject to the following "benefits cap," the eligible surviving dependents will have their BART-provided group health insurance provided by BART or paid for by BART. BART's obligation to pay for or provide such medical insurance benefits is limited to the greater of the premium cost of (a) the greater Bay Area Blue Shield Access + (currently $3,042 for family); or (b) the Bay Area Kaiser basic premium (currently $2,115 for family) ("Premium Cap"), or the actual premium cost if less, less the $15.00 per month participation fee. Special rules, premiums, and coverages apply to participants who are Medicare eligible.

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Survivor Benefits is available to the "eligible dependents" of all full-time employees of BART, provided that certain requirements are met:

a. All full-time employees are given a single opportunity to elect participation in the program. The election period lasts ninety (90) days from the date of full-time hire. The election must be in writing on a form provided by BART's HR department and must be accepted by the HR department within that time period.
b. Because there is only one enrollment opportunity, all full-time employees must elect to participate within this time period even if they do not yet have a spouse or dependents. Failure to enroll and satisfy the other participation requirements will prevent any future dependents from receiving benefits.
c. All participating employees and their benefitting survivors must pay a $15.00 per month participation fee on a continuous basis. The $15.00 fee applies to each family group regardless of size. Participating employees will have the fee deducted from their second paycheck of each month on a post-tax basis.
d. If a participating employee or a benefitting survivor (group) discontinues participation, or stops payment of the monthly fee, they will lose eligibility for Survivor Benefits and will not be able to re-enroll in the program.

In May 2020, the BART Board of Directors approved the creation of the Survivor Benefit Trust of the San Francisco Bay Area Rapid Transit District (SBT) for the purpose of providing retiree survivor health and welfare benefits to survivors of eligible District retirees. The benefits will be available to survivors of employees and retirees who, at the time of hire, elected to contribute to a survivor health benefit program. Survivors of employees and retirees who elected this program and who continue to contribute are eligible for medical, dental and vision coverage at a cost of $15 per month. The SBT is to be maintained in accordance with Government Code Sections 53206, 53620, 53622 et seq. The objective is to achieve consistent long-term growth for the SBT and maximize income consistent with the preservation of capital for the sole and exclusive purpose of providing benefits to beneficiaries and defraying reasonable expenses of administering the SBT. Assets placed into the SBT cannot be used for any other purposes and are not available to satisfy general creditors of the District. Under California state law, the restrictions on the use of any proceeds from liquidation of the SBT are significant enough to render the SBT effectively irrevocable.

The SBT is administered by one or more Trustees appointed by the District's Board of Directors. Currently, the Board has appointed the District's Controller-Treasurer as the Trustee. The SBT issues a publicly available audited financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Survivor Benefit Trust of the San Francisco Bay Area Rapid Transit District San Francisco Bay Area Rapid Transit District, 2150 Webster St., P.O. Box 12688, Oakland, California 94612, (510) 464-6238.

<u>Retiree Life Insurance Plan</u>: This is a single-employer OPEB plan that provides life insurance to employees who retire from the District on either a service or a disability retirement as follows:

1. First year of retirement, fifty percent (50%) of the employee's annual base earnings rounded to the next higher even thousand dollars ($1,000);
2. Second year of retirement, forty percent (40%) of the employee's annual base earnings rounded to the next higher even thousand dollars ($1,000);
3. Third year of retirement, thirty percent (30%) of the employee's annual base earnings rounded to the next higher even thousand dollars ($1,000);
4. Fourth and subsequent years of retirement, twenty percent (20%) of the employee's annual base earnings rounded to the next higher even thousand dollars ($1,000).

(Continued)

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

All represented and non represented employees are coved by the retiree life insurance plan except for BPOA and BPMA members. BPOA and BPMA retirees before January 1, 2019 and July 1, 2019, respectively, have retiree life insurance; and BPOA and BPMA employees who retire after the noted dates are not covered in the retiree life insurance.

There are no assets accumulated in trust for the Retiree Life Insurance Plan.

Basis of Accounting: The financial statements of the Trusts are prepared using the accrual basis of accounting. The RHBT recognizes contributions from the District in accordance with the provisions contained in the District collective bargaining agreements, as described briefly in the following discussion.

Method Used to Value Investments: Investments are reported at fair value as determined by the financial institutions, which have custody of the investments based on fair value measurements under GASB 72.

Funding Policy and Long-Term Contract for Contributions: The District's current collective bargaining agreements with its unions (CBA) describe the District's funding commitments to the RHBT. Beginning in fiscal year 2008, the District funded the Trust with a "ramp up" (increasing) percentage of the "full" actuarial determined required contribution (ADC) in addition to funding the pay-as-you-go amount every year for the following six years. Including fiscal years 2007 and 2008, this "ramp-up" contribution funded an eight-year period covering fiscal years 2006 through 2013. The CBAs include the baseline "ramp-up" percentages, which is the minimum amount that the District is committed to contribute to the Trust during the "ramp-up" period. The District commissions an actuarial study of the retiree medical insurance plan liabilities and funding needs, including the ADC, every year. The revised "ramp-up" percentage became the basis for the District's contribution to the Trust, except when it was less than the baseline "ramp-up" percentage. In addition, in fiscal year 2009 the District contributed into the Trust a lump sum makes up payment reflecting the amounts it would have contributed for fiscal years 2006 and 2007, which was actuarially calculated at $14,629,000.

Beginning in fiscal year 2014, the District contributed to the RHBT each pay period an amount equal to the full GASB compliant ADC. Also, effective on July 1, 2013, retiree medical insurance premiums and related administration fees are paid by the Trust.

Funding Policy: Employer contributions to the retiree health benefits plan are actuarially determined and amounted to $45,978,000 for fiscal year 2021 (including $4,655,000 implied subsidy). The actuarial valuation for fiscal year 2019 was used to determine the actuarially determined contribution for fiscal year 2021. The District also paid in fiscal year 2021 life insurance premiums, on a pay as you go basis, amounting to $1,030,000 (including $892,000 implied subsidy). There were no employer contributions for the survivor benefit plan.

The District does not charge any administration cost to the RHBT. For calendar year 2021, most retirees paid $153.85 per month for their share of the medical premium ($164.93 for police) and for calendar year 2022, medical premium is $157.35 for non-police and $169.87 for police. The balance is paid by the District.

Employer's Net OPEB Liability: The Net OPEB liability is measured as the difference between the District's total OPEB liability and the plan's fiduciary net position (for Retiree Medical Plan and Survivor Benefit), as of the measurement date.

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

The net OPEB liability as of June 30, 2021 for the Retiree Medical Benefit, Survivor Benefit and Retiree Life Insurance totals $245,151,000, detail of which is presented below (dollar amounts in thousands):

Fiscal Year Ending	June 30, 2021
Measurement Date	June 30, 2021
Valuation Date	June 30, 2020
Retiree Medical Benefits	
Total OPEB Liability (TOL)	$ 655,697
Fiduciary Net Position (FNP)	(501,589)
Net OPEB Liability	154,108
Survivor Benefit Plan	
Total OPEB Liability (TOL)	47,064
Fiduciary Net Position (FNP)	(10,451)
Net OPEB Liability	36,613
Retiree Life Insurance	
Total OPEB Liability (TOL)	54,430
Fiduciary Net Position (FNP)	-
Net OPEB Liability	54,430
Total	
Total OPEB Liability (TOL)	757,191
Fiduciary Net Position (FNP)	(512,040)
Net OPEB Liability	$ 245,151

(Continued)

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Significant Actuarial Assumptions Used in Calculating the Total OPEB Liability:

The total OPEB liability for retiree medical benefits was determined by an actuarial valuation using the following actuarial assumptions:

Retiree Medical Benefits	
Measurement date	June 30, 2021
Valuation date	June 30, 2020, update procedures were used to roll forward the total OPEB liability to June 30, 2021
Actuarial cost method	Entry Age Normal Cost
Actuarial assumptions:	
Discount rate	6.00% Plan assets projected to be sufficient to pay all benefits from the Trust
Long -term investment rate of return	6.00%
General inflation	2.75% per annum
Contribution Policy	Employer contributes full ADC
Mortality, disability, termination, retirement	CalPERS 1997-2015 Experience Study
Mortality improvement	Mortality projected fully generational with Scale MP-2020
Medical trend	Non- Medicare-7% for 2022, decreasing to an ultimate rate of 4% in 2076 Medicare (Non-Kaiser) 6.1% for 2022, decreasing to an ultimate rate of 4% for 2076 Medicare (Kaiser) 5% for 2022, decreasing to an ultimate rate of 4% for 2076
Healthcare participation for future retirees	Medical coverage: 98% of safety and 88% of Miscellaneous future retirees elect coverage Retirees not eligible for BART Medical Subsidy: 60% participate Spouse Coverage: varies by bargaining unit, 56% to 90% 10% of waived retirees under age 65 on valuation date assumed to elect coverage at 65 Assumptions based on study of recent retirees
Change of assumptions	Discount rate changed from 6.5% Mortality improvement changed from Scale MP-2019 Claim cost was updated using age-based claims curve Decreased medical trend rate for Kaiser Senior Advantage Plans

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Discount Rate: The discount rate used to measure the total OPEB liability changed from 6.5% in fiscal year 2020 to 6.0% in fiscal year 2021. The projection of cash flows used to determine the discount rate assumed that the Trust contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position is projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments is applied to all periods of projected benefit payments to determine the total OPEB liability.

Long- Term Expected Rate of Return on Investments: The long-term expected rate of return on investments used is 6.0%, net of investment expenses for fiscal year 2021. The table below reflects the long-term expected real rate of return by asset class. The geometric return method was used to calculate the rate of return. The target allocation for the June 30, 2021 measurement date was as follows:

Asset class	Strategic Allocation	10 Year Return
U.S Equity	53.00%	4.82%
International Equity	2.80%	4.82%
Fixed Income	36.70%	1.31%
Non U.S. Fixed Income	0.00%	1.31%
Cash Equivalents	7.50%	0.06%
Total	100.00%	

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

The total OPEB liability for survivor medical benefits was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions:

Survivor Benefit Plan

Measurement date	June 30, 2021
Valuation date	June 30, 2020, update procedures were used to roll forward the total OPEB liability to June 30, 2021
Actuarial cost method	Entry Age Normal Cost
Actuarial assumptions:	
Discount rate	2.46% based on crossover test
Long-term investment rate of return	6.00%
Municipal bond rate	2.21%; Bond Buyer 20-Bond GO Index
General inflation	2.75% per annum
Mortality, disability, termination, retirement	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2020
Crossover Test	Administrative expenses = .21% of assets Continued future participant contributions No future employer contributions Crossover in 2040
Salary increases	Aggregate - 3%
Medical Trend	Non-Medicare - 7% for 2022, decreasing to an ultimate rate of 4.0% in 2076 Medicare (Non-Kaiser) - 6.1% for 2022, decreasing to an ultimate rate of 4.0% in 2076\ Medicare (Kaiser) – 5% for 2022, decreasing to an ultimate rate of 4% in 2076
PEMHCA Minimum Increases	4.25% annually
Participation	Current covered employees and retirees will continue paying premium for coverage. Future retirees will elect to be covered by District retiree healthcare benefits
Change of Assumptions	Plan funding through a trust began in 2021 Discount rate increased from 2.21% Decreased medical trend rate for Kaiser Senior Advantage plans Mortality improvement updated from Scale MP-2019

Discount Rate: The discount rate used to measure the total OPEB liability is 2.46% as of fiscal year 2021 based on the blending of the long-term expected return on assets of the plan and the municipal bond rate. Based on the assumptions listed above, the OPEB plan’s fiduciary net position is projected to be available to make all projected OPEB payments for current active and inactive employees through 2040.

(Continued)

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Long-Term Expected Rate of Return on Investments: The long-term expected rate of return on investments used is 6.0%, net of investment expenses for fiscal year 2021. The table below reflects the long-term expected real rate of return by asset class. The geometric return method was used to calculate the rate of return. The target allocation for the June 30, 2021 measurement date was as follows:

Asset class	Strategic Allocation	10 Year Return
U.S Equity	55.00%	6.00%
Fixed Income	38.00%	6.00%
Cash Equivalents	7.00%	6.00%
Total	100.00%	

The total OPEB liability for retiree life insurance was determined by an actuarial valuation as of June 30, 2021 using the following actuarial assumptions:

Retiree Life Insurance	
Measurement date	June 30, 2021
Valuation date	June 30, 2020, update procedures were used to roll forward the total OPEB liability to June 30, 2021
Actuarial cost method	Entry Age Normal Cost
Actuarial assumptions:	
Discount rate	2.16%
Long -term investment rate of return	N/A
Municipal bond rate	2.16% based on the Bond Buyer 20-year General Obligation Index
General inflation	2.75% per annum
Mortality, disability, termination, retirement	CalPERS 1997-2015 Experience Study
Mortality improvement	Post-retirement mortality projected fully generational with Scale MP-2020
Trend	N/A
Life insurance participation for future retirees	100%, except BPOA and BPMA
Benefit valued	Valuation based on death benefit payable, not premiums No administrative expense included
Changes of benefit terms	None
Changes of assumptions	Discount rate was updated based on municipal bond rate as of the measurement date

(Continued)

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Net OPEB Liability to Changes in Assumptions

Retiree Medical Benefits: The following presents the net OPEB liability of the Retiree Medical Benefits Plan as of the June 30, 2021 measurement date, calculated using the discount rate of 6.0%, and healthcare trend rate of 7.00% for non-Medicare and 6.10% for Medicare, decreasing to an ultimate rate of 4.00%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate (dollar amounts in thousands):

Discount rate	1% Decrease (5.0%)	Current Rate (6.0%)	1% Increase (7.0%)
Net OPEB liability	$ 241,892	$ 154,108	$ 81,667

Heath care costs trend rate	1% Decrease	Current Rate	1% Increase
Net OPEB liability	$ 63,376	$ 154,108	$ 265,848

Survivor Benefit: The following presents the net OPEB liability of the Survivor Benefit Plan as of the June 30, 2021 measurement date, calculated using the discount rate of 2.46%, and healthcare trend rate of 7.00% for non-Medicare and 6.1% for Medicare decreasing to an ultimate rate of 4.00%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate (dollar amounts in thousands):

Discount rate	1% Decrease (1.46%)	Current Rate (2.46%)	1% Increase (3.46%)
Net OPEB liability	$ 47,874	$ 36,613	$ 28,170

Heath care costs trend rate	1% Decrease	Current Rate	1% Increase
Net OPEB liability	$ 27,110	$ 36,613	$ 49,650

Retiree Life Insurance: The following presents the net OPEB liability of the Retiree Life Insurance Plan as of the June 30, 2021 measurement date, calculated using the discount rate of 2.16%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate. Healthcare trend rates are not applicable to the Retiree Life Insurance Plan (dollar amounts in thousands):

Discount rate	1% Decrease (1.16%)	Current Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	$ 66,105	$ 54,430	$ 45,406

