

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: Standard & Poor's: "AA+"
Fitch: "AA+"
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 Series 2019A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). In the further opinion of Bond Counsel, interest on the Series 2019A 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 Series 2019 Bonds is exempt from State of California personal income taxes. Bond Counsel further observes that interest on the Series 2019B 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 Series 2019 Bonds. See "TAX MATTERS" herein.



\$303,310,000
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
SALES TAX REVENUE BONDS



\$223,020,000
2019 SERIES A

\$80,290,000
2019 REFUNDING SERIES B (FEDERALLY TAXABLE)
(GREEN BONDS)

Dated: Date of Delivery

Due: **July 1**, as shown on the inside cover

The San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds, 2019 Series A (the "Series 2019A Bonds") are being issued by the San Francisco Bay Area Rapid Transit District (the "District") to provide sufficient funds (i) for the acquisition, construction, renovation, improvement and equipping of facilities which will serve as the District's new headquarters; (ii) to capitalize interest through July 1, 2021; and (iii) to fund costs of issuance associated with the Series 2019A Bonds. The San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds, 2019 Refunding Series B (Federally Taxable) (Green Bonds) (the "Series 2019B Bonds" and, together with the Series 2019A Bonds, the "Series 2019 Bonds") are being issued by the District to provide sufficient funds to (i) refund a portion of the District's Sales Tax Revenue Bonds, 2012 Series A; and (ii) fund costs of issuance associated with the Series 2019B Bonds. See "PLAN OF FINANCE" herein. The Series 2019 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 Series 2019 Bonds will be made in principal amounts of \$5,000 and integral multiples thereof and will be in book-entry-only form. Purchasers of the Series 2019 Bonds will not receive bonds representing their beneficial ownership in the Series 2019 Bonds but will receive a credit balance on the books of their respective DTC Direct Participants or DTC Indirect Participants.

Interest on the Series 2019 Bonds is payable on January 1 and July 1 of each year, commencing January 1, 2020, and the principal of the Series 2019 Bonds is payable July 1 in the amounts and the years set forth on the inside cover by U.S. Bank National Association, as trustee, to Cede & Co., and such interest and principal payments are to be disbursed to the beneficial owners of the Series 2019 Bonds through their respective DTC Direct Participants or DTC Indirect Participants.

The Series 2019 Bonds are subject to redemption prior to maturity as described herein. See "DESCRIPTION OF THE SERIES 2019 BONDS" herein.

The Series 2019 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, as more fully described herein. The Series 2019 Bonds are issued on a parity with certain other bonds issued by the District and currently outstanding. See "SECURITY FOR THE SERIES 2019 BONDS" 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 Series 2019 Bonds will be offered when, as and if issued by the District and received by the Underwriters, subject to the approval of validity by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the District. Certain legal matters will be passed upon for the District by its General Counsel, Matthew Burrows, Esq., and by Orrick, Herrington & Sutcliffe LLP, Disclosure Counsel to the District. Certain legal matters will be passed upon for the Underwriters by their counsel, Curls Bartling P.C. The Series 2019 Bonds in book-entry-only form are expected to be delivered through the facilities of DTC on or about October 31, 2019.

Barclays

J.P. Morgan

Citigroup

Siebert Cisneros Shank & Co. L.L.C.

Fidelity Capital Markets

The date of this Official Statement is October 22, 2019.

\$223,020,000
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
SALES TAX REVENUE BONDS
2019 SERIES A

MATURITY SCHEDULE

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP[‡] (Base: 797669)
2029	\$3,210,000	5.000%	1.320%*	YV4
2030	3,310,000	5.000	1.460*	YW2
2031	3,445,000	5.000	1.550*	YX0
2032	3,620,000	5.000	1.590*	YY8
2033	3,750,000	5.000	1.680*	YZ5
2034	5,795,000	4.000	1.990*	ZA9
2035	16,280,000	4.000	2.070*	ZB7
2036	16,820,000	4.000	2.140*	ZC5
2037	18,340,000	4.000	2.160*	ZD3
2038	19,075,000	4.000	2.210*	ZE1
2039	19,840,000	4.000	2.220*	ZF8

\$109,535,000 3.000% Term Bonds due July 1, 2044 to Yield 2.850%* CUSIP[‡]: 797669ZG6

\$80,290,000
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
SALES TAX REVENUE BONDS
2019 REFUNDING SERIES B
(FEDERALLY TAXABLE) (GREEN BONDS)

MATURITY SCHEDULE

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP[‡] (Base: 797669)
2023	\$4,250,000	1.891%	1.891%	ZH4
2024	4,440,000	1.971	1.971	ZJ0
2025	4,640,000	2.208	2.208	ZK7
2026	4,870,000	2.338	2.338	ZL5
2027	5,115,000	2.478	2.478	ZM3
2028	5,375,000	2.538	2.538	ZN1
2029	6,240,000	2.568	2.568	ZP6
2030	6,575,000	2.648	2.648	ZQ4
2031	6,905,000	2.768	2.768	ZR2
2032	7,250,000	2.868	2.868	ZS0
2033	7,620,000	2.918	2.918	ZT8
2034	5,395,000	2.998	2.998	ZU5
2035	5,665,000	3.048	3.048	ZV3
2036	5,950,000	3.098	3.098	ZW1

* Yield to the par call date of July 1, 2027.