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

OPEB Expense: For the fiscal year ended June 30, 2021, the District recognized OPEB expense of $5,853,000 The details of the OPEB expense were as follows (dollar amounts in thousands):

	Retiree Medical Benefit	Survivor Benefit	Life Insurance	Total
OPEB expense	$ 8,832	$ (7,571)	$ 4,592	$ 5,853

Employees Covered by Benefit Terms: At June 30, 2021 reporting date, the following numbers of employees were covered by the benefit terms:

	Retiree Medical Benefits	Survivor Benefits	Retiree Life Insurance
Inactives currently receiving benefits	2,772	239	-
Inactives entitled to but not yet receiving benefits	-	1,230	2,758
Active employees	3,557	2,899	3,473
Total	6,329	4,368	6,231

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Deferred Outflows/Inflows of Resources: On June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (dollar amounts in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Retiree Medical Benefits		
Differences between actual and expected experience	$ -	$ 60,453
Changes in assumptions	15,256	3,312
Net difference between projected and actual earnings on plan investments	409	60,679
Total	15,665	124,444
Survivor Benefits		
Differences between actual and expected experience	-	7,130
Changes in assumptions	11,055	10,864
Net difference between projected and actual earnings on plan investments	-	621
	11,055	18,615
Retiree Life Insurance		
Differences between actual and expected experience	1,559	204
Changes in assumptions	8,726	712
Total	10,285	916
Total	$ 37,005	$ 143,975

(Continued)

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB as of June 30, 2021 will be recognized in future OPEB expense as follows (dollar amounts in thousands):

Year ending June 30	Deferred Outflows (Inflows) of Resources
Retiree Medical Benefits	
2022	$ (27,492)
2023	(26,532)
2024	(26,307)
2025	(20,552)
2026	(5,350)
Thereafter	(2,546)
Total	$ (108,779)
Survivor Benefits	
2022	$ (2,437)
2023	(2,437)
2024	(1,790)
2025	(821)
2026	467
Thereafter	(542)
Total	$ (7,560)
Retiree Life Insurance	
2022	$ 1,807
2023	2,290
2024	2,351
2025	2,137
2026	669
Thereafter	115
Total	$ 9,369

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Net OPEB Liability/(Asset): The following tables shows the changes in the net OPEB liability on retiree medical benefits for the fiscal year ended June 30, 2021 (dollar amounts in thousands):

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020*	$ 642,692	$ 389,128	$ 253,564
Service cost	24,764	-	24,764
Interest	42,511	-	42,511
Changes of benefit terms	(2,994)	-	(2,994)
Difference between expected and actual e›	(29,719)	-	(29,719)
Change of assumptions	5,333	-	5,333
Contributions from the employer	-	45,978	(45,978)
Net investment income	-	93,373	(93,373)
Benefit payments, including refunds ***	(26,890)	(26,890)	-
Administrative expense	-	-	-
Net change	13,005	112,461	(99,456)
Balance at June 30, 2021**	$ 655,697	$ 501,589	$ 154,108

* Measurement date June 30, 2020
** Measurement date June 30, 2021
*** Includes $4,655,000 implied subsidy benefit payments for fiscal year 2021

(Continued)

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

The following tables shows the changes in the net OPEB liability on survivor benefit for the fiscal year ended June 30, 2021 (dollar amounts in thousands):

	Increase (Decrease)		
	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020*	$ 49,452	$ -	$ 49,452
Service cost	3,527	-	3,527
Interest	1,168	-	1,168
Changes of benefit terms	142	-	142
Difference between expected and actual experience	(2,797)	-	(2,797)
Change of assumptions	(4,132)	-	(4,132)
Contributions from the employee	-	9,456	(9,456)
Net investment income	-	1,309	(1,309)
Benefit payments, including refunds	(296)	(296)	-
Administrative expense	-	(18)	18
Net change	(2,388)	10,451	(12,839)
Balance at June 30, 2021**	$ 47,064	$ 10,451	$ 36,613

* Measurement date June 30, 2020
** Measurement date June 30, 2021

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Net OPEB Liability/(Asset) (Continued): The following tables shows the changes in the total OPEB liability on retiree life insurance for the fiscal year ended June 30, 2021 (dollar amounts in thousands):

	Total OPEB Liability
Balance at June 30, 2020 *	$ 50,305
Changes for the year	
Service cost	2,087
Interest	1,147
Changes of benefit terms	-
Difference between expected and actual experience	1,188
Change of assumptions	733
Contributions from the employer	-
Benefit payments, including refunds***	(1,030)
Administrative expense	-
Net changes	4,125
Balance at June 30, 2021 **	$ 54,430

* Measurement date June 30, 2020
** Measurement date June 30, 2021
*** Includes implied subsidy benefit payments of $892,000 in fiscal year 2021

NOTE 12 - BOARD OF DIRECTORS' EXPENSES

Total Directors' expenses, consisting of travel and other business-related expenses, for the fiscal year ended June 30, 2021 amounted to $287.

NOTE 13 - RELATED ORGANIZATIONS AND JOINT VENTURE PROJECTS

Capitol Corridor Joint Powers Authority: The Joint Exercise of Powers Agreement dated December 31, 1996, between the District and five other transportation authorities in surrounding counties (Agencies) provided for the creation of the Capitol Corridor Joint Powers Authority (CCJPA), a public instrumentality of the State of California. The CCJPA was formed for the purpose of administering and managing the operation of the Capitol Corridor Rail Service as part of the California intercity passenger rail system. The District is the managing agency of CCJPA and in that capacity, it provides all necessary administrative support to CCJPA. CCJPA entered into an Interagency Transfer Agreement with the State of California and assumed administration and operation commencing on July 1, 1998. The initial term of the Interagency Transfer Agreement was for three years beginning July 1, 1998 and was extended for three additional years effective July 1, 2001. In 2004, State legislation was enacted that eliminated the sunset date of the Interagency Transfer Agreement, which now exists indefinitely.

(Continued)

NOTE 13 - RELATED ORGANIZATIONS AND JOINT VENTURE PROJECTS (Continued)

The governing board of CCJPA consists of sixteen members, of which six members are from the District and two members are from each of the five other Agencies. Neither the District nor the other Agencies are responsible for any debt, liabilities and obligations of CCJPA and the District would not be entitled to any of CCJPA's net assets should it terminate.

The District charged the CCJPA a total of $4,670,000 for marketing, administrative services and Link 21 related operating expenses during fiscal year 2021. In addition, CCJPA reimburses the District for its advances for capital project expenses, overhead and other operating expenses. Reimbursements for expenses incurred by the District on behalf of and in providing services to the CCJPA are netted against the corresponding expense in the statement of revenues, expenses and change in net position. Unreimbursed expenses and advances for capital project costs from CCJPA amount to $1,621,000 as of June 30, 2021. All unreimbursed expenses and advances are included as current receivables and other assets in the statement of net position. As the District has no ownership involvement or ongoing financial interest or responsibility in CCJPA, its financial statements include only amounts related to the services and advances it provides to CCJPA.

East Bay Paratransit Consortium: In 1994, the District and the Alameda-Contra Costa Transit District (AC Transit) executed an agreement establishing the East Bay Paratransit Consortium (the Consortium). The purpose of the Consortium is to enable the District and AC Transit to jointly provide paratransit services in the overlapping service area of the District and AC Transit. Revenues and expenses for the Consortium are split 31.0% and 69.0% between the District and AC Transit, respectively, except for program coordinator's expenses, which are split 50/50 starting in 2011. The District's financial statements reflect its portion of revenues and expenses as operating activities. The District supported the project primarily through its own operating funds, with some financial assistance from Alameda County Measure B and BB funds and from the Contra Costa Transportation Authority Measure J funds (Note 8). The District has no equity interest in the Consortium.

Pleasant Hill BART Station Leasing Authority: In July 2004, the District, the County of Contra Costa (County) and the Contra Costa County Redevelopment Agency (Agency) entered into a Joint Exercise of Powers Agreement (JPA Agreement) to create the Pleasant Hill BART Station Leasing Authority (Pleasant Hill Authority). In 2012, the Agency was dissolved by California Assembly Bill ABx1 26, and the Pleasant Hill Authority now consists of the District and the County. The Pleasant Hill Authority was created as a means of accomplishing the cooperation and coordination among the agencies to provide for the development of a mixed-used transit village located at BART's Pleasant Hill/Contra Costa Centre Station, which includes rental residential, retail and a future office development. The original lease to the Pleasant Hill Authority was for a 99-year term expiring on May 14, 2105. All subsequent leases will be conterminous with the May 14, 2105 date.

On June 30, 2009, the District received as ground lease payments for the full term of the lease, a cash base rent of $99 and a noncash base rent in the form of a newly constructed parking structure located at the Pleasant Hill BART station. The District accepted the completion of the new parking structure and became its new owner effective June 30, 2009. The replacement parking garage was recorded as a capital asset at a value of $51,236,000, which is its final construction cost as reported by its developer. As a result of the Agency's funding of the replacement parking garage, future sublease revenue will be split between the County and BART at 75.0% and 25.0%, respectively, after defeasance of the Agency's final incremental contribution to the parking garage project.

(Continued)

NOTE 13 - RELATED ORGANIZATIONS AND JOINT VENTURE PROJECTS (Continued)

The District agreed that the rent on the 2nd Phase (Block C) of the Pleasant Hill/Contra Costa Centre Transit Village will be shared between the two JPA members, the County and BART. The agreement stipulates that the District will receive 100% of the rental proceeds from the project, less the 10% adjustment by the County for their costs to administer and manage all records and accounting associated with the Transit Village up to $4.5M net present value, after which the sharing of revenue will revert to the 75/25 split.

The Pleasant Hill Authority is a public entity separate from any member and as such, its debts, liabilities and obligations shall not be the debts, liabilities and obligation of any of the members. The governing body of the Pleasant Hill Authority is a Board of Directors consisting of four persons – two each from the County and the District.

<u>Richmond Redevelopment Agency or Successor Agency</u>: On April 11, 2002, the District entered into a Disposition and Development Agreement with Richmond Redevelopment Agency and Richmond Transit, LLC for the development of a mixed-use transit village on the property owned by the Redevelopment Agency, the City of Richmond, and BART.

The transit village will be developed in two phases. The first phase has been completed and consists of the development of the townhouses on the western side of the tracks, and a parking structure that includes retail space incorporated within the structure (the “Phase One Improvements”).

The second phase will consist of the development of additional housing and the improvement of Nevin Avenue and the Nevin Avenue walkway on the eastern side of the Tracks (the “Phase Two Improvements”).

<u>Richmond Redevelopment Agency or Successor Agency</u>: The District had agreed to issue grant deeds to the developer pertaining to two parcels with approximate total size of 245,070 square feet in both the West side and the East side for the development projects. The agreement states that in exchange for the parcels, the Richmond Redevelopment Agency, at their expense, will construct a parking structure on the West side of BART’s property, and transfer ownership of the garage to the District upon completion. The transfer of maintenance and responsibility to the District of the parking structure, which consisted of 750 parking spaces and approximately 9000 +/- square feet of commercial space, occurred in September 2014. As of June 30, 2021, only the parcel on the West side of the development project has been transferred by the District to the developer. The transfer of the parcel on the East side will occur upon the request of the City of Richmond and/or their designated developer once all prerequisites are met. Prerequisites include a fully entitled East Side development project. The transfer could occur in fiscal year 2022 or later.

The District allocated the value of the garage, which amounted to $36,260,000, between the two parcels. The total cost of the structure was recorded as part of capital assets. A gain of $6,012,000 was recognized in fiscal year 2015 pertaining to the value allocated to the West side parcel that was transferred to the developer, after deducting the cost. The allocated value pertaining to the East side parcel amounting to $30,110,000 was recognized as unearned revenue, pending the transfer, and is shown as part of noncurrent unearned revenue.

<u>MacArthur Transit Village</u>: On July 29, 2010, the District entered into a Purchase and Lease Option agreement with MacArthur Transit Community Partners LLC (Developer) pertaining to the development of the MacArthur Transit Village, a mixed-use, transit-oriented project, including affordable and market rate housing, retail/commercial and community space and replacement parking adjacent to the MacArthur BART Station.

NOTE 13 - RELATED ORGANIZATIONS AND JOINT VENTURE PROJECTS (Continued)

The District owned a portion of the project's real property totaling approximately 7.76 acres that has been used to develop the project.

As a consideration for the purchase of parcels totaling 198,642 square feet and 99-year ground lease of a 34,404 square foot parcel, the Developer constructed a parking garage structure, funded in part by the Oakland Redevelopment Agency, with 450 BART parking spaces and approximately 5,200 square feet of retail spaces. The parking structure was completed and transferred to the District in September 2014. In addition to the parking structure, the project includes transit improvements to the BART station's plaza and frontage road. These improvements are also the responsibility of the Developer as part of the consideration for the land. The total value of the garage and the improvements amounted to $27,596,000 and were recognized as part of depreciable capital assets. $1,780,000 of the consideration was allocated to the 99-year term ground lease; and was recorded as deferred ground lease prior to 2017. The land transfers to the master developer's designated assignee developers have occurred on December 29, 2016 for Parcels A and C1 and on June 29, 2017 for Parcel B. The District recognized a gain from exchange of property of $24,839,000 resulting from the completion of required land transfers.

Using the City of Oakland Redevelopment Agency funds, the project acquired two parcels under the District's name which were used for the construction of the BART garage structure. The total consideration paid by the City of Oakland for the two parcels was $5,121,000. The costs of these parcels were recorded by the District as non-depreciable capital assets. The District also recognized a revenue (donated income) equivalent to the value of the land received.

South Hayward Transit Oriented Development: On June 18, 2012, the District and JMJ Development LLC (Developer) entered into an Option Agreement for a Transit Oriented Development (TOD). That agreement also includes the right to purchase approximately 1.65 acres of land from the District. The right to purchase was exercised in fiscal year 2014 for a total consideration of $692,000. Grant deed for the transfer was issued on October 8, 2014. The District recognized a gain of $620,000 from this sale. An Option Agreement between the District and the Developer provided further consideration to the District of a transfer benefit fee (TBF) which guarantees the District a perpetual revenue stream. The TBF amounts to a 1% assessment against successive transfers of each of the development units (i.e., unit sales) or a 1% annual assessment against Gross Annual Rental Revenue from rental of the units. A total of 206 market rate rental units were completed in 2017. The TBF commenced accrual in October 2019, the first anniversary of the project stabilization date.

South Hayward BART Station Access Authority: On September 1, 2011, the District entered into a Joint Exercise of Powers Agreement with the City of Hayward which provided for the creation of a public entity known as the South Hayward BART Station Access Authority (South Hayward JPA). The purpose of the South Hayward JPA is to manage and administer parking and access within the boundaries of the South Hayward JPA in an equitable and orderly fashion in order to promote transit-oriented development, support access to the station by District patrons, maximize BART ridership and protect the neighborhoods surrounding the South Hayward Station.

The governing board of the South Hayward JPA consists of four members, two each from the governing Board of the District and from the City of Hayward, appointed by the governing board of the District and the Hayward City Council, respectively. Neither the District nor the City of Hayward is responsible for any debt, liabilities and obligation of the South Hayward JPA.