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This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor will there be any offer or solicitation or sale of the Series 2019 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 Series 2019 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 will, 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 Series 2019 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 will be relied upon as a promise or representation by the Municipal Advisor.)

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," "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, 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 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.

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 Series 2019 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 Series 2019 Bonds.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2019 BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2019 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SERIES 2019 BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT 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.

CERTIFICATION AS CLIMATE BONDS

The Climate Bonds Initiative has provided the following paragraphs for inclusion in this Official Statement: The certification of the Series 2019B 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 Series 2019B 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 Series 2019B 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 Series 2019B Bonds and such certification does not address the market price or suitability of the Series 2019B 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 Series 2019B 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 Series 2019B 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.

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

**300 Lakeside Drive, 23rd Floor
Oakland, California 94612**

BOARD OF DIRECTORS

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

OFFICERS

Robert Powers – *General Manager*
Rosemarie V. Poblete – *Controller/Treasurer*
Patricia K. Williams – *District Secretary*
Russell G. Bloom – *Independent Police Auditor*
Harriet Richardson – *Inspector General*

GENERAL COUNSEL

Matthew Burrows, Esq.

TRUSTEE AND ESCROW AGENT

U.S. Bank National Association
San Francisco, California

BOND COUNSEL AND DISCLOSURE COUNSEL

Orrick, Herrington & Sutcliffe LLP
San Francisco, California

MUNICIPAL ADVISOR

Sperry Capital Inc.
Sausalito, California

VERIFICATION AGENT

Causey Demgen & Moore P.C.
Denver, Colorado

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OFFICIAL STATEMENT

\$223,020,000
SAN FRANCISCO BAY AREA RAPID TRANSIT
DISTRICT
SALES TAX REVENUE BONDS
2019 SERIES A

\$80,290,000
SAN FRANCISCO BAY AREA RAPID TRANSIT
DISTRICT
SALES TAX REVENUE BONDS
2019 REFUNDING SERIES B
(FEDERALLY TAXABLE) (GREEN BONDS)

INTRODUCTION

General

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 \$223,020,000 aggregate principal amount of San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds, 2019 Series A (the “Series 2019A Bonds”) and \$80,290,000 aggregate principal amount of San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds, 2019 Refunding Series B (Federally Taxable) (Green Bonds) (the “Series 2019B Bonds”) and, together with the Series 2019A Bonds, the “Series 2019 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 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 owns property within the County of San Mateo on which BART facilities are located, 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. Extension of the BART System to the County of Santa Clara is currently under construction. The District’s transit system extends over 120 miles and is the major transit provider of transbay traffic from the East Bay to downtown San Francisco, averaging over 227,000 transbay passengers each weekday and approximately 118 million passengers annually. The District is governed by an elected board of directors consisting of nine members. For additional information concerning the District, see APPENDIX A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION.”

Authority for Issuance and Purpose and Application of Proceeds

The Series 2019 Bonds are to be issued pursuant to the laws of the State of California, including Article 2, Chapter 7, Part 2, Division 10 of the California Public Utilities Code, as amended from time to time, and applicable portions of the Revenue Bond Law of 1941, as amended from time to time and Articles 10 and 11 of Chapter 3, Part 1 of Division 2 of Title 5 of the Government Code (collectively, the “Act”), a Resolution, adopted by the Board of Directors of the District on September 12, 2019 and pursuant to a Master Indenture, dated as of September 1, 2012 (the “Master Indenture”), between the District and U.S. Bank National Association, as trustee (the “Trustee”), as supplemented and amended (the “Indenture”) including as supplemented by the Fifth Supplemental Indenture, dated as of October 1, 2019 (the “Fifth Supplemental Indenture”), between the District and the Trustee.

Security

General. The Series 2019 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%) 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, as more fully described herein. See “SECURITY FOR THE SERIES 2019 BONDS.”

Outstanding Bonds. The Series 2019 Bonds are issued on a parity with certain outstanding bonds of the District issued pursuant to the Indenture. Prior to the issuance of the Series 2019 Bonds, the outstanding bonds consist of the San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds, 2012 Series A (the “Series 2012A Bonds”) issued in the principal amount of \$130,475,000, of which \$83,940,000 are Outstanding, the San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds, 2012 Series B (Federally Taxable) (the “Series 2012B Bonds”) issued in the principal amount of \$111,085,000, of which \$8,335,000 are Outstanding, the San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds, 2015 Refunding Series A (the “Series 2015A Bonds”) issued in the principal amount of \$186,640,000, of which \$132,435,000 are Outstanding, the San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds, 2016 Refunding Series A (the “Series 2016A Bonds”) issued in the principal amount of \$83,800,000, of which \$80,665,000 are Outstanding, the San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds, 2017 Refunding Series A (Green Bonds) (the “Series 2017A Bonds”) issued in the principal amount of \$118,260,000, of which \$118,260,000 are Outstanding, and the San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds, 2017 Refunding Series B (Federally Taxable) (Green Bonds) (the “Series 2017B Bonds”) issued in the principal amount of \$67,245,000, of which \$57,845,000 are Outstanding. The Series 2019B Bonds are being issued to refund a portion of the Series 2012A Bonds. The Series 2012A Bonds, the Series 2012B Bonds, the Series 2015A Bonds, the Series 2016A Bonds, the Series 2017A Bonds, the Series 2017B Bonds and the Series 2019 Bonds, together with any future series of parity bonds, are hereinafter collectively referred to as the “Bonds.”

References

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 such documents. The offering of the Series 2019 Bonds is made only by means of this entire Official Statement and is subject in all respects to the information contained herein. All capitalized terms used and not otherwise defined herein will have the meanings assigned to such terms in APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Definitions” or, if not defined therein, in the Indenture.

PLAN OF FINANCE

The District intends to apply the proceeds of the Series 2019A Bonds to (i) fund the acquisition, construction, renovation, improvement and equipping of facilities which will serve as the District's new headquarters; (ii) fund capitalized interest through July 1, 2021; and (iii) fund costs of issuance associated with the Series 2019A Bonds. The District currently leases approximately 369,000 square feet of space in an office building in Oakland that serves as its headquarters and is utilized by over 1,000 BART employees and contractors. The lease of the current headquarters expires July 18, 2021 and any extension of such lease would involve more than a 60% increase in rent, such cost increase reflecting adjustment to current market rates. For the past year, BART and its consultants have investigated options for rent or purchase of facilities to serve as the BART headquarters and the BART Board of Directors approved the acquisition of a newly renovated building near its current location. The building, located at 2150 Webster Street, Oakland, has 10 floors, approximately 245,000 square feet, and was constructed in 1975 using concrete cast in place construction. The acquisition price of the building is approximately \$142 million and BART has budgeted \$85 million in proceeds to expend on tenant improvements, with occupancy planned prior to July 1, 2021. The building has a LEED Silver EB certification.

The District intends to apply the proceeds of the Series 2019B Bonds to (i) refund a portion of the outstanding Series 2012A Bonds; and (ii) pay costs of issuance of the Series 2019B Bonds. The Series 2012A Bonds to be refunded by the Series 2019B Bonds are hereinafter collectively referred to as the "Refunded Bonds." The Refunded Bonds were issued to refund prior Bonds of the District that financed or refinanced District capital improvements including extensions of District facilities to the San Francisco International Airport and the West Dublin Pleasanton Station. The Refunded Bonds that will be defeased upon issuance of the Series 2019 Bonds are set forth below. See "ESTIMATED SOURCES AND USES OF FUNDS" and "VERIFICATION OF MATHEMATICAL ACCURACY."

The moneys required to refund the Refunded Bonds will be derived from the net proceeds of the Series 2019B Bonds and investment earnings thereon. The Refunded Bonds subject to redemption prior to maturity are expected to be redeemed on July 1, 2022. Pursuant to the Escrow Agreement (the "Escrow Agreement") to be entered into between the District and the U.S. Bank National Association, as escrow agent for the Refunded Bonds (the "Escrow Agent"), such moneys will be deposited in the escrow fund established for the Refunded Bonds (the "Escrow Fund") and held in cash or applied to purchase direct obligations of, or obligations of certain agencies unconditionally guaranteed by, the United States of America (the "Government Securities"). The Government Securities will be purchased and held by the Escrow Agent in the Escrow Fund in an amount sufficient, together with investment earnings thereon, to pay interest thereon to the redemption date and to redeem the Refunded Bonds on their redemption date, at a redemption price equal to the principal amount of the Refunded Bonds to be redeemed, plus interest thereon. See "VERIFICATION OF MATHEMATICAL ACCURACY."

The Refunded Bonds that the District will defease upon the issuance of the Series 2019B Bonds are set forth below.

**San Francisco Bay Area Rapid Transit District
Sales Tax Revenue Bonds, 2012 Series A
Redemption Date: July 1, 2022
Redemption Price: 100%**

Maturity Date (July 1)	Interest Rate	Defeased Principal Amount	CUSIP [‡] (Base: 797669)
2023	5.000%	\$3,325,000	YJ1
2024	5.000	3,610,000	YK8
2025	5.000	3,915,000	YL6
2026	5.000	4,250,000	YM4
2027	5.000	4,605,000	YN2
2028	5.000	4,980,000	YP7
2029	5.000	5,370,000	YQ5
2030	5.000	5,780,000	YR3
2031	5.000	6,225,000	YS1
2032	5.000	6,690,000	YT9
2036	5.000	23,585,000	YU6
Total		\$72,335,000	

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DESIGNATION OF SERIES 2019B BONDS AS GREEN BONDS / CLIMATE BOND CERTIFIED