NOTE 13 - RELATED ORGANIZATIONS AND JOINT VENTURE PROJECTS (Continued)

The parking fees and traffic citation fees collected by the District for the South Hayward Station are transferred to the South Hayward JPA to cover maintenance and other expenses. Parking fees collected in fiscal year 2021 amounts to $70,000 and traffic citation fees collected in fiscal year 2021 amounts to $40,000. The District and the City of Hayward are entitled to reimbursement of operating and/or capital expenses incurred for the benefit of the South Hayward JPA. Net revenues will be used by the South Hayward JPA to implement parking and access projects in line with the objectives set forth in the Joint Exercise of Powers Agreement.

Millbrae Transit Oriented Development: On August 8, 2019, the District entered into a Lease Option Agreement with Republic Millbrae LLC to separately ground lease four parcels for the development of a transit oriented mixed-use project. Subject to modifications, the project is anticipated to consist of (1) approximately 300 market rate apartment units; (2) approximately 100 affordable apartment units (80 veterans preferred and 20 moderate income); (3) approximately 44,000 square feet of retail space; (4) approximately 150,000 square feet of office space; and (5) an approximately 160 room hotel. The ground lease term is for 99 years. The project is currently on the construction phase and is expected to be completed in three years.

Santa Clara Valley Transportation Authority: The BART Silicon Valley Extension (SVX) Program (formerly referred to as the Silicon Valley Rapid Transit, or SVRT Project) is a planned 16-mile extension of the regional BART system from BART's Warm Springs Station in Fremont, which opened in March 2017, to the cities of Milpitas, San Jose and Santa Clara in the County of Santa Clara. The SVX Program is being financed and implemented by Santa Clara Valley Transportation Authority (VTA) in coordination with BART per the VTA – BART Comprehensive Agreement executed on November 19, 2001. The Comprehensive Agreement outlines the roles and responsibilities of the two agencies concerning the design, construction, financing, operation and maintenance of this extension. BART and VTA's Operations and Maintenance Agreement describes their rights and responsibilities related to the operation of SVX.

The 16-mile extension is planned to include: six stations – one in Milpitas, four in San Jose and one in the city of Santa Clara; a five-mile tunnel in downtown San Jose and provision of a yard and shops at the end of the line in Santa Clara. The capital cost for the six-station extension is estimated at $9.27 billion in Year-Of-Expenditure ("YOE") dollars. Construction of SVX is being implemented in phases.

The first phase, The Silicon Valley Berryessa Extension Project ("SVBX"), comprised of a 10-mile extension of BART service with two stations – one in Milpitas and one in San Jose at Berryessa Road. The first phase, with an estimated capital cost of $2,420,000,000 in YOE dollars, was granted an FTA Full Funding Grant Agreement in March of 2012.

The second phase, the Silicon Valley Santa Clara Extension Project ("SVSX") will comprise six miles of the extension with four stations. Planning and environmental studies for the second phase have been completed. In June 2019, the FTA selected VTA as its first Expedited Project Delivery (EPD) pilot program, and in August 2018, the FTA allocated $125 million to the second phase of the Silicon Valley Extension. The VTA received a notice of funding opportunity from FTA on July 28, 2020. VTA received a Letter of Intent (LOI) from the Federal Transit Administration (FTA) announcing the project was formally selected for funding through the EPD Pilot Program. The project funding plan includes 25% of the costs to be funded through the EPD Program and the remaining 75% from state and local sources. SVSX is forecasted to start revenue service by 2030.

NOTE 13 - RELATED ORGANIZATIONS AND JOINT VENTURE PROJECTS (Continued)

In order to accommodate the new extension, among other things, BART is constructing a revenue vehicle primary maintenance facility at BART's Hayward Yard, is adding 60 new cars to the revenue vehicle fleet and is enlarging its Transit Operations Facility. BART expects to procure additional revenue vehicles in connection with SVSX and make other improvements to the core BART system as needed to accommodate the extension. VTA has full financial responsibility for SVX project costs, including BART's costs, and the ongoing operating, maintenance and capital costs caused by operation of SVX, both those that occur within and/or outside Santa Clara County.

On June 13, 2020, the first phase of SVBX Project, specifically, the Milpitas and Berryessa/North San Jose stations officially commenced revenue service. The Operating and Maintenance agreement provides guidance on the financial, maintenance and operating responsibilities of each party, where VTA owns the extensions including the transit centers and the District operates the service and maintains the system. The Operations and Maintenance agreement, dated May 22, 2020, requires VTA to be responsible for funding subsidies for the ongoing operating, maintenance and capital costs attributable to the extension including a share of the District's core system, capital costs, and to provide dedicated funding for such costs.

Northern California Power Agency (NCPA): The operation of the BART system requires substantial electricity. Historically, the District's annual electric energy requirement is approximately 425,000 megawatt-hours (MWh), with peak electric demand of approximately 85 megawatts (MW); however, the District is currently operating at reduced service levels attributed to the COVID-19 global pandemic. With authorization granted under statute, the District currently procures its electric supply primarily from wholesale resources with support from the Northern California Power Agency (NCPA), a Joint Powers Authority comprised of 16 public entities, including BART. To support the price stability of the District's long-term electric supply planning and budgeting, the Board has also authorized the District's participation in funding the planning and development activities of NCPA's Lodi Energy Center (LEC), a gas-fired generator commissioned in 2012. The District has agreed to unconditionally provide for 6.6% share in operation and maintenance expenses and all capital improvement based on the Generation entitlement share (GES). The Lodi facility is operated according to the needs of the California Independent System Operator (CAISO), the entity responsible for grid operations and facilitation of wholesale electric markets in California.

The District pays operations, maintenance, and fuel costs for its share of the facility, and receives a proportionate share of the revenues from the energy, capacity and ancillary services sold into wholesale electric markets.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Litigation: The District is involved in various lawsuits, claims and disputes, which for the most part are normal to the District's operations. It is the opinion of the District's management that the costs that might be incurred in the disposition of these matters, if any, would not materially affect the District's financial position.

Wholesale Electric Procurement: The District purchases electricity and other wholesale products to serve its electrical load requirements and satisfy various compliance obligations as a wholesale market participant. Existing contracts for electricity and other wholesale products currently extend as far as calendar year 2040 with a total remaining contract cost of approximately $230,201,000 as of June 30, 2021. Contract values are subject to change over time as the District proceeds with its ongoing electric procurement activities.

Included in the above cost obligations are the contracts with NCPA, which are in place through calendar year 2036, with a total remaining contract value of $34,408,000 as of June 30, 2021.

(Continued)

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

Operations and Maintenance Agreement for the Oakland International Airport Connector: On October 1, 2010, the District entered into an Operations and Maintenance Contract with Doppelmayr Cable Car, Inc., to operate and maintain the Oakland International Airport Connector (OAC) for an amount not to exceed $4,907,000 (base service payment in 2009 dollars) annually for a period of twenty (20) years from revenue service date, subject to annual escalation based on Consumer Price Index. The OAC started revenue operations on November 22, 2014. Total operating expenses incurred under this agreement amounted to $6,518,000 in fiscal year 2021. As part of the contract, the District is also required to deposit to a reserve account, an amount of $768,000 annually, subject to escalation, for Capital Asset Replacement Program (CARP). The District allocated to the CARP reserve account $1,033,000 in fiscal year 2021. The CARP will cover all major maintenance and rehabilitation expenses during the term of the Operations and Maintenance Contract.

Lease Commitments: The District leases certain facilities and equipment under operating leases with original terms ranging from one to fifty years with options to renew. Future minimum rental payments under noncancelable operating leases with initial or remaining lease terms of over one year at June 30, 2021 are as follows (dollar amounts in thousands):

Year ending June 30:	Operating Leases
2022	$ 7,726
2023	6,756
2024	6,197
2025	4,801
2026	3,988
2027 - 2031	16,216
2032 - 2036	12,538
2037 - 2041	12,500
2042 - 2046	12,500
2047 - 2051	12,500
Total minimum rental payments	$ 95,722

Rent expenses under all operating leases were $18,543,000 for the fiscal year ended June 30, 2021.

Fruitvale Development Corp.: On October 1, 2001, the District entered into a ground lease agreement with Fruitvale Development Corporation (FDC) pertaining to 1.8 acres of land for the purpose of constructing thereon portions of a mixed-use development project commonly known as the Fruitvale Transit Village, which consists of approximately 250,000 square feet of commercial, community service and residential improvements. The lease agreement became effective December 9, 2003, and continues through January 31, 2077.

(Continued)

NOTE 14 - COMMITMENTS AND CONTINGENCIES (Continued)

The terms of the lease require FDC to pay the District a Base Rent and a Percentage Rent. The Base Rent is a fixed amount determined at the inception of the lease subject to periodic CPI adjustments. Percentage Rent is calculated equal to 15.0% of annual net revenues, as defined in the ground lease agreement.

The District provided FDC a Rent Credit with an initial amount of $7,247,000, to acknowledge its assistance in obtaining grants for the construction of a Replacement BART Commuter Parking Garage near the Fruitvale Transit Village. The initial Rent Credit earned interest on the outstanding balance at simple interest based on the prime rate and can only be applied to satisfy the Base Rent. In October 2010, there was a second amendment to the ground lease agreement, which recalculated the initial Rent Credit available to FDC as it relates to the replacement parking. The amount of the Replacement Parking Rent Credit was revised to $4,642,000, after a payment of $5,500,000 coming from the proceeds of the sale of land at the Fruitvale BART Station to the City of Oakland Redevelopment Agency. The second amendment also stated that no interest shall accrue on the revised Replacement Parking Rent Credit and that beginning on December 1, 2003, and continuing throughout the term of the ground lease, base rent and percentage rent shall be subtracted from the Replacement Parking Rent Credit balance, until there is no longer a positive Replacement Parking Rent Credit. The offset base rent for fiscal year 2021 amounted to $188,000. There was no percentage rent offset for fiscal year 2021. The remaining balance in the Replacement Parking Rent Credit was $2,200,000 as of June 30, 2021.

Based on the agreement, FDC shall not be under any obligation to make any cash payment to the District for base rent and percentage rent at any time that the Replacement Parking Rent Credit still has a positive balance.

NOTE 15 - SUBSEQUENT EVENTS

In August 2021, the District was awarded Transit Operating Assistance in the amount of $330,848,991 under the 5307 Urbanized Area Formula Grants from the American Rescue Plan Act of 2021 (ARPA). Similar to CARES Act and CRRSAA, as a result of the Coronavirus disease 2019 (COVID-19), this grant will provide assistance for costs related to operations, personnel, cleaning and sanitization combating the spread of pathogens on transit systems, and debt service payments incurred to maintain operations and avoid layoffs and furloughs.

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SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
(Dollar amounts in thousands)
Last 10 Years*

Miscellaneous Plan	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	$ 57,054	$ 52,659	$ 48,382	$ 45,264	$ 37,959	$ 36,151	$ 36,182
Interest on total pension liability	181,474	173,379	163,858	157,621	152,757	146,226	139,931
Changes of assumptions	-	-	(16,469)	120,524	-	(32,773)	-
Differences betw een expected and actual experience	12,856	38,558	11,525	(1,484)	1,193	(4,807)	-
Benefit payments, including refunds of of employee contributions	(131,807)	(123,955)	(115,594)	(108,947)	(102,543)	(95,653)	(89,968)
Net change in total pension liability	119,577	140,641	91,702	212,978	89,366	49,144	86,145
Total pension liability - beginning	2,562,612	2,421,971	2,330,269	2,117,291	2,027,925	1,978,781	1,892,636
Total pension liability - ending	$ 2,682,189	$ 2,562,612	$ 2,421,971	$ 2,330,269	$ 2,117,291	$ 2,027,925	$ 1,978,781
Plan fiduciary net position							
Contributions - Employer	$ 76,895	$ 65,138	$ 52,106	$ 47,272	$ 38,283	$ 32,466	$ 28,276
Contributions - Employee	28,551	25,011	22,042	20,144	18,174	17,818	21,375
Plan to Plan resource movement	525	(17)	(7)	12	(1)	(36)	-
Net investment income	95,892	121,050	147,891	181,091	8,747	37,388	251,137
Benefit payments, including refunds of of employee contributions	(131,807)	(123,955)	(115,594)	(108,947)	(102,543)	(95,653)	(89,968)
Administrative expense	(2,735)	(1,323)	(2,735)	(2,389)	(1,009)	(1,865)	-
Other miscellaneous income / (expenses)	-	4	(5,195)	-	-	-	-
Net change in fiduciary net position	67,321	85,908	98,508	137,183	(38,349)	(9,882)	210,820
Plan fiduciary net position - beginning	1,939,776	1,853,868	1,755,360	1,618,177	1,656,526	1,666,408	1,455,588
Plan fiduciary net position - ending	$ 2,007,097	$ 1,939,776	$ 1,853,868	$ 1,755,360	$ 1,618,177	$ 1,656,526	$ 1,666,408
Plan net pension liability - ending	$ 675,092	$ 622,836	$ 568,103	$ 574,909	$ 499,114	$ 371,399	$ 312,373
Plan fiduciary net position as a percentage of the total pension liability	74.83%	75.70%	76.54%	75.33%	76.43%	81.69%	84.21%
Covered payroll**	$ 366,202	$ 331,836	$ 307,661	$ 285,848	$ 264,024	$ 246,901	$ 240,171
Plan net pension liability as a percentage of covered payroll	184.35%	187.69%	184.65%	201.12%	189.04%	150.42%	130.06%

* Fiscal year ended June 30, 2015 w as the first year of implementation of GASB 68, therefore only seven years of information is show n.

** Based on actuarial report

The amounts presented for each fiscal year w ere determined as of the year end that occurred one year prior.