The information set forth under this caption “Climate Bond Certified” 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. This hyperlink 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, are available at www.bart.gov/sustainability. BART is issuing the Series 2019B Bonds as Green Bonds based on these environmentally sustainable elements of the projects financed. BART’s Green Bonds designation is designed to track the “Green Bond Principles” as promulgated by the International Capital Market Association (“ICMA”), updated most recently in June 2018. By reference to the ICMA’s “Green and Social Bonds: A High-Level Mapping to the Sustainable Development Goals” (June 2018), 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 Indenture, and their use herein is for identification purposes only and is not intended to provide or imply that a holder of the Series 2019B Bonds is entitled to any additional security other than as provided in the Indenture, including as supplemented by the Fifth Supplemental Indenture. The District has no continuing legal obligation to maintain the Climate Bond Certification of the Series 2019B 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 2018, \$167.6 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 Series 2019B Bonds as “Climate Bond Certified” based on the Climate Bonds Standard Verification Statement provided by First Environment. First Environment’s factual findings assessed that the Series 2012A Bonds, to be refunded by the issuance of the 2019B Bonds, were used on projects conforming 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 the sales tax revenue bond program are consistent with the Low Carbon Land Transport Standard; and (ii) a designation of the Series 2019B 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 Series

2019B 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 Series 2019B 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 Series 2019B Bonds, and that these internal processes and controls are sufficient to enable conformance with the Certification Process after the Series 2019B Bonds have been issued and bond proceeds are expended.

Use of Proceeds. The Series 2019B Bonds are being issued to refinance projects that assist the District in providing mass transit services using an electrified railway that provides a low-carbon alternative to automobile travel. BART’s sustainability statistics include the following estimates:

- (i) 1,781,719,303 passenger miles traveled in 2018;
- (ii) 412,030 average weekday exits in 2018;
- (iii) 14.92 miles average trip length in 2018;
- (iv) 139,116 gallons of gasoline saved from all riders for one typical weekday based on fiscal year 2016 data;
- (v) 2,724,313 pounds of carbon dioxide emissions avoided from automobiles otherwise used by riders for one typical weekday based on fiscal year 2016 data;
- (vi) 324,893 megawatt-hours of traction power in 2018;
- (vii) The vast majority of BART trains are 100% electric, with the exception of BART’s new Antioch Extension (“eBART”) commissioned in May 2018, which relies on renewable diesel as a propulsion fuel;
- (viii) In 2018 approximately 98% of such electric power came from low- and zero-carbon sources, including photovoltaic solar and hydroelectric facilities; and
- (ix) According to a 2010 U.S. Department of Transportation Federal Transit Administration report titled “Public Transportation’s Role in Responding to Climate Change,” BART was the country’s cleanest major transit system in its class emitting fewer pounds of carbon dioxide per passenger mile than any other transit system.

As such, the District applied to the Climate Bonds Initiative under the Certification Process for designation of the Series 2019B Bonds as “Climate Bond Certified” and the designation was approved.

DESCRIPTION OF THE SERIES 2019 BONDS

General

The Series 2019 Bonds will be dated as of their date of issuance and are expected to mature at the times and in the principal amounts as set forth on the inside cover page of this Official Statement. Interest on the Series 2019 Bonds will be payable on January 1 and July 1 of each year, commencing January 1, 2020 (each, an “Interest Payment Date”). Interest on the Series 2019 Bonds will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2019 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 Series 2019 Bonds. Beneficial Ownership interests in the Series 2019 Bonds may be purchased by or through a DTC Participant (as described below) in book-entry-only form in denominations of \$5,000 or any integral multiple thereof. See APPENDIX F – “DTC AND THE BOOK-ENTRY-ONLY SYSTEM.”

Optional Redemption of the Series 2019A Bonds

The Series 2019A Bonds will be 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 July 1, 2027, at the principal amount of Series 2019A Bonds called for redemption plus interest accrued thereon to the date fixed for redemption without premium.

Optional Redemption of the Series 2019B Bonds

The Series 2019B Bonds maturing on or after July 1, 2030 will be 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 July 1, 2029, at the principal amount of Series 2019B Bonds called for redemption plus interest accrued thereon to the date fixed for redemption without premium.

Mandatory Redemption

The Series 2019A Term Bond maturing on July 1, 2044 is also subject to redemption in part, by lot, from Mandatory Sinking Account Payments on July 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. The Mandatory Sinking Account Payments will be sufficient to redeem (or pay at maturity) the following principal amounts of the Series 2019A Bonds on the dates set forth below:

Mandatory Sinking Account Payment Date (July 1)	Mandatory Sinking Account Payment
2040	\$20,630,000
2041	21,250,000
2042	21,890,000
2043	22,545,000
2044 [†]	23,220,000

[†] Maturity

The principal amount of each Mandatory Sinking Account Payment of any maturity will be reduced as specified by the District, in \$5,000 increments, by the amount of any Series 2019A Bonds of that maturity optionally redeemed prior to the Mandatory Sinking Account Payment date.

Selection of Bonds for Redemption

The District will designate which maturities of Series 2019 Bonds are to be called for redemption pursuant to the Indenture. If less than all of the Series 2019A Bonds maturing on a specific maturity date are called for redemption, the Trustee will select the Series 2019A Bonds of such maturity to be redeemed, from the outstanding Series 2019A Bonds of such maturity not previously called for redemption, in minimum denominations of \$5,000 (of principal), by lot in any manner which the Trustee in its sole discretion deems appropriate.

If less than all of the Series 2019B Bonds of a single maturity are called for optional redemption, the Trustee shall select the Series 2019B Bonds or any given portion thereof to be redeemed from the Series 2019B 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 Series 2019B 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 Series 2019B Bonds, if less than all of the Series 2019B Bonds of a maturity are called for prior redemption, the particular Series 2019B 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 Series 2019B Bonds are held in book-entry form, the selection for redemption of such Series 2019B 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 Series 2019B Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the Series 2019B Bonds on a pro rata pass-through distribution of principal basis as discussed above, then the Series 2019B Bonds will be selected for redemption randomly, in accordance with DTC procedures, by lot. The District can provide no assurance on how DTC and other parties will allocate redemption payments. See APPENDIX F – "DTC AND THE BOOK-ENTRY-ONLY SYSTEM."

Purchase In Lieu of Redemption

Pursuant to the Indenture, the District has the option to purchase the Series 2019A Bonds at any time that the Series 2019A Bonds are subject to optional redemption as provided in the Indenture at a purchase price equal to the redemption price then applicable to such Series 2019A Bonds in which case such Series 2019A Bonds purchased in lieu of redemption may be remarketed and would remain outstanding after such purchase. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

Notwithstanding the foregoing, the District always retains the right to purchase the Series 2019 Bonds in the open market, at market rates, for cancellation.

Notice of Redemption

Notice of any redemption of Series 2019 Bonds will be mailed by the Trustee by first class mail to the Owner of any Series 2019 Bonds designated for redemption at least 20 but not more than 60 days prior to the redemption date (but failure to receive any such notice or any defect therein will not affect the sufficiency of the redemption proceedings).

With respect to any notice of optional redemption of Series 2019 Bonds delivered pursuant to the Indenture, unless, upon the giving of such notice, such Series 2019 Bonds will be deemed to have been paid within the meaning of the Indenture, such notice will state that such redemption will be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of amounts sufficient to pay the principal of, and premium, if any, and interest on, such Series 2019 Bonds to be redeemed, and that if such amounts will not have been so received said notice will be of no force and effect and the District will not be required to redeem such Series 2019 Bonds. In the event that such notice of redemption contains such a condition and such amounts are not so received, the redemption will not be made and the Trustee will within a reasonable time thereafter give notice to the Owners to the effect that such amounts were not so received and such redemption was not made, such notice to be given by the Trustee in the same manner and to the same parties, as notice of such redemption was given pursuant to the Indenture.

Any notice given pursuant to the Indenture (other than a notice given in connection with a mandatory sinking account redemption) may be rescinded by written notice given to the Trustee by the District no later than the date specified for redemption. The Trustee will give notice of such rescission as soon thereafter as practicable in the same manner, and to the same parties, as notice of such redemption was given pursuant to the Indenture.

Book-Entry-Only System

As noted above, DTC will act as securities depository for the Series 2019 Bonds. See APPENDIX F – “DTC AND THE BOOK-ENTRY-ONLY SYSTEM.”

Payments of interest on, principal of and premium, if any, on the Series 2019 Bonds will be made to DTC or its nominee, Cede & Co., as registered owner of the Series 2019 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, redemption price of or interest on the Series 2019 Bonds to the extent of the sum or sums so paid.

The District and the Trustee cannot and do not give any assurances that DTC Participants or DTC Indirect Participants will distribute to the Beneficial Owners (i) payments of interest and principal with respect to the Series 2019 Bonds, (ii) confirmation of ownership interests in the Series 2019 Bonds, or (iii) redemption or other notices sent to DTC or Cede & Co., its nominee, as Owner of the Series 2019 Bonds, or that they will do so on a timely basis.

Payments Upon Abandonment of Book-Entry-Only System

In the event that the book-entry-only system ceases to be used with respect to the Series 2019 Bonds, payment of interest on the Series 2019 Bonds will be made by check mailed by first class mail on each interest payment date to the Owners thereof as of the close of business on the fifteenth (15th) day of the calendar month immediately preceding such interest payment date; provided, however, that Owners of at least \$1,000,000 aggregate principal amount of Series 2019 Bonds may, at any time prior to the fifteenth day of the calendar month immediately preceding such interest payment date, give the Trustee written instructions for payment of such interest on each succeeding interest payment date by wire transfer. Principal of, and premium, if any, on the Series 2019 Bonds will be payable at the corporate trust office of the Trustee designated for such purpose. The Series 2019 Bonds will be in the form of fully registered Bonds and will be issued in denominations of \$5,000 or any integral multiple thereof.

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

The book-entry-only system for registration of the ownership of the Series 2019 Bonds in book-entry-only form may be discontinued at any time if: (1) after notice to the District and the Trustee, DTC determines to resign as securities depository for the Series 2019 Bonds; or (2) after notice to DTC and the Trustee, 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, in the case described in clause (1) above, the District appoints a successor securities depository), the Series 2019 Bonds will 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 will 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 Series 2019 Bonds. Thereafter, all Series 2019 Bonds are transferable or exchangeable as described in the Indenture.