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
(Dollar amounts in thousands)
Last 10 Years*

Safety Plan	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	$ 8,160	$ 7,751	$ 7,563	$ 7,416	$ 6,491	$ 5,935	$ 5,790
Interest on total pension liability	26,416	24,689	23,272	22,274	21,340	20,099	18,885
Changes of assumptions		-	(1,362)	18,632	-	(4,942)	-
Differences between expected and actual experience	10,303	5,967	1,241	745	4,387	4,794	-
Benefit payments, including refunds of employee contributions	(19,418)	(18,181)	(15,962)	(15,408)	(14,803)	(14,140)	(13,199)
Net change in total pension liability	25,461	20,226	14,752	33,659	17,415	11,746	11,476
Total pension liability - beginning	364,779	344,553	329,801	296,142	278,727	266,981	255,505
Total pension liability - ending	$ 390,240	$ 364,779	$ 344,553	$ 329,801	$ 296,142	$ 278,727	$ 266,981
Plan fiduciary net position							
Contributions - Employer	$ 16,614	$ 14,706	$ 12,357	$ 11,742	$ 10,038	$ 9,428	$ 7,442
Contributions - Employee	2,938	2,687	2,136	2,165	1,854	1,917	2,817
Plan to Plan resource movement	(525)	17	3	(14)	1	1	-
Net investment income	11,338	14,093	16,940	20,183	924	4,015	27,150
Benefit payments, including refunds of employee contributions	(19,418)	(18,181)	(15,962)	(15,408)	(14,803)	(14,140)	(13,199)
Administrative expense	(319)	(153)	(311)	(267)	(112)	(206)	-
Other miscellaneous income / (expenses)	-	1	(590)	-	-	-	-
Net change in fiduciary net position	10,628	13,170	14,573	18,401	(2,098)	1,015	24,210
Plan fiduciary net position - beginning	226,950	213,780	199,207	180,806	182,904	181,889	157,679
Plan fiduciary net position - ending	$ 237,578	$ 226,950	$ 213,780	$ 199,207	$ 180,806	$ 182,904	$ 181,889
Plan net pension liability - ending	$ 152,662	$ 137,829	$ 130,773	$ 130,594	$ 115,336	$ 95,823	$ 85,092
Plan fiduciary net position as a percentage of the total pension liability	60.88%	62.22%	62.05%	60.40%	61.05%	65.62%	68.13%
Covered payroll**	$ 22,986	$ 20,974	$ 20,809	$ 20,420	$ 19,738	$ 17,941	$ 17,377
Plan net pension liability as a percentage of covered payroll	664.15%	657.14%	628.44%	639.54%	584.33%	534.10%	489.68%

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB 68, therefore only seven years of information is shown.
** Based on actuarial report
The amounts presented for each fiscal year were determined as of the year end that occurred one year prior.

(Continued)

Benefit Changes: The figures above include any liability impact that may have resulted from plan changes which occurred after the June 30, 2019 valuation date. However, offers of two years additional service credit (a.k.a. Golden Handshakes) that occurred after the June 30,2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes in Assumptions: None in 2021 or 2020. In 2019, demographic assumptions and inflation rate were changed in accordance with CalPERS Experience Study and Review of Actual Assumptions December 2017. In 2018, the accounting discount rate was reduced from 7.65% to 7.15%. In 2017, there were no changes in assumptions. In 2016, amounts reported reflect an adjustment of the discount rate from 7.50% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense).

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SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
(Dollar amounts in thousands)
Last 10 Years*

	2021	2020	2019	2018	2017	2016	2015
Miscellaneous Plan							
Actuarially determined contribution	$ 85,108	$ 77,622	$ 64,169	$ 56,040	$ 46,709	$ 39,768	$ 32,756
Contributions in relation to the actuarially determined contribution	(85,108)	(77,622)	(64,169)	(56,040)	(46,709)	(39,768)	(32,756)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll **	$ 392,137	$ 403,146	$ 345,828	$ 315,184	$ 288,637	$ 265,778	$ 245,593
Contribution as a percentage of covered payroll	21.70%	19.25%	18.56%	17.78%	16.18%	14.96%	13.34%

	2021	2020	2019	2018	2017	2016	2015
Safety Plan							
Actuarially determined contribution	$ 19,410	$ 16,391	$ 13,046	$ 12,162	$ 11,677	$ 10,658	$ 9,512
Contributions in relation to the actuarially determined contribution	(19,410)	(16,391)	(13,046)	(12,162)	(11,677)	(10,658)	(9,512)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll **	$ 29,645	$ 28,061	$ 22,789	$ 21,946	$ 20,953	$ 20,410	$ 19,741
Contribution as a percentage of covered payroll	65.47%	58.41%	57.25%	55.42%	55.73%	52.22%	48.18%

* Fiscal year ended June 30, 2015 was the first year of implementation of GASB 68; therefore, only seven years of information is shown.
** Based on actual payroll

(Continued)

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The actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2021 were derived from the June 30, 2019 funding valuation reports, as presented below:

	Miscellaneous	Safety
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method/period	Level percentage of payroll	Level percentage of payroll
Asset valuation method	Market Value of Assets	Market Value of Assets
Inflation	2.625% compounded annually	2.625% compounded annually
Projected salary increase	3.20% to 12.20% depending on Age, Service and Type of Employment	3.70% to 15.00% depending on Age, Service and Type of Employment
Payroll growth	2.875% compounded annually	2.875% compounded annually
Discount Rate	7.25% compounded annually, net of Investment & Administrative Expenses	7.25% compounded annually, net of Investment & Administrative Expenses
	Derived using CalPERS' Membership	Derived using CalPERS' Membership
Retirement age	Based on the 2014 CalPERS Experience Study for the period from 1997 to 2011	Based on the 2014 CalPERS Experience Study for the period from 1997 to 2011
Mortality [1]	Based on the 2014 CalPERS Experience Study for the period from 1997 to 2011	Based on the 2014 CalPERS Experience Study for the period from 1997 to 2011

[1] Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
(Dollar amounts in thousands)
Last 10 Years*

Retiree Medical Benefits	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	$ 24,764	$ 23,497	$ 23,480	$ 21,777	$ 21,143
Interest	42,511	41,348	40,503	39,409	36,977
Changes of benefit terms	(2,994)	-	(1,224)	-	-
Difference between expected and actual experience	(29,719)	(17,434)	(29,522)	(35,022)	-
Change of assumptions	5,333	(4,784)	4,337	35,015	-
Benefit payments, including refunds **	(26,890)	(25,130)	(24,060)	(23,095)	(22,396)
Net changes in total OPEB liability	13,005	17,497	13,514	38,084	35,724
Total OPEB liability- beginning	642,692	625,195	611,681	573,597	537,873
Total OPEB liability- ending	$ 655,697	$ 642,692	$ 625,195	$ 611,681	$ 573,597
Fiduciary net position					
Contributions from the employer	$ 45,978	$ 41,832	$ 39,511	$ 35,569	$ 28,912
Net investment income	93,373	32,235	19,355	23,448	26,497
Benefit payments, including refunds **	(26,890)	(25,130)	(24,060)	(23,095)	(22,396)
Administrative expense	-	(279)	(186)	(223)	(266)
Net changes in total fiduciary net position	112,461	48,658	34,620	35,699	32,747
Total fiduciary net position- beginning	389,128	340,470	305,850	270,151	237,404
Total fiduciary net position- ending	$ 501,589	$ 389,128	$ 340,470	$ 305,850	$ 270,151
Net OPEB liability	$ 154,108	$ 253,564	$ 284,725	$ 305,831	$ 303,446
Plan fiduciary net position as a percentage of the total OPEB liability	76.50%	60.55%	54.46%	50.00%	47.10%
Covered employee payroll	$ 504,541	$ 508,509	$ 463,124	$ 418,573	$ 372,887
Net OPEB liability as a percentage of covered employee payroll	30.54%	49.86%	61.48%	73.07%	81.38%

* This schedule is intended to show information for the past ten years. Additional years will be displayed as they become available.

** Includes implied subsidy benefit payments of $4,655,000, $4,413,000, $4,306,000, $4,196,000 and $3,900,000 in fiscal years 2021, 2020, 2019, 2018 and 2017, respectively.

Changes of benefit terms

- *2019-the additional $44 monthly BPO & BPMA retiree contributions cease in 2035 (ceased in 2018 for previous measurement date)*
- *2021-$37/month retiree contributions extended to 2024*

Changes of Assumptions

- *2018-Discount rate changed from 6.75% in 2017 to 6.5% in 2018*
  -General Inflation changed from 3.0% in 2017 to 2.75% in 2018
- *2019-Demographic assumptions were updated to CalPERS 1997-2015 Experience Study*
- *2020-Mortality improvement scale was updated to Scale MP-2019*
  -Medical trend changed from 7.5% in 2019 to 7.25% in 2020 for Non-Medicare and from 6.5% in 2019 to 6.3% in 2020 for Medicare
- *2021-Discount rate changed from 6.5% in 2020 to 6.0% in 2021*

(Continued)

-Mortality improvement scale was updated to Scale MP-2020
-Claim cost was updated using age-based claims curve
-Decreased medical trend rate for Kaiser Senior Advantage Plans

(Continued)

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
(Dollar amounts in thousands)
Last 10 Years*

Survivor Benefit Plan	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	$ 3,527	$ 2,011	$ 1,901	$ 2,071	$ 2,559
Interest	1,168	1,260	1,428	1,588	1,396
Changes of benefit terms	142	-	22	-	-
Difference between expected and actual experience	(2,797)	(971)	(5,946)	(1,017)	-
Change of assumptions	(4,132)	13,366	1,935	(9,676)	(7,743)
Benefit payments, including refunds	(296)	(434)	(213)	(329)	(346)
Net changes in total OPEB liability	(2,388)	15,232	(873)	(7,363)	(4,134)
Total OPEB liability- beginning	49,452	34,220	35,093	42,456	46,590
Total OPEB liability- ending	$ 47,064	$ 49,452	$ 34,220	$ 35,093	$ 42,456
Fiduciary net position					
Contributions from the employee	$ 9,456	$ 434	$ 213	$ 329	$ 346
Investment income	1,309				
Administrative expenses	(18)				
Benefit payments, including refunds	(296)	(434)	(213)	(329)	(346)
Net changes in total fiduciary net position	10,451	-	-	-	-
Total fiduciary net position- beginning	-	-	-	-	-
Total fiduciary net position- ending	$ 10,451	$ -	$ -	$ -	$ -
Net OPEB liability	$ 36,613	$ 49,452	$ 34,220	$ 35,093	$ 42,456
Plan fiduciary net position as a percentage of the total OPEB liability	22.21%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	$ 504,541	$ 508,509	$ 463,124	$ 418,573	$ 372,887
Net OPEB liability as a percentage of covered employee payroll	7.26%	9.72%	7.39%	8.38%	11.39%

* This schedule is intended to show information for the past ten years. Additional years will be displayed as they become available.

Changes of benefit terms

2019- the additional $44 monthly BPOA & BPMA retiree contributions cease in 2035 (ceased in 2018 for previous measurement date)

2021- $37/month retiree contributions reimbursed by Plan to survivors extended to 2024

Changes of Assumptions

2017- Discount rate changed from 2.85% in 2016 to 3.58% in 2017

2018- Discount rate changed from 3.58% in 2017 to 3.87% in 2018

- General Inflation changed from 3.0% in 2017 to 2.75% in 2018

2019- Demographic assumptions were updated to CalPERS 1997-2015 experience Study

2020- Discount rate was updated based on municipal bond rate as of measurement date

-Mortality improvement scale was updated to Scale MP-2019

2021- Plan funding through a trust began

(Continued)

-Discount rate based on crossover test
-Decreased medical trend rate for Kaiser Senior Advantage plans
-Mortality improvement scale was updated to Scale MP-2020

(Continued)

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
(Dollar amounts in thousands)
Last 10 Years*

Retiree Life Insurance	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	$ 2,087	$ 1,321	$ 1,146	$ 1,158	$ 1,401
Interest	1,147	1,339	1,402	1,264	1,101
Changes of benefit terms	-	-	(1,032)	-	-
Difference between expected and actual experience	1,188	748	(414)	167	-
Change of assumptions	733	10,636	1,838	(891)	(4,915)
Benefit payments, including refunds **	(1,030)	(1,367)	(821)	(679)	(685)
Net changes in total OPEB liability	4,125	12,677	2,119	1,019	(3,098)
Total OPEB liability- beginning	50,305	37,628	35,509	34,490	37,588
Total OPEB liability- ending	$ 54,430	$ 50,305	$ 37,628	$ 35,509	$ 34,490
Covered employee payroll	$ 456,619	$ 508,509	$ 463,124	$ 418,573	$ 372,887
Total OPEB liability as a percentage of covered employee payroll	11.92%	9.89%	8.12%	8.48%	9.25%

There are no assets accumulated in trust for the Retiree Life Insurance plan

* This schedule is intended to show information for the past ten years. Additional years will be displayed as they become available.

** Includes implied subsidy benefit payments of $892,000, $1,210,000, $679,000, $547,000 and $542,000 in fiscal years 2021, 2020, 2019, 2018 and 2017, respectively.

(Continued)

Benefit Changes:

2019- the additional $44 monthly BPOA & BPMA retiree contributions cease in 2035
(ceased in 2018 for previous measurement date)
BPOA and BPMA members retiring on or after 1/1/19 do not have life insurance benefits provided by the District, nor would they be eligible to purchase life insurance through the District plan

Changes in Assumptions:

2017- Discount rate was updated based on municipal bond rate as of measurement date
Mortality improvement scale was updated to Scale MP- 2017
2018- Discount rate was updated based on municipal bond rate as of measurement date, 3.87% for 2018
2019- Discount rate was updated based on municipal bond rate as of measurement date, 3.50% for 2019
CalPERS 1997-2015 Experience study was used
2020- Discount rate was updated based on municipal bond rate as of measurement date, 2.21% for 2020
Mortality improvement scale was updated to Scale MP- 2019
2021-Discount rate was updated based on municipal bond rate as of measurement date, 2.16% for 2021
Mortality improvement scale was updated to Scale MP- 2020

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS
(Dollar amounts in thousands)
Last 10 Years*

	2021	2020	2019	2018	2017
Retiree Medical Benefits					
Actuarially determined contribution (ADC)	$ 45,978	$ 41,832	$ 39,511	$ 35,569	$ 28,912
Contributions in relation to the actuarially determined contribution	(45,978)	(41,832)	(39,511)	(35,569)	(28,912)
Contribution deficiency / (excess)	$ -	$ -	$ -	$ -	$ -
Covered employee payroll **	504,541	508,509	463,124	418,573	372,887
Contributions as a percentage of covered employee payroll	9.11%	8.23%	8.53%	8.50%	7.75%

	2021	2020	2019	2018	2017
Survivor Benefit Plan					
Actuarially determined contribution (ADC)	$ 3,268	$ 3,019	$ 2,911	$ 2,672	$ 3,138
Contributions in relation to the actuarially determined contribution	-	-	-	-	-
Contribution deficiency / (excess)	$ 3,268	$ 3,019	$ 2,911	$ 2,672	$ 3,138
Covered employee payroll **	504,541	508,509	463,124	418,573	372,887
Contributions as a percentage of covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%

(Continued)

Methods and assumptions for the actuarially determined contribution for fiscal year 2021 are as follows:

Retiree Medical Benefits

Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age, level percentage of payroll
Amortization Method	Level percent of payroll
Amortization Period	14- year fixed period for 2020/21 valuation changes
Asset Valuation Method	Market value of asset
Discount Rate and Long Term Expected Rate of Return on Assets	6.50%
General Inflation	2.75%
Medical Trend	Non-Medicare- 7.25% for 2021 decreasing to an ultimate rate of 4.0% in 2076 Medicare- 6.30% for 2021, decreasing to an ultimate rate of 4.0% in 2076
Mortality	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational Scale MP-2019

Survivor Benefits

Valuation Date	June 30, 2019
Cost Method	Entry Age Normal
Amortization Method	Level percent of payroll
Amortization Period	21-year fixed period beginning 2019
Valuation Assets	Market value of assets
Discount Rate	3.50%
General Inflation	2.75%
Medical Trend	Non-Medicare- 7.00% for 2022 decreasing to an ultimate rate of 4.0% in 2076 Medicare- 6.1% for 2022, decreasing to an ultimate rate of 4.0% in 2076
Mortality	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational Scale MP-2020

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
OTHER SUPPLEMENTARY INFORMATION
COMBINING STATEMENTS – FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
(Dollar amounts in thousands)
June 30, 2021

	Retiree Health Benefit Trust	Survivor Benefit Trust	Total Fiduciary Funds
ASSETS			
Cash and cash equivalents	$ 49,794	$ 601	$ 50,395
Receivables and other assets			
Receivable from BART	-	459	459
Interest & dividend receivables	364	-	364
Prepaid expenses	18	-	18
Total receivables and other assets	382	459	841
Investments			
Domestic common stocks	64,097	-	64,097
Foreign stocks	4,126	-	4,126
U.S. Treasury obligations	27,425	-	27,425
Mortgage backed securities	6,024	-	6,024
Mutual funds - equity	226,510	6,115	232,625
Mutual funds - fixed income securities	80,151	3,294	83,445
Corporate obligations	40,077	-	40,077
Foreign obligations	2,925	-	2,925
Total investments	451,335	9,409	460,744
Total assets	501,511	10,469	511,980
LIABILITIES			
Accounts payable	190	18	208
Total liabilities	190	18	208
Net position restricted for other postemployment benefits	$ 501,321	$ 10,451	$ 511,772

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
OTHER SUPPLEMENTARY INFORMATION
COMBINING STATEMENTS – FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
(Dollar amounts in thousands)
June 30, 2021

	Retiree Health Benefit Trust	Survivor Benefit Trust	Total Fiduciary Funds
Additions			
Employer contributions	$ 45,978	$ -	$ 45,978
Employee contributions		9,456	9,456
Net investment income			
Interest income	5,489	152	5,641
Realized and unrealized gains on investments	88,383	1,157	89,540
Investment expense	(498)	-	(498)
Net investment income	93,374	1,309	94,683
Total additions	139,352	10,765	150,117
Deductions			
Benefit payments	26,890	296	27,186
Legal fees	6	-	6
Audit fees	18	18	36
Insurance expense	28	-	28
Administrative fees	217	-	217
Total deductions	27,159	314	27,473
Change in net position	112,193	10,451	122,644
Net position restricted for other postemployment benefits, beginning of year	389,128	-	389,128
Net position restricted for other postemployment benefits, end of year	$ 501,321	$ 10,451	$ 511,772

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APPENDIX C

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
STATEMENT OF INVESTMENT POLICY

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SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
STATEMENT OF INVESTMENT POLICY

SECTION I: INVESTMENT OBJECTIVES, SCOPE & SUITABILITY

The Controller-Treasurer of the District shall invest District funds in a manner that the Controller-Treasurer deems prudent, suitable, and advantageous under existing circumstances and in accordance with the following objectives, in order of priority:

1. Preservation of Capital – The investment portfolio should be structured to minimize the probability of a loss of principal value through adequate diversification of investments across a variety of security offerings, maturities, and financial institutions.

2. Liquidity- funds shall be invested only until date of anticipated need or for a lesser period. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets

3. Yield- generation of the best available return on investment without compromise of the first two objectives.

The priorities evidenced above are consistent with California Government Code Sections 53600.3 and 53600.5.

The District's investment policy shall also discourage the investment of funds in any institution or business which conducts operations or invests funds in any country whose laws discriminate against individuals based upon race, color, or creed.

To the extent that District funds are invested pursuant to a Trust Agreement or other Security Agreement, the provisions of such document will control the investment of the funds held hereunder.

SECTION II: GOVERNING AUTHORITY

The Controller-Treasurer may invest in Securities authorized by the California Public Utilities Code Sections 29100 through 29103; California Government Code Sections 53601, 53601.1 and 53635 and Board Resolution 2697 with the following exceptions: the Controller-Treasurer will not invest in financial or commodity futures, options contracts, medium-term corporate notes, or mutual funds unless specifically authorized by the Board. Should the provisions of respective Codes become more restrictive than those contained herein, such provisions will be considered as immediately incorporated into this investment policy.

SECTION III: AUTHORIZED INVESTMENTS

The Controller-Treasurer may invest in United States treasury notes, bonds, or bills for which the full faith and credit of the United States are pledged for the payment of principal and interest; Bonds, notes, bills, warrants or obligations issued by an agency of the United States; and Municipal Obligations issued by State or Local agencies, as authorized by California Government Code Section 53601. The term remaining to maturity of the investments may not exceed five years.

The Controller-Treasurer may invest in repurchase agreements and will accept as collateral only securities of the U.S. government and U.S. governmental agencies which have a market value, including accrued interest, equal to the amount of the repurchase agreement, as authorized by California Government Code Section 53601(j). The maturity date of the collateral may, however, be later than that required by Objective 2 above.

The Controller-Treasurer may invest in reverse repurchase agreements with a maturity of 90 days or less, as authorized by California Government Code Section 53601(j).

The Controller-Treasurer may invest in "swaps" defined as, the simultaneous buying and selling of a security of approximately the same maturity to increase yield, cash flow or to improve quality.

In addition to the securities authorized above, the Controller-Treasurer may invest in public time deposits in financial institutions having at least one branch within the District boundaries.

The Controller-Treasurer will accept as collateral securities authorized by the California Government Code Section 53651 (a) through (p) excluding subsection (m) promissory notes secured by first mortgages and first trust deeds. The Controller-Treasurer will require 110% collateralization, less the portion authorized by California Government Code Section 53653 on public time deposits, except for San Francisco Federal Home Loan Bank Letters of Credit, in which case the required collateralization will be 105%.

The Controller-Treasurer has the authority to waive the required collateralization and substitute Federal Deposit Insurance Corporation (FDIC) for the first $250,000 of the investment.

The Controller-Treasurer will continue to seek minority depository institutions, as defined by the Federal Government, for the placement of a portion of the District's funds.

The Controller-Treasurer may invest in money market mutual funds up to 20% of District funds eligible to be invested under California Government Code Section 53601. The money market mutual funds must carry a credit rating equal to or higher than U.S. Treasury securities and their portfolio must consist entirely of direct obligations of the U. S. Government, its agencies, or instrumentalities eligible, and repurchase agreements backed by such obligations.

The Controller-Treasurer may invest in the State of California Local Agency Investment Fund as authorized by California Government Code Sections 16429.1, 2, 3 & 4. up to 20% of District funds eligible to be invested under California Government Code 53601.

The Controller-Treasurer may invest in United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American

Development Bank as authorized by California Government Code Section 53601 (q). These obligations may have a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of “AA” or its equivalent or better by an NRSRO. The Controller-Treasurer may use up to 30% of District funds eligible to be invested under California Government Code Section 53601.

SECTION IV: REPORTING & ANNUAL REVIEW

The Controller-Treasurer shall report on the investments covered under this policy at least quarterly to the Board.

The foregoing defines the District's investment policies for calendar year 2017 and thereafter unless and until the policies are modified by the Controller-Treasurer and approved by the Board. The Controller-Treasurer shall review this policy annually and submit modifications to the Board when needed.

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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	–
Major Classifications						
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	-
Major Classifications						
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 March 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)	3.2	3.5	2.5	4.2	3.6

(1) Preliminary data for March 2022.
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 calendar years 2011 through 2021.

Table 6
HISTORICAL TAXABLE TRANSACTIONS
Alameda and Contra Costa Counties and City and County of San Francisco
Calendar Years 2011 Through 2021
($ in thousands)

Calendar 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)
2021	37,893,682	21,041,411	16,600,149	75,535,242	16.9

[1] Numbers reflect rounding.
Source: California Department of Tax and Fee Administration, Taxable Sales by County, last updated April 20, 2022.

Table 7 shows taxable transactions by type of business for the Three BART Counties for calendar year 2021.

Table 7
TAXABLE TRANSACTIONS BY TYPE OF BUSINESS
Alameda and Contra Costa Counties and the City and County of San Francisco
For Calendar Year 2021
($ in thousands)

Type of Business	Alameda County[1]	Contra Costa County[1]	City and County of San Francisco[1]
Retail and Food Services			
Motor Vehicle and Parts Dealers	$4,657,827	$2,708,801	$625,641
Home Furnishings and Appliance Stores	1,589,116	812,967	919,097
Building Material and Garden Equipment and Supplies Dealers	2,241,738	1,520,133	685,145
Food and Beverage Stores	1,317,684	1,008,680	721,579
Gasoline Stations	1,867,695	1,429,705	432,751
Clothing and Clothing Accessories Stores	1,766,085	1,124,302	1,581,826
General Merchandise Stores	2,235,074	1,821,080	690,026
Food Services and Drinking Places	3,300,955	1,976,420	2,943,711
Other Retail Group	3,636,972	2,556,480	2,503,911
Total Retail and Food Services[1]	**$22,613,147**	**$14,958,569**	**$11,103,685**
All Other Outlets[1]	**$15,280,535**	**$6,082,842**	**$5,496,464**
Total All Outlets[1]	**$37,893,682**	**$21,041,411**	**$16,600,149**

[1] Columns may not sum to totals due to rounding.
Source: California Department of Tax and Fee Administration, Taxable Sales by County by Type of Business, last updated April 20, 2022.

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 calendar years 2016 through 2021.

Table 8
COMPARISON OF TAXABLE TRANSACTIONS TRENDS
FOR MAJOR CALIFORNIA COUNTIES
Calendar Years 2016 Through 2021
($ in thousands)

	2016[(1)]	2017[(1)]	2018[(1)]	2019[(1)]	2020[(1)]	2021[(1)]	% Change (2016-2021)
Three BART Counties							
Alameda	$31,163,320	$32,702,083	$35,073,302	$35,116,164	$32,176,002	$37,893,682	21.6%
Contra Costa	16,104,285	16,757,632	17,607,890	18,080,746	18,043,575	21,041,411	30.7%
San Francisco	19,437,168	19,473,871	20,342,721	20,957,132	14,389,723	16,600,149	(14.6)%
Total Three BART Counties	$66,704,773	$68,933,586	$73,023,913	$74,154,042	$64,609,300	$75,535,242	13.2%
Other Northern Counties							
Sacramento	$23,368,174	$24,610,617	$25,443,669	$26,836,365	$27,173,406	$33,875,840	45.0%
San Mateo	15,821,971	16,736,449	17,547,097	18,286,057	15,940,068	19,494,222	23.2%
Santa Clara	42,128,430	43,149,031	45,353,074	47,001,964	46,444,650	52,921,607	25.6%
Southern Counties							
Los Angeles	$155,155,641	$160,280,130	$166,023,796	$172,313,603	$157,737,984	$192,273,178	23.9%
Orange	63,058,761	65,148,058	67,468,616	69,688,975	63,833,515	78,095,148	23.8%
Riverside	34,483,694	36,407,460	38,919,498	40,626,998	42,313,474	55,465,752	60.8%
San Bernardino	37,216,551	38,399,373	40,554,024	41,768,748	43,265,512	55,254,235	48.5%
San Diego	55,921,010	57,551,360	59,041,042	61,365,277	58,814,528	71,588,741	28.0%
Ventura	13,835,876	14,000,695	14,323,432	14,800,284	14,538,294	17,323,045	25.2%
Statewide	$653,856,259	$677,823,493	$706,835,201	$732,756,903	$706,756,521	$861,330,120	31.7%

(1) Numbers reflect rounding.
Source: California Department of Tax and Fee Administration, Taxable Sales by County, last updated April 20, 2022.

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, who will receive a credit for the 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2022 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 the 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 the 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 depositary 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 a resolution 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 a resolution 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 a timely manner, 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 Issuer; or

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 the Issuer or the sale of all or substantially all of the assets of the Issuer, 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 the Issuer 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.

(Remainder of This Page Intentionally Left Blank)

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 governmental entities such as the District 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 or conclusion 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

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APPENDIX H

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENTS

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APPENDIX H

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENTS

The following is a brief summary of certain provisions of (i) the Trust Agreement (Measure AA), dated as of June 1, 2017, as supplemented by a First Supplemental Trust Agreement (Measure AA), dated as of August 1, 2019 and a Second Supplemental Trust Agreement (Measure AA), dated as of May 1, 2022, and (ii) the Trust Agreement (Measure RR), dated as of June 1, 2017, as supplemented by a First Supplemental Trust Agreement (Measure RR), dated as of August 1, 2019, a Second Supplemental Trust Agreement (Measure RR), dated as of August 1, 2020 and a Third Supplemental Trust Agreement (Measure RR), dated as of May 1, 2022, each between the San Francisco Bay Area Rapid Transit District (the "District") and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee") (hereinafter collectively referred to as the "Trust Agreement"). The Trust Agreements contain parallel provisions other than the differences required by the separate voter authorizations and the issuances thereunder. The Trust Agreements are summarized together for convenience; however, they are separate trusts and the Trustee will maintain separate Interest and Sinking Funds in which the separate levies for the Measure AA Bonds and the Measure RR Bonds will be held. This summary is not intended to be complete or definitive and is qualified in its entirety by reference to the full terms of the Trust Agreement. All capitalized terms used and not otherwise defined in this Official Statement shall have the meanings assigned to such terms in the respective Trust Agreement.

Definitions

Accreted Value means, with respect to any Capital Appreciation Bonds or Convertible Capital Appreciation Bonds, the principal amount thereof plus the interest accrued thereon at and prior to the maturity or earlier redemption thereof, in the case of a Capital Appreciation Bond, or at and prior to the date of conversion of such Bond to a Current Interest Bond, in the case of a Convertible Capital Appreciation Bond, compounded on the basis of a 360-day year of twelve 30-day months at the approximate interest rate thereon on each compounding date specified therein. The Accreted Value of a Bond at any date of computation shall be an amount equal to the principal amount of such Bond plus interest accrued thereon from the date of issuance, such interest to accrue at the rate per annum established as provided in a Supplemental Trust Agreement and be compounded periodically, plus, if such date of computation shall not be a compounding date, the ratable portion of the difference between the Accreted Value computed as of the immediately preceding compounding date (or the date of issuance thereof if the date of computation is prior to the first compounding date succeeding the date of issuance) and the Accreted Value computed as of the immediately succeeding compounding date, calculated based on the assumption that the Accreted Value increases during any period in equal daily amounts (with straight-line interpolation between compounding dates).

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

Act shall mean the San Francisco Bay Area Rapid Transit District Act, being Part 2 (Section 28500 and following) of Division 10 of the Public Utilities Code of the State of California, and Articles 4.5, 9 and 11 of Chapter 3 of Division 2 of Title 5 of the Government Code, commencing with 53506 and other applicable law as now in effect and as it may from time to time hereafter be amended, modified or supplemented.

Authorized District Representative shall mean the Controller/Treasurer of the District, any designee of the Controller/Treasurer of the District, the General Manager of the District, the President of the Board or any other officer of the District designated by the Board.

BART Counties means the County of Alameda, the County of Contra Costa and the City and County of San Francisco.