ESTIMATED SOURCES AND USES OF FUNDS

Set forth below are the estimated sources and uses of funds in connection with the Series 2019 Bonds:

Sources of Funds:

Principal Amount of Series 2019A Bonds	\$223,020,000.00
Principal Amount of Series 2019B Bonds	80,290,000.00
Original Issue Premium	<u>17,947,888.75</u>

Total Sources: \$321,257,888.75

Uses of Funds:

Project Fund Deposit	\$227,000,000.00
Capitalized Interest Fund Deposit ⁽¹⁾	13,142,400.23
Refunding Escrow Fund Deposit	79,951,157.64
Costs of Issuance ⁽²⁾	<u>1,164,330.88</u>

Total Uses: \$321,257,888.75

⁽¹⁾ Funds interest on the Series 2019A Bonds through July 1, 2021.

⁽²⁾ 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."

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DEBT SERVICE REQUIREMENTS

Following the issuance of the Series 2019 Bonds and defeasance of the Refunded Bonds, the debt service requirements for the Outstanding Series 2012A Bonds, Series 2012B Bonds, Series 2015A Bonds, Series 2016A Bonds, Series 2017A Bonds, Series 2017B Bonds and Series 2019 Bonds will be as shown in the following table.

Fiscal Year	Outstanding Sales Tax Bonds*	Series 2019A Bonds		Series 2019B Bonds		Series 2019 Bonds	Total Bond Debt Service†
		Principal	Interest	Principal	Interest	Total	
2020	\$ 44,377,772 [§]	\$	\$ 1,355,352	\$	\$ 359,537	\$1,714,890	\$ 46,092,662
2021	43,145,580		7,998,800		2,121,862	10,120,662	53,266,243
2022	44,828,422		7,998,800		2,121,862	10,120,662	54,949,085
2023	46,515,063		7,998,800		2,121,862	10,120,662	56,635,725
2024	44,952,230		7,998,800	4,250,000	2,081,678	14,330,478	59,282,708
2025	44,843,243		7,998,800	4,440,000	1,997,738	14,436,538	59,279,782
2026	44,724,368		7,998,800	4,640,000	1,902,756	14,541,556	59,265,925
2027	44,594,868		7,998,800	4,870,000	1,794,601	14,663,401	59,258,269
2028	44,458,268		7,998,800	5,115,000	1,674,295	14,788,095	59,246,364
2029	44,324,918		7,998,800	5,375,000	1,542,712	14,916,512	59,241,431
2030	20,441,093	3,210,000	7,918,550	6,240,000	1,394,381	18,762,931	39,204,025
2031	20,313,440	3,310,000	7,755,550	6,575,000	1,227,207	18,867,757	39,181,197
2032	20,169,843	3,445,000	7,586,675	6,905,000	1,044,589	18,981,264	39,151,107
2033	20,022,775	3,620,000	7,410,050	7,250,000	845,058	19,125,108	39,147,883
2034	19,873,100	3,750,000	7,225,800	7,620,000	629,918	19,225,718	39,098,818
2035	16,466,350	5,795,000	7,016,150	5,395,000	437,871	18,644,021	35,110,371
2036	6,301,950	16,280,000	6,574,650	5,665,000	270,665	28,790,315	35,092,265
2037	6,328,525	16,820,000	5,912,650	5,950,000	92,165	28,774,815	35,103,340
2038		18,340,000	5,209,450			23,549,450	23,549,450
2039		19,075,000	4,461,150			23,536,150	23,536,150
2040		19,840,000	3,682,850			23,522,850	23,522,850
2041		20,630,000	2,976,600			23,606,600	23,606,600
2042		21,250,000	2,348,400			23,598,400	23,598,400
2043		21,890,000	1,701,300			23,591,300	23,591,300
2044		22,545,000	1,034,775			23,579,775	23,579,775
2045		23,220,000	348,300			23,568,300	23,568,300
TOTAL†	\$ 576,681,816	\$223,020,000	\$152,507,452	\$ 80,290,000	\$23,660,766	\$479,478,218	\$1,056,160,034

* Does not include the debt service of bonds to be redeemed or defeased upon the issuance of the Series 2019B Bonds.

† Totals may not add due to rounding.

§ The Outstanding Sales Tax Bonds Fiscal Year 2020 includes debt service payments that previously were made on July 1, 2019. The remaining outstanding debt service for Fiscal Year 2020 will be paid on January 1, 2020 in the amount of \$8,730,488.34.

SECURITY FOR THE SERIES 2019 BONDS

General

The Series 2019 Bonds are special obligations of the District payable from and secured by a pledge of sales tax revenues, comprised of seventy-five percent (75%) of the amounts derived from a one-half of one percent (0.5%) transactions and use tax (the “Sales Tax” or the “District Sales Tax”) imposed within the Three BART Counties pursuant to Section 29140 of the California Public Utilities Code, after deduction by the California Department of Tax and Fee Administration (the “CDTFA”) of its fee for administering the Sales Tax (such sales tax revenues being hereinafter referred to as the “Sales Tax Revenues”). See “– Sales Tax Revenues” below.

Only Sales Tax Revenues are pledged by the District for the payment of principal of, redemption premium, if any, and interest on the Series 2019 Bonds and no other revenues of the District are pledged to repayment of the Bonds. The payment of principal of, redemption premium, if any, and interest on the Series 2019 Bonds will be on a parity with the payment of principal of, redemption premium, if any, and interest on and reserve requirements of all Bonds Outstanding under the Indenture and any Additional Bonds and Parity Obligations hereafter issued by the District pursuant to the Indenture. As of October 1, 2019, the District has \$481,480,000 aggregate principal amount of Bonds Outstanding.

“Parity Obligations” means any indebtedness, bond, installment sale obligation, lease obligation or other obligation of the District for borrowed money or interest rate swap agreement (but only as to the regular payments thereunder, fees, expenses and termination payments being subordinate obligations) having an equal lien and charge upon the Sales Tax Revenues and therefore payable on a parity with the Bonds (whether or not any Bonds are Outstanding). The District currently has no Parity Obligations outstanding other than the Bonds, and all its outstanding issues of Bonds bear interest at fixed interest rates.

The District has covenanted in the Indenture not to create any pledge, lien or charge on Sales Tax Revenues having priority over the lien of the Bonds. The District has also covenanted in the Indenture not to issue obligations payable from or secured by Sales Tax Revenues on a parity with the lien of the Bonds and Parity Obligations except as described under “SECURITY FOR THE SERIES 2019 BONDS – Additional Bonds and Parity Debt” and “- Subordinated Obligations.”

Sales Tax Revenues

The District is authorized by Section 29140 of the California Public Utilities Code to levy, within the Three BART Counties, the Sales Tax, which is a transactions tax of one-half of one percent (0.5%) of the gross receipts of retailers from the sale of tangible personal property sold at retail in the Three BART Counties and a use tax at the same rate upon the storage, use or other consumption in the Three BART Counties of such property purchased from any retailer for storage, use or other consumption in the Three BART Counties, subject to certain limited exceptions.

The Taxpayer Transparency and Fairness Act of 2017 restructured the California State Board of Equalization (the “State Board of Equalization”), which previously administered the collection of Sales Tax, into three separate entities: the State Board of Equalization, the CDTFA and the Office of Tax Appeals. Since July 1, 2017, the collection of the Sales Tax has been administered by the CDTFA. The CDTFA is authorized to charge a fee for collection of the Sales Tax (the “CDTFA Fee”) based on the cost of administering the Sales Tax. The CDTFA Fee, the amount of which is agreed with the California Department of Finance, is calculated based on a legislatively-approved costing model and includes direct,

indirect, and central agency charges. The CDTFA Fee is deducted quarterly from the tax distributions made to the District during that period. For fiscal year 2018-19, the CDTFA Fee was \$2,117,190 (approximately 0.8% of Sales Tax receipts collected during the period). The CDTFA may be increased or decreased by legislative action and, accordingly, there can be no assurances that the amount of the CDTFA Fee, or the method for determining the amount of the CDTFA Fee, will remain the same.

After deducting the CDTFA Fee, the CDTFA is required by statute to allocate seventy-five percent (75%) of the Sales Tax receipts to the District. The remaining twenty-five percent (25%) of the Sales Tax collected by the CDTFA is allocated by the Metropolitan Transportation Commission (“MTC”), on the basis of regional priorities established by MTC, among the District, the City and County of San Francisco for the San Francisco Municipal Transportation Agency, which includes buses, street cars, cable cars and electric trolley buses, and the Alameda-Contra Costa Transit District (“AC Transit”) for transit service. The Sales Tax is authorized by State law, is not voter approved and has no limit on the term of its collection.

In addition to the Sales Tax and other sales taxes levied at the county level or the city and county level, the State also imposes a 7.25% sales tax. The Series 2019 Bonds are secured only by Sales Tax Revenues and not other sales taxes levied by the State or counties. The current breakdown of the State’s basic 7.25% rate imposed on a Statewide basis is as set forth below.

- 3.9375% represents the State general fund tax rate.
- 1.25% is imposed under the State’s uniform local sales and use tax law, with 1.00% dedicated to cities and counties and 0.25% dedicated to county transit systems.
- 0.50% is dedicated to local governments for health and social services.
- 0.50% is dedicated to local governments for criminal justice activities.
- 1.0625% is deposited into the State Local Revenue Fund.

In addition to the sales tax levied Statewide and the 0.5% District Sales Tax, the Three BART Counties have local transportation authorities which each collect a 0.5% sales tax. Currently, the total sales tax levied in each of the Three BART Counties is as follows: City and County of San Francisco, 8.50%; County of Alameda, 9.25%; County of Contra Costa, 8.25%. Certain cities in the counties below have higher sales tax rates from local voter-approved measures:

<u>Alameda County</u>		<u>Contra Costa County</u>	
City of Alameda	9.75%	City of Antioch	9.25%
City of Albany	9.75%	City of Concord	8.75%
City of Hayward	9.75%	City of El Cerrito	9.75%
City of Newark	9.75%	City of Hercules	8.75%
City of San Leandro	9.75%	City of Martinez	9.25%
City of Union City	9.75%	Town of Moraga	9.25%
		City of Orinda	8.75%
		City of Pinole	9.25%
		City of Pittsburg	8.75%
		City of Pleasant Hill	8.75%
		City of Richmond	9.25%
		City of San Pablo	8.75%

Source: California Department of Tax and Fee Administration

In general, the Statewide sales tax applies to the gross receipts of retailers from the sale of tangible personal property and the statewide use tax is imposed on the storage, use or other consumption in the State of property purchased from a retailer for such storage, use or other consumption. The Statewide use tax does not apply to cases where the sale of the property is subject to the Statewide sales tax. Therefore, the Statewide use tax is generally applied to purchases made outside of the State for use within the State. The District Sales Tax is imposed upon the same transactions and items subject to the statewide sales tax and the statewide use tax (hereinafter collectively referred to as the “State Sales Tax”), with the same exceptions.