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

Board shall mean the Board of Directors of the District.

Bond Counsel means a firm of nationally-recognized attorneys-at-law experienced in legal work relating to the issuance of municipal bonds selected by the District.

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

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

Bonds shall mean all general obligation bonds of the District authorized by and issued pursuant to Measure AA at the election conducted in the District on November 2, 2004 and Measure RR at the election conducted in the District on November 8, 2016 and all general obligation bonds issued to refund any such bonds that are issued pursuant to and are Outstanding under the Trust Agreement.

Book-Entry Obligations means Obligations issued under a book-entry only depository system as provided in the Trust Agreement.

Business Day shall mean any day other than a Saturday, Sunday, or other day on which banking institutions in the State, or the State of New York, or any state in which the Principal Corporate Trust Office of the Trustee is located, are authorized or required by law to close, or any day on which the New York Stock Exchange is closed.

Capital Appreciation Bonds means the Bonds of any Series designated as Capital Appreciation Bonds in the Supplemental Trust Agreement providing for the issuance of such Series of Bonds and on which interested is compounded and paid at maturity or on prior redemption.

Certificate, Statement, Request, Requisition and Order of the District mean, respectively, a written certificate, statement, request, requisition or order signed in the name of the District by an Authorized District Representative.

Continuing Disclosure Agreement shall mean the Continuing Disclosure Agreement and any other continuing disclosure agreement entered into in connection with a Series of Bonds, including the Continuing Disclosure Agreements executed with respect to the 2013C Bonds, the 2015D Bonds, the 2017E Bonds, the 2019F Bonds and the 2019G Bonds of Measure AA and the Continuing Disclosure Agreements executed with respect to the 2017A Bonds, the 2019B Bonds, and the 2020C Bonds of Measure RR, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Code shall mean the Internal Revenue Code of 1986, as the same shall be hereafter amended, and any regulations heretofore issued or which shall be hereafter issued by the United States Department of the Treasury thereunder.

Controller/Treasurer shall mean the Controller/Treasurer of the District.

Convertible Capital Appreciation Bonds means Bonds that initially are issued as Capital Appreciation Bonds, but later convert to Bonds on which interest is paid periodically. Convertible Capital Appreciation Bonds shall be Capital Appreciation Bonds until the conversion date and from and after such conversion date shall no longer be Capital Appreciation Bonds, but shall be treated as Current Interest Bonds having a principal amount equal to their Accreted Value on the conversion date.

Corporate Trust Office means the corporate trust office of the Trustee at One California Street, Suite 1000, San Francisco, California 94111, Attention: Global Corporate Trust Services, or such other or additional offices as may be designated by the Trustee, including for purposes of transfer, exchange or payment of Bonds, such office initially in St. Paul, Minnesota.

Costs of Issuance shall mean all items of expense directly or indirectly payable by or reimbursable to District and related to the authorization, issuance, sale and delivery of a Series of Bonds, including but not limited to costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Trustee, underwriting fees, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, fees and expenses related to any credit enhancement (including without limitation bond insurance) for the Bonds, fees and expenses with respect to the conduct of the election and other proceedings authorizing the issuance of the Bonds, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

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

District shall mean the San Francisco Bay Area Rapid Transit District, a public transit district duly organized and existing under and pursuant to the laws of the State of California.

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

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

EMMA means Electronic Municipal Market Access.

Event of Default means any of the events of default described below under the caption "Events of Default and Remedies."

General Obligation Bond Tax Revenues shall mean the taxes required to be levied and collected on account of interest, principal, and sinking fund of the Bonds pursuant to California Public Utilities Code Sections 29121 and 29122.

Interest and Sinking Fund shall mean the "Election of 2004 General Obligation Bond Interest and Sinking Fund" and the "Election of 2016 General Obligation Bond Interest and Sinking Fund" each created pursuant to their respective Trust Agreement for the payment of the Bonds authorized at the election conducted in the District on November 2, 2004 and November 8, 2016, respectively, including the 2022H Bonds and 2022D Bonds.

Interest Payment Date, with respect to the 2022H Bonds and the 2022D-1 Bonds, shall mean February 1 or August 1 of each year, as specified in the Second Supplemental Trust Agreement (Measure AA) relating to the 2022H Bonds, and as specified in the Third Supplemental Trust Agreement (Measure RR) relating to the 2022D-1 Bonds, and with respect to each other Series of Bonds as specified in the Supplemental Trust Agreement establishing the terms of such Series of Bonds. Interest on the 2022D-2 Bonds is paid on the maturity thereof, June 1, 2022.*

Investment Securities shall mean:

(i) any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America, including obligations of any of the federal agencies and federally sponsored entities set forth in clause (iii) below to the extent unconditionally guaranteed by the United States of America and including interest strips of bonds issued by the Resolution Funding Corporation and held in book-entry form by the Federal Reserve Bank of New York;

(ii) any certificates, receipts, securities or other obligations evidencing ownership of, or the right to receive, a specified portion of one or more interest payments or principal payments, or any combination thereof, to be made on any bond, note, or other obligation described above in clause (i);

(iii) obligations of the Fannie Mae Corporation, the Government National Mortgage Association, Farm Credit System Financial Corporation, Federal Home Loan Banks and Federal Home Loan Mortgage Corporation;

(iv) housing authority bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or project notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(v) obligations of any state, territory or commonwealth of the United States of America or any political subdivision thereof or any agency or department of the foregoing; provided that such obligations are rated in the highest Rating Category by Moody's and S&P Global Ratings;

(vi) any bonds or other obligations of any state of the United States of America or any political subdivision thereof (a) which are not callable prior to maturity or as to which irrevocable instructions have been given to the Trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described

* Preliminary, subject to change.

above in clause (i) or (ii) which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the interest payment dates and the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, (c) as to which the principal of and interest on the bonds and obligations of the character described above in clause (i) or (ii) which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay the principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (vi) on the interest payment dates and the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (vi), as appropriate, and (d) which are rated in the highest long-term Rating Category by Moody's and S&P Global Ratings;

(vii) demand or time deposits or certificates of deposit, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Trustee or any of its affiliates) or by a state licensed branch of any foreign bank, provided that such certificates of deposit shall be purchased directly from such a bank, trust company, national banking association or branch and shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities and obligations as are described above in clauses (i) through (v), inclusive, which shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Trustee or third-party agent, as custodian, by the bank, trust company, national banking association or branch issuing such certificates of deposit, and the bank, trust company, national banking association or branch issuing each such certificate of deposit required to be so secured shall furnish the Trustee with an undertaking satisfactory to it that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount equal to the principal amount of each such certificate of deposit and the Trustee shall be entitled to rely on each such undertaking;

(viii) taxable commercial paper or tax-exempt commercial paper rated in the highest short-term Rating Category by Moody's and S&P Global Ratings which matures not more than 270 calendar days after the date of purchase;

(ix) variable rate obligations required to be redeemed or purchased by the obligor or its agent or designee upon demand of the holder thereof secured as to such redemption or purchase requirement by a liquidity agreement with a corporation and as to the payment of interest and principal either upon maturity or redemption (other than upon demand by the holder thereof) thereof by an unconditional credit facility of a corporation, provided that the variable rate obligations themselves are rated in the highest short-term Rating Category, if any, and in the highest long-term Rating Category, if any, by Moody's and S&P Global Ratings, and that the corporations providing the liquidity agreement and credit facility have, at the date of acquisition of the variable rate obligations by the Trustee, an outstanding issue of unsecured, uninsured and unguaranteed debt obligations rated in the highest long-term Rating Category by Moody's and S&P Global Ratings;

(x) any repurchase agreement approved by the Board which does not cause the rating on the Bonds to be reduced or withdrawn, or entered into with a financial institution or insurance company which has at the date of execution thereof an outstanding issue of unsecured, uninsured and unguaranteed debt obligations or a claims paying ability rated (or the parent company of which is rated) in the highest long-term Rating Category by Moody's and S&P Global Ratings, which agreement is secured by any one or more of the securities and obligations described in clauses (i), (ii), (iii) or (iv) above, which shall have a market value (exclusive of accrued interest and valued at least weekly) at least equal to one hundred three percent (103%) of the principal amount of such investment and shall be lodged with the Trustee or other fiduciary, as custodian, by the provider executing such repurchase agreement, and the provider executing each such repurchase agreement required to be so secured shall furnish the Trustee with an undertaking satisfactory to the Trustee that the aggregate market value of all such obligations securing each such repurchase agreement (as valued at least weekly) will be an amount equal to one hundred three percent (103%) of the principal amount of each such repurchase agreement and the Trustee shall be entitled to rely on each such undertaking;

(xi) any cash sweep or similar account arrangement of or available to the Trustee, the investments of which are limited to investments described in clauses (i), (ii), (iii), (iv), (v) and (x) of this definition of Investment Securities and any money market fund including money market funds from which the Trustee or its affiliates derive a fee for investment advisory or other services to the fund, the entire investments of which are limited to investments described in clauses (i), (ii), (iii), (iv), (v) and (x) of this definition of Investment Securities; provided that as used in this clause (xi) and clause (xii) investments will be deemed to satisfy the requirements of clause (x) if they meet the requirements set forth in clause (x) ending with the words clauses (i), (ii), (iii) or (iv) above and without regard to the remainder of such clause (x);

(xii) any investment agreement with, or the obligations under which are guaranteed by, a financial institution or insurance company or domestic or foreign bank which has at the date of execution thereof an outstanding issue of unsecured, uninsured and unguaranteed debt obligations or a claims paying ability rated (or the parent company of which is rated) in the highest long-term Rating Category by Moody's and S&P Global Ratings, approved by the Board and which does not cause the rating on the Bonds to be reduced or withdrawn;

(xiii) the Local Agency Investment Fund or similar pooled fund operated by or on behalf of the State of California and which is authorized to accept investments of moneys held in any of the funds or accounts established pursuant to the Trust Agreement; and

(xiv) any other investment approved by the Board which does not cause the rating on the Bonds to be reduced or withdrawn.

Maximum Interest Rate means twelve percent (12%) per annum.

Measure AA means the measure approved by the voters of the District at the November 2, 2004 election authorizing not to exceed $980 million dollars in bonds for the Earthquake Safety Program as more fully defined in the recitals in the Trust Agreement (Measure AA).

Measure RR means the measure approved by the voters of the District at the November 8, 2016 election authorizing $3.5 billion dollars in bonds for the System Renewal Program as more fully defined in the recitals in the Trust Agreement (Measure RR).

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

Opinion of Bond Counsel shall mean a written Opinion of Bond Counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the District.

Outstanding, when used as of any particular time with reference to Bonds, means all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under the Trust Agreement except (1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation; (2) Bonds deemed to be paid in accordance with the provisions of the Trust Agreement described below under the caption "Discharge of Liability on Bonds" and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the Trust Agreement.

Owner shall mean the person in whose name any Bond shall be registered.

Principal Payment Date shall mean August 1 of each year in which principal of a Series of Bonds is scheduled to be paid.

Project shall mean the improvements to District facilities authorized by Measure AA and Measure RR, respectively, to be funded with the proceeds of the Bonds.

Project Account shall mean an account established in the Project Fund to hold the proceeds of a Series of Bonds or a portion thereof prior to expenditure on the Project to which such Project Account relates.

Project Fund shall mean the fund by that name established pursuant to the provisions of the Trust Agreement described below under the caption "Project Fund."

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

Rating Agency means, as and to the extent applicable to a Series of Bonds, each of Moody's and S&P Global Ratings then maintaining a rating on such Series of Bonds at the request of the District.

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

Rebate Fund shall mean the fund by that name established pursuant to the provisions of the Trust Agreement.

Rebate Requirement shall mean the Rebate Requirement for a Series of Bonds defined in the Tax Certificate related to such Series of Bonds.

Record Date shall mean, with respect to the 2022D-1 Bonds and the 2022H Bonds, the fifteenth day of the month prior to an Interest Payment Date, whether or not such day is a Business Day.

Redemption Date shall mean the date on which the Bonds or any of them are called for redemption, as provided in the Trust Agreement and as provided in the respective Supplemental Trust Agreement with respect to other Series of Bonds.

Refunding Bonds shall be any Bonds issued under the Trust Agreement for the purpose of refunding Bonds authorized by and issued under Measure AA or Measure RR and issued thereunder.

Resolution 2022D shall mean the resolution adopted by the Board of Directors of the District on April 28, 2022, authorizing the issuance of the 2022D Bonds.

Resolution 2022H shall mean the resolution adopted by the Board of Directors of the District on April 28, 2022, authorizing the issuance of the 2022H Bonds.

Second Supplemental Trust Agreement (Measure AA) shall mean the Second Supplemental Trust Agreement (Measure AA), dated as of May 1, 2022, supplementing the Trust Agreement (Measure AA), dated as of June 1, 2017, between the District and the Trustee.

Securities Depository means DTC, or, in accordance with then-current guidelines of the Securities and Exchange Commission, to such other securities depositories, or no such depositories, as the District may designate in a Certificate of the District delivered to the Trustee.

Series shall mean, whenever used herein with respect to Bonds, all of the Bonds designated as being of the same series, regardless of variations in maturity, interest rate and other provisions.

S&P Global Ratings shall mean S&P Global Ratings, a Standard & Poor's Financial Services LLC business, a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term S&P Global Ratings shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

State means the State of California.

Supplemental Trust Agreement shall mean any Supplemental Trust Agreement hereafter duly executed and delivered, supplementing, modifying or amending the Trust Agreement, but only if and to the extent that such Supplemental Trust Agreement is specifically authorized thereunder.

Tax Certificate shall mean a tax certificate concerning certain matters pertaining to the use of proceeds of a Series of Bonds, executed and delivered by the District on the date of issuance of such Series of Bonds, including all exhibits attached thereto, as such certificate may from time to time be modified or supplemented in accordance with the terms thereof.

Term Bond shall mean a Bond subject to mandatory sinking fund redemption prior to its stated maturity date, without a redemption premium, in part by lot, from mandatory sinking fund payments in the amounts and years specified herein or in the Supplemental Trust Agreement relating to such Bond, as applicable.

Third Supplemental Trust Agreement (Measure RR) shall mean the Third Supplemental Trust Agreement (Measure RR), dated as of May 1, 2022, supplementing the Trust Agreement (Measure RR), dated as of June 1, 2017, between the District and the Trustee.

Trustee shall mean U.S. Bank Trust Company, National Association (as successor trustee to U.S. Bank National Association), acting as Trustee, registrar, and transfer agent with respect to the Bonds, its successors and assigns and any other corporation or association which may at any time be substituted in its place as provided in the Trust Agreement.

Trust Agreement shall mean the Trust Agreement (Measure AA) and the Trust Agreement (Measure RR), each dated as of June 1, 2017, each between the Trustee and the District, as the same may be supplemented, modified or amended in accordance with their respective terms.

2022D Account means the account of such name established in the Interest and Sinking Fund pursuant to the Third Supplemental Trust Agreement (Measure RR) to hold proceeds to be used to pay debt service on the 2022D Bonds.