Many categories of transactions are exempt from the State Sales Tax and from the District Sales Tax. The most important are: sales of food products for home consumption; prescription medicine; edible livestock and their feed; seed and fertilizer used in raising food for human consumption; and gas, electricity and water when delivered to consumers through mains, lines, and pipes. In addition, “Occasional Sales” (i.e., sales of property not held or used by a seller in the course of activities for which he or she is required to hold a seller’s permit) are generally exempt from the State Sales Tax and from the District Sales Tax; however, the “Occasional Sales” exemption does not apply to the sale of an entire business and other sales of machinery and equipment used in a business. Sales of property to be used outside the District which are shipped to a point outside the District, pursuant to the contract of sale, by delivery to such point by the retailer, or by delivery by the retailer to a carrier for shipment to a consignee at such point, are also exempt from the State Sales Tax and from the District Sales Tax.

Action by the State Legislature or by voter initiative could change the transactions and items upon which the State Sales Tax and the District Sales Tax are imposed. Such changes could have either an adverse or beneficial impact on the District Sales Tax Revenues.

Sales Tax Revenues consist of amounts that the District actually receives from the CDTFA, calculated on a cash basis. The month of receipt reflects the estimated amount for sales tax transactions that occurred approximately two months prior. At the end of each quarter, an adjustment (i.e., increase or decrease) is made to those estimates and included in the third month disbursement.

Historically, the Sales Tax Revenues for a quarterly period were paid to the District over a four-month period, with advances approximating tax receipts for a particular month being made two months later and a clean-up payment being made for the quarter in the third month of the subsequent quarter. In May 2018, CDTFA converted to a new automation system. Quarterly cleanup distributions going forward were to be finalized every three months in order to expedite distribution of funds CDTFA has on hand by 30 days. However, due to the conversion, CDTFA experienced a backlog in processing returns which resulted in revenues that normally would have been disbursed in fiscal year 2017-18 being disbursed in fiscal year 2018-19. The combination of the delay in such disbursements and the expedited distribution of funds results in fiscal year 2018-19 Sales Tax Revenues for the District, which are counted on a cash basis, being somewhat inflated. Although sales tax activity for fiscal year 2019-20 is expected to increase over that in fiscal year 2018-19, the District has budgeted the Sales Tax Revenues for fiscal year 2019-20 to be less than those received in the prior fiscal year to account for the distribution anomaly.

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The following table shows the Sales Tax Revenues received by the District for fiscal years ended June 30, 1996 through June 30, 2019. For comparison purposes, the fiscal year 2019-20 budgeted amount is also shown.

SALES TAX REVENUES

<u>Fiscal Year Ended June 30</u>	<u>Sales Tax Revenues⁽¹⁾</u>	<u>Percentage Change from Prior Fiscal Year</u>
1996	\$126,077,000	9.46%
1997	134,984,000	7.06
1998	144,675,000	7.18
1999	151,806,000	4.93
2000	170,911,000	12.58
2001	191,648,000	12.13
2002	172,774,000	(9.84)
2003	167,441,000	(3.08)
2004	170,566,000	1.86
2005	178,392,000	4.58
2006	191,680,000	7.44
2007	198,805,000	3.72
2008	202,632,000	1.93
2009	184,286,000	(9.05)
2010	166,520,000	(9.64)
2011	180,819,000	8.59
2012	195,214,000	8.00
2013	208,561,000	6.84
2014	221,149,000	6.04
2015	233,148,000	5.43
2016	241,547,000	3.60
2017	247,185,000	2.33
2018	257,882,000	4.33
2019	280,385,000 ⁽²⁾	8.73
2020	277,000,000 ⁽³⁾	(1.21)

⁽¹⁾ Sales Tax Revenues have been rounded to the nearest thousand.

⁽²⁾ Unaudited.

⁽³⁾ Budgeted.

Source: District.

For fiscal year ending June 30, 2019, the District received approximately \$280.4 million in Sales Tax Revenues, or 8.73% more than Sales Tax Revenues received in the prior fiscal year and approximately \$15.8 million more than budgeted for the fiscal year. The District has budgeted \$277 million in Sales Tax Revenues for the fiscal year ending June 30, 2020. Through the first quarter of fiscal year 2019-20, the District received approximately \$74.9 million in Sales Tax Revenues.

The District's imposition of the Sales Tax and the allocation of the Sales Tax receipts pursuant to Section 29140 of the California Public Utilities Code are subject to legislative review and amendment. Any repeal or amendment of the Sales Tax provisions of the California Public Utilities Code by the State Legislature would be an Event of Default under the Indenture unless the District determined that such repeal or amendment did not materially and adversely affect the rights of the holders of Bonds. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Events of Default and Remedies."

The District levies the Sales Tax pursuant to District Ordinance No. 1 adopted