2022D Bonds means, collectively, the 2022D-1 Bonds and the 2022D-2 Bonds.

2022D Costs of Issuance Fund means the fund designated as the 2022D Costs of Issuance Fund created pursuant to the Third Supplemental Trust Agreement (Measure RR).

2022D-1 Bonds shall mean the San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-1 (Green Bonds), issued under the Third Supplemental Trust Agreement (Measure RR).

2022D-1 Project Account shall mean the account of such name created within the Project Fund pursuant to the Third Supplemental Trust Agreement (Measure RR).

2022D-2 Bonds shall mean the San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2016), 2022 Series D-2 (Federally Taxable) (Green Bonds), issued under the Third Supplemental Trust Agreement (Measure RR).

2022D-2 Project Account shall mean the account of such name created within the Project Fund pursuant to the Third Supplemental Trust Agreement (Measure RR).

2022H Bonds shall mean the San Francisco Bay Area Rapid Transit District General Obligation Bonds (Election of 2004), 2022 Refunding Series H (Federally Taxable) (Green Bonds), issued under the Second Supplemental Trust Agreement (Measure AA).

2022H Costs of Issuance Fund means the fund designated as the "2022H Costs of Issuance Fund" created pursuant to the Second Supplemental Trust Agreement (Measure AA).

Pledge of Taxes

The Bonds are general obligation bonds of the District issued pursuant to the Act, including Section 53506 of the Government Code of the State and are payable as to both principal and interest, and any premium upon redemption thereof, exclusively from the General Obligation Bond Tax Revenues. Under the Trust Agreement, all General Obligation Bond Tax Revenues are pledged pursuant to California Government Code Section 5451 to secure the payment of the principal of and redemption premium, if any, and interest on the Bonds, subject only to the provisions of the Trust Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein. Said pledge will constitute a lien on the General Obligation Bond Tax Revenues and will be valid and binding from and after delivery by the Trustee of the Bonds, without any physical delivery thereof or further act. The General Obligation Bond Tax Revenues constitute a trust fund for the security and payment of the Bonds. In addition, the Bonds are general obligation bonds within the meaning of Section 53515 of the Government Code of the State and pursuant to such law are secured by a statutory lien applicable to the General Obligation Tax Revenues.

Out of the General Obligation Bond Tax Revenues there will be applied as thereinafter set forth all sums required for the payment of the principal of (including any premium thereon) and interest on the Bonds, together with any sinking fund payments of Bonds. The pledge of General Obligation Bond Tax Revenues therein made will be irrevocable until all of the Bonds are no longer Outstanding.

Establishment and Application of Funds and Accounts

Each of the funds and accounts described below is established pursuant to the Trust Agreement.

Project Fund. The Trustee will establish, maintain and hold in trust for the District a fund designated as the "Project Fund." For each Series of Bonds, the Trustee will establish within the Project Fund a separate account for such Series of Bonds, designated as the "_______ Project Account," inserting therein the Series designation of such Bonds. Upon receipt by the Trustee of the proceeds of the sale of a Series of Bonds, the Trustee will deposit in the applicable Project Account the amount specified in the Request of the District delivered in connection with the issuance of such Series of Bonds to be deposited in such Project Account. The moneys in each Project Account will be used and withdrawn by the District to pay the costs of the Project or the Costs of Issuance of the Series of Bonds to which such Project Account relates.

Before any payment from a Project Account will be made by the Trustee, the District will file or cause to be filed with the Trustee a Requisition of the District in substantially the form specified in the respective Trust Agreement.

Upon issuance of each such Requisition, the Trustee will pay the amount set forth in such Requisition as directed by the terms thereof out of the Project Account. The Trustee need not make any such payment if it has received notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys to be so paid, which has not been released or will not be released simultaneously with such payment.

When the District determines that all payments with respect to the portion of the Project to which a Project Account relates have been made, the District will deliver to the Trustee a Certificate of the District stating: (i) the fact and date of such completion, (ii) that all of the costs with respect to the applicable portion of the Project have been determined and paid (or that all of such costs have been paid less specified claims which are subject to dispute and for which a retention in the Project Fund for such Series of Bonds is to be maintained in the full amount of such claims until such dispute is resolved), and (iii) instructing the Trustee to transfer the remaining balance in the Project Account for such Series of Bonds, less the amount of any such retention, to another Project Account, or, if no other Project Account then exists, to the Interest and Sinking Fund for application to the payment of debt service on the Bonds.

Under the Third Supplemental Trust Agreement (Measure RR), the Trustee will establish the 2022D-1 Project Account and the 2022D-2 Project Account.

Costs of Issuance Fund. All money on deposit in the 2022D Costs of Issuance Fund and the 2022H Costs of Issuance Fund will be applied solely for the payment of authorized Costs of Issuance of the 2022D Bonds and 2022H Bonds. Before any payment from the 2022D Costs of Issuance Fund and the 2022H Costs of Issuance Fund will be made by the Trustee, the District will file or cause to be filed with the Trustee a Requisition of the District in the form attached to the respective Trust Agreement to be signed by an Authorized Representative.

Interest and Sinking Fund. All amounts in the Interest and Sinking Fund will be used and withdrawn by the Trustee solely for the purpose of paying principal of, interest and premium, if any, on the Bonds as it will become due and payable. The District will direct the General Obligation Tax Revenues to be deposited by the respective Counties collecting such revenues directly with the Trustee. On or prior to the date any payment is due in respect of the Bonds, such monies as will be lawfully available for the payment of the Bonds will be deposited with the Trustee sufficient to pay the principal of, interest and premium, if any, on all Bonds outstanding coming due on such payment date. In the event that the Trustee will fail to receive an amount sufficient to make such payment by the close of business on the Record Date preceding a scheduled Interest Payment Date or Principal Payment Date, the Trustee will promptly notify the District in writing of the amount of such insufficiency by fax or other electronic means of communication acceptable to the District, receipt of which by the District will be confirmed by the Trustee.

Rebate Fund. Upon receipt of money to be applied to the Rebate Requirement for a Series of Bonds, the Trustee will establish and maintain a fund separate from any other fund established and maintained under the Trust Agreement designated as the Rebate Fund. Within the Rebate Fund, the Trustee will maintain such accounts as will be necessary in order to comply with the terms and requirements of the applicable Tax Certificate as directed in writing by the District. Subject to the transfer provisions provided in the Trust Agreement, all money at any time deposited in the Rebate Fund will be held by the Trustee in trust to the extent required to satisfy the Rebate Requirement, for payment to the federal government of the United States of America, and neither the Trustee nor the District nor the Owner of any Bonds will have any rights in or claim to such money. All amounts deposited into or on deposit in the Rebate Fund will be governed by the Trust Agreement and by the applicable Tax Certificate. Pursuant to the Trust Agreement, the District will covenant to comply with the directions contained in the applicable Tax Certificate and the Trustee will covenant to comply with all written instructions of the District delivered to the Trustee pursuant to such Tax Certificate (which instructions will state the actual amounts to be deposited in or withdrawn from the Rebate Fund and will not require the Trustee to make any calculations with respect thereto).

Investment of Moneys in Funds and Accounts. All moneys in any of the funds and accounts held by the Trustee and established pursuant to the Trust Agreement will be invested, as directed by the District, solely in Investment Securities; provided that any amounts in the Project Fund may be invested in any security permitted by the Investment Policy of the District. All investments will, as directed by the District in writing or by telephone, promptly confirmed in writing, be acquired subject to the limitations set forth in the provisions of the Trust Agreement described below under the caption "Tax Covenants," the limitations as to maturities hereinafter in this caption set forth and such additional limitations or requirements consistent with the foregoing as may be established by Request of the District. If and to the extent the Trustee does not receive investment instructions from the District with respect to the moneys in the funds and accounts held by the Trustee pursuant to the Trust Agreement, such moneys will be invested in Investment Securities described in clause (xi) of the definition thereof and the Trustee will thereupon request investment instructions from the District for such moneys.

Moneys will be invested in Investment Securities maturing or available on demand not later than the date on which it is estimated that such moneys will be required by the Trustee.

Unless otherwise provided in a Supplemental Trust Agreement, all interest, profits and other income received from the investment of moneys in any fund or account, other than the Rebate Fund or the Interest and Sinking Fund, will be transferred to the Project Fund when received. All interest, profits and other income received from the investment of moneys in the Rebate Fund will be deposited in the Rebate Fund, except as provided above under the caption "Rebate Fund." All interest, profits and other income received from the investment of moneys in the Interest and Sinking funds will be deposited in the Interest and Sinking Fund. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security will be credited to the fund or account from which such accrued interest was paid.

The Trustee may at its sole discretion commingle any of the funds or accounts established pursuant to the Trust Agreement into a separate fund or funds for investment purposes only, provided that all funds or accounts held by the Trustee under the Trust Agreement will be accounted for separately as required by the Trust Agreement. The Trustee may act as principal or agent in the making or disposing of any investment and, with the prior written consent of the District may impose its customary charge therefor. The Trustee may sell at the best price obtainable, or present for redemption, any Investment Securities so purchased whenever it will be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such Investment Security is credited, and the Trustee will not be liable or responsible for any loss resulting from such investment.

Issuance of Additional Series of Bonds

The District may from time to time issue one or more additional Series of Bonds or Refunding Bonds pursuant to the Act, Measure AA and Measure RR. Whenever the District shall determine to issue an additional Series of Bonds, the District will authorize the execution of a Supplemental Trust Agreement specifying the principal amount, and prescribing the forms of Bonds of such Series and providing the Series designation, terms, conditions, distinctive designation, denominations, methods of numbering, date, maturity date or dates, interest rate or rates (or the manner of determining the same), redemption provisions and place or places of payment of principal or redemption premium, if any, of and interest on such Bonds, and any other provisions respecting the Bonds of such Series.

Before such additional Series of Bonds will be issued and delivered, the District will file the following documents with the Trustee (upon which documents the Trustee may conclusively rely in determining whether the conditions precedent to the issuance of such Series of Bonds have been satisfied): (i) an executed copy of the Supplemental Trust Agreement authorizing such Series, and (ii) an Opinion of Bond Counsel to the effect that the execution of the Supplemental Trust Agreement has been duly authorized by the District in accordance with the Trust Agreement and that such Series of Bonds, when duly executed by the District and authenticated and delivered by the Trustee, will be valid and binding obligations of the District; and (iii) except in the case of Refunding Bonds, a Certificate of the District to the effect that upon the delivery of such Series the aggregate principal amount of Bonds then issued to fund the Project will not exceed the amounts permitted by the Act or by Measure AA or Measure RR, respectively.

Proceeds of each Series of Bonds will be applied as specified in the Supplemental Trust Agreement pursuant to which such Series of Bonds is created.

Certain Covenants of the District

Obligation to Levy Taxes For Payment of Bonds. The Board will, at the time of fixing the general tax levy and in the manner provided for the general tax levy, levy and collect annually until the Bonds are paid, or until there is a sum on deposit with the Trustee set apart for that purpose to meet all sums coming due for principal and interest on the Bonds as they become due and payable, a tax sufficient to pay the annual interest on the Bonds and such part of the principal thereof, including any sinking fund installments required hereby, as becomes due before the proceeds of a tax levied at the next general tax levy will be available for such purposes.

The money for the payment of principal and interest on the Bonds will be raised by the levy and collection of ad valorem taxation upon all property in the District subject to taxation by the District without limitation as to rate or amount. The Board will, on or before the first weekday in September in each year any Bonds are Outstanding, fix the rate of taxes, designating the number of cents upon each hundred dollars, using as a basis the value of property transmitted to the Board by the respective county auditors of the BART Counties, which rate of taxation will be sufficient to raise the amount fixed by the Board.

The District will have the County of Alameda, the County of Contra Costa and the City and County of San Francisco to each remit taxes collected for payment of the Bonds directly to the Trustee for deposit in the respective Interest and Sinking Fund.

Validity of Bonds. The recital contained in the Bonds that the same are regularly issued pursuant to all applicable laws will be conclusive evidence of their validity and of compliance with the provisions of the law in their issuance.

Tax Covenants. The District covenants that it will not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Bonds under Section 103 of the Code; provided that, prior to the issuance of a Series of Bonds, the District may exclude the application of the covenants described under this caption and pursuant to the provisions of the Trust Agreement described above under the caption "Rebate Fund" to such Series of Bonds that are not intended to be tax-exempt. Without limiting the generality of the foregoing, the District covenants that it will comply with the requirements of each Tax Certificate. This covenant will survive payment in full or defeasance of the Bonds.

In the event that at any time the District is of the opinion that for purposes of these covenants it is necessary or helpful to restrict or limit the yield on the investment of any monies held by the Trustee or other custodian on behalf of the District, the District will so instruct the Trustee or other custodian in writing.

Notwithstanding any provision of this section, if the District will obtain and provide to the Trustee or other custodian, as appropriate, an Opinion of Bond Counsel that any specified action required under this section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Bonds, said party may conclusively rely on such Opinion of Bond Counsel in complying with the requirements of these covenants and of the Tax Certificate, and the covenants under the Trust Agreement will be deemed to be modified to that extent.

Continuing Disclosure Covenant. Upon the issuance of any Series of Bonds requiring an undertaking regarding continuing disclosure under Securities and Exchange Commission Rule 15c2-12, the

District and the Trustee will covenant and agree that they will comply with and carry out all of the provisions of the Continuing Disclosure Agreement executed and delivered in connection with such Series of Bonds. Notwithstanding any other provision of the Trust Agreement, failure of the District to comply with the Continuing Disclosure Agreement will not be considered an event of default hereunder; provided that any Owner or Beneficial Owner (as defined below) may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this section. For purposes of this section, "Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

Against Encumbrances. The District will not create any pledge, lien or charge upon any of the General Obligation Bond Tax Revenues having priority over or having parity with the lien of the Bonds.

Events of Default and Remedies of Bondholders

Events of Default. The following are Events of Default:

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

(ii) default in the due and punctual payment of the principal or redemption price of any Bond when and as the same will become due and payable, whether at maturity as therein expressed, by proceedings for redemption, or otherwise, or default in the redemption from any sinking account of any Bonds in the amounts and at the times provided therefor.

Application of General Obligation Bond Tax Revenues and Other Funds After Default. If and for so long as an Event of Default will occur and be continuing, the District will immediately transfer to the Trustee all General Obligation Bond Tax Revenues held by it, if any, and request that each of the BART Counties transfer any General Obligation Bond Tax Revenues held by such county to the Trustee and the Trustee will apply all General Obligation Bond Tax Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of the Trust Agreement (except as otherwise provided in the Trust Agreement) to the payment of the whole amount of Bond Obligation then due on the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of the Trust Agreement, with interest on such Bond Obligation, at the rate or rates of interest borne by the respective Bonds, to the payment to the persons entitled thereto of all installments of interest then due and the unpaid principal or Redemption Price of any Bonds which will have become due, whether at maturity, by call for redemption or otherwise, in the order of their due dates, with interest on the overdue Bond Obligation at the rate borne by the respective Bonds, and, if the amount available will not be sufficient to pay in full all the Bonds due on any date, together with such interest, then to the payment thereof on a Proportionate Basis, according to the amounts of principal (plus accrued interest) or Accreted Value due on such date to the persons entitled thereto, without any discrimination or preference.

Notwithstanding anything in the Trust Agreement to the contrary, in no event are the Bonds subject to acceleration if an Event of Default occurs and is continuing.

Trustee to Represent Bondholders. The Trustee is irrevocably appointed under the Trust Agreement (and the successive respective Owners of the Bonds, by taking and holding the same, will be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds, the Trust Agreement, the Act and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bondholders, the Trustee upon the written request of the Owners of not less than twenty-five percent (25%) in aggregate amount of the principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, will, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it will deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained in the Trust Agreement, or in aid of the execution of any power therein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the Trust Agreement, the Act or any other law; and upon instituting such proceeding, the Trustee will be entitled, as a matter of right, to the appointment of a receiver of the General Obligation Bond Tax Revenues, pending such proceedings. All rights of action under the Trust Agreement or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee will be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of the Trust Agreement.

Bondholders' Direction of Proceedings. Anything in the Trust Agreement to the contrary notwithstanding, the Owners of a majority in aggregate amount of Bond Obligation then Outstanding will have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee and upon furnishing the Trustee with indemnification satisfactory to it, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction will not be otherwise than in accordance with law and the provisions of the Trust Agreement, that the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and that the Trustee will have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bondholders not parties to such direction.

Limitation on Bondholders' Right to Sue. No Owner of any Bond will have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Trust Agreement, the Act or any other applicable law with respect to such Bond, unless (1) such Owner will have given to the Trustee written notice of the occurrence of an Event of Default; (2) the Owners of not less than twenty-five percent (25%) in aggregate amount of Bond Obligation of the Bonds then Outstanding will have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (3) such Owner or said Owners will have tendered to the Trustee reasonable, indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (4) the Trustee will have refused or omitted to comply with such request for a period of sixty (60) days after such written request will have been received by, and said tender of indemnity will have been made to, the Trustee; and (5) the Trustee will not have received contrary directions from the Owners of a majority in aggregate amount of Bond Obligation of the Bonds then Outstanding.

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

Remedies Not Exclusive. No remedy conferred upon or reserved to the Trustee or to the Owners of the Bonds in the Trust Agreement is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, will be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Liability of Trustee

The recitals of facts in the Trust Agreement and in the Bonds contained will be taken as statements of the District, and the Trustee assumes no responsibility for the correctness of the same (other than the certificate of authentication of the Trustee on each Bond), and makes no representations as to the validity or sufficiency of the Trust Agreement or of the Bonds or of any Investment Security, as to the sufficiency of the General Obligation Bond Tax Revenues or the priority of the lien of the Trust Agreement thereon, or as to the financial or technical feasibility of any Project and will not incur any responsibility in respect of any such matter, other than in connection with the duties or obligations expressly herein or in the Bonds assigned to or imposed upon it. The Trustee will, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee will not be liable in connection with the performance of its duties hereunder, except for its own negligence, willful misconduct or breach of the express terms and conditions hereof. The Trustee and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Owner of a Bond may be entitled to take, with like effect as if the Trustee was not the Trustee under the Trust Agreement. The Trustee may in good faith hold any other form of indebtedness of the District, own, accept or negotiate any drafts, bills of exchange, acceptances or obligations of the District and make disbursements for the District and enter into any commercial or business arrangement therewith, without limitation.

The Trustee will not be liable for any error of judgment made in good faith by a responsible officer unless it will be proved that the Trustee was negligent in ascertaining the pertinent facts. The Trustee may execute any of the trusts or powers hereof and perform the duties required of it under the Trust Agreement by or through attorneys, agents, or receivers, and will be entitled to advice of counsel concerning all matters of trust and its duty under the Trust Agreement, but the Trustee will be answerable for the negligence or misconduct of any such attorney, agent, or receiver selected by it; provided that the Trustee will not be answerable for the negligence or misconduct of any attorney or certified public accountant selected by it with due care.

The Trustee will not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than twenty-five percent (25%) in aggregate amount of the Bond Obligation of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Trust Agreement.

The Trustee will be under no obligation to exercise any of the rights or powers vested in it by the Trust Agreement at the request, order or direction of any of the Bondholders pursuant to the provisions of the Trust Agreement, including, without limitation, the provisions stated above under the caption "Events of Default and Remedies of Bondholders," unless such Bondholders will have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby.

No provision of the Trust Agreement will require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

Modification or Amendment of the Trust Agreement

Amendments Permitted. The Trust Agreement and the rights and obligations of the District, the Owners of the Bonds and the Trustee may be modified or amended from time to time and at any time by a Supplemental Trust Agreement, which the District and the Trustee may enter into with the written consent of the Owners of a majority in aggregate amount of the Bond Obligation of the Bonds (or, if such Supplemental Trust Agreement is only applicable to a Series of Bonds, such Series of Bonds) then Outstanding will have been filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular maturity remain Outstanding, the consent of the Owners of such Bonds will not be required and such Bonds will not be deemed to be Outstanding for the purpose of, any calculation of Bonds Outstanding under this caption "Amendments Permitted."

The Trust Agreement and the rights and obligations of the District, of the Trustee and of the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Trust Agreement, which the District and Trustee may execute without the consent of any Bondholders but only to the extent permitted by law and only for any one or more of the purposes set forth in the Trust Agreement or for any other purpose that does not materially and adversely affect the interests of the Owners of the Bonds.

Prohibited Amendments. No such modification or amendment will (a) extend the fixed maturity of any Bond, or reduce the amount of principal thereof, or extend the time of payment or reduce the amount of any mandatory sinking account payment provided for the payment of any Bond, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Owner of each Bond so affected, or (b) reduce the aforesaid percentage of amount of Bond Obligation of the Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the General Obligation Bond Tax Revenues and other assets pledged under the Trust Agreement prior to or on a parity with the lien created by the Trust Agreement, or deprive the Owners of the Bonds of the lien created by the Trust Agreement on such General Obligation Bond Tax Revenues (except as expressly provided in the Trust Agreement), without the consent of the Owners of all of the Bonds then Outstanding.

Approval of Form; Springing Amendment. It will not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Trust Agreement, but it will be sufficient if such consent will approve the substance thereof. The District may evidence Owner consent to an amendment to the Trust Agreement by providing that the effectiveness thereof will occur when the Bonds Outstanding evidenced by a majority of the Bond Obligation were issued after the amendment was proposed, acquisition of the Bonds by the Owners thereof evidencing consent to the amendment. Promptly after the execution and delivery by the Trustee and the District of any Supplemental Trust Agreement, the Trustee will mail a notice, setting forth in general terms the substance of such Supplemental Trust Agreement to the Owners of the Bonds at the addresses shown on the registration books of the Trustee. Any failure to give such notice, or, any defect therein, will not, however, in any way impair or affect the validity of any such Supplemental Trust Agreement.

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

Defeasance

Discharge of Liability on Bonds. Bonds of any Series or a portion thereof may be paid by the District in any of the following ways:

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

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

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

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

Discharge by Deposit. Upon the deposit with the Trustee, escrow agent or other fiduciary, in trust, at or before maturity, of money or securities in the necessary amount (as provided pursuant to the provisions of the Trust Agreement described under the caption "Deposit of Money or Securities with Trustee") to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption will have been given as provided pursuant to the provisions of the Trust Agreement under the caption "Redemption of Bonds" or provision satisfactory to the Trustee will have been made for the giving of such notice, then all liability of the District in respect of such Bond will cease, terminate and be completely discharged, provided that the Owner thereof will thereafter be entitled to the payment of the principal of and premium, if any, and interest on the Bonds, and the District will remain liable for such payment, but only out of such money or securities deposited with the Trustee as aforesaid for their payment, subject, however, to the provisions of the Trust Agreement described under the caption "Payment of Bonds After Discharge of Trust Agreement" and the continuing duties of the Trustee under the Trust Agreement.

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

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

(B) Non-callable Investment Securities described in clauses (i), (ii) or (vi) of the definition thereof the principal of and interest on which when due will, in the opinion of an independent certified public accountant or other verification entity delivered to the Trustee (upon which opinion the Trustee may conclusively rely), provide money sufficient to pay the principal or Redemption Price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or Redemption Price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption will have been given as required or provision satisfactory to the Trustee will have been made for the giving of such notice; provided, in each case, that the Trustee will have been irrevocably instructed (by the terms of the Trust Agreement or by Request of the District) to apply such money to the payment of such principal or Redemption Price and interest with respect to such Bonds.

If the escrow agent is other than the Trustee, the Trustee shall be provided written certification from the escrow agent, upon which certification the Trustee may conclusively rely, that the escrow agent is in receipt of funds in the necessary amount for the defeasance.

Payment of Bonds After Discharge of Trust Agreement. Any moneys held by the Trustee in trust for the payment of the principal or Redemption Price of, or interest on, any Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption as provided in the Trust Agreement), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, will, upon Request of the District, be repaid to the District free from the trusts created by the Trust Agreement, and all liability of the Trustee with respect to such moneys will thereupon cease; provided, however, that before the repayment of such moneys to the District as aforesaid, the Trustee may (at the cost of the District) first mail to the Owners of any Bonds remaining unpaid at the addresses shown on the registration books maintained by the Trustee a notice, in such form as may be deemed appropriate by the Trustee, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof. All moneys held by or on behalf of the Trustee for the payment of principal or interest or premium on Bonds, whether at redemption or maturity, will be held in trust for the account of the Owners thereof and the Trustee will not be required to pay Owners any interest on, or be liable to the Owners or any other person (other than the District) for any interest earned on, moneys so held. Any interest earned thereon will belong to the District and will be deposited monthly by the Trustee into the Revenue Fund.

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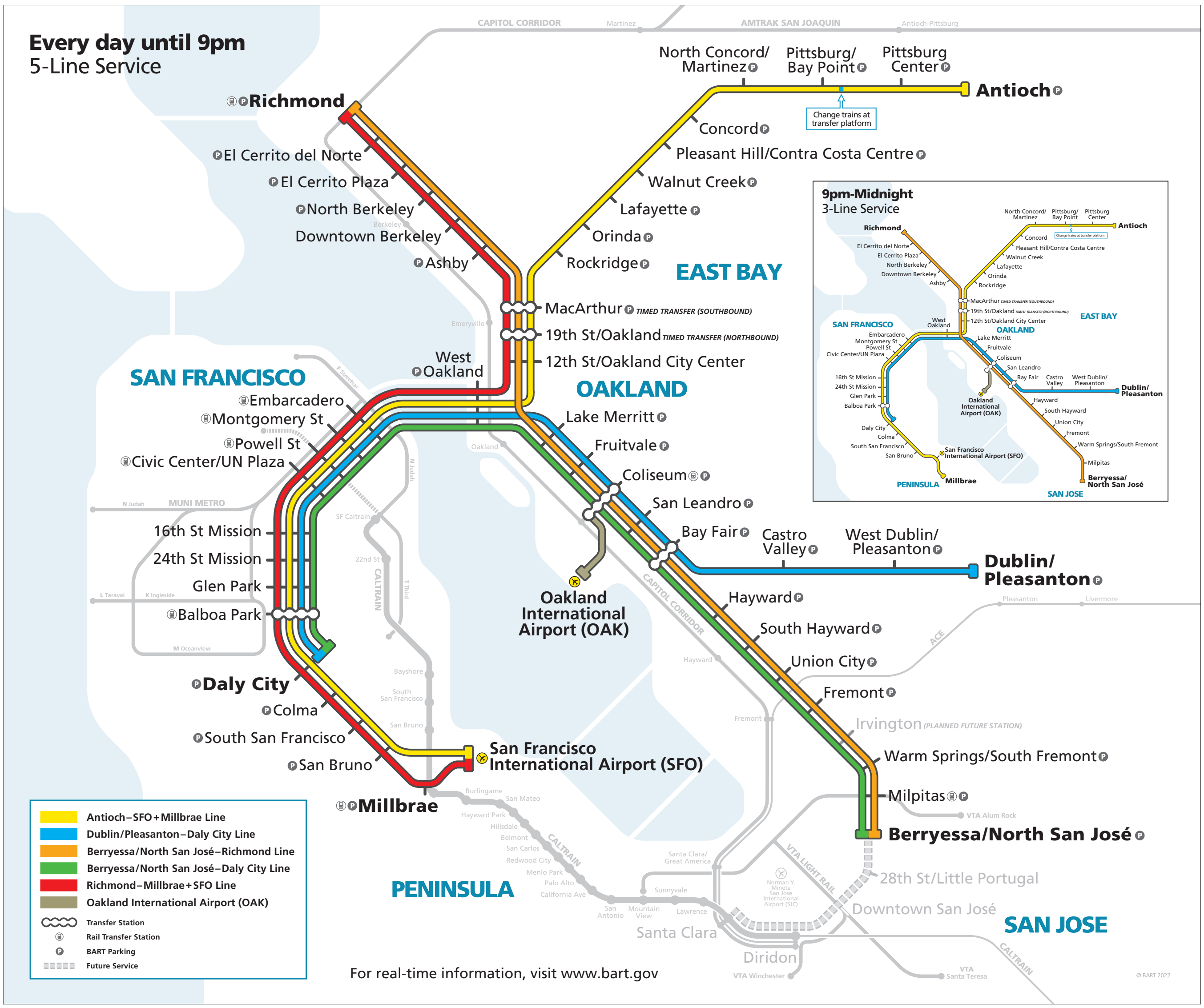

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El Cerrito Plaza
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Downtown Berkeley
Ashby
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19th St/Oakland TIMED TRANSFER (NORTHBOUND)
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West Oakland
North Concord/ Martinez
Pittsburg/ Bay Point
Pittsburg Center
Antioch
Change trains at transfer platform
Concord
Pleasant Hill/Contra Costa Centre
Walnut Creek
Lafayette
Orinda
Rockridge
EAST BAY
SAN FRANCISCO
OAKLAND
Embarcadero
Montgomery St
Powell St
Civic Center/UN Plaza
16th St Mission
24th St Mission
Glen Park
Balboa Park
Daly City
Colma
South San Francisco
San Bruno
Millbrae
San Francisco International Airport (SFO)
Oakland International Airport (OAK)
Lake Merritt
Fruitvale
Coliseum
San Leandro
Bay Fair
Castro Valley
West Dublin/ Pleasanton
Dublin/ Pleasanton
Hayward
South Hayward
Union City
Fremont
Irvington (PLANNED FUTURE STATION)
Warm Springs/South Fremont
Milpitas
Berryessa/North San José
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CALTRAIN
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ACE
MUNI METRO
9pm-Midnight
3-Line Service
Antioch–SFO+Millbrae Line
Dublin/Pleasanton–Daly City Line
Berryessa/North San José–Richmond Line
Berryessa/North San José–Daly City Line
Richmond–Millbrae+SFO Line
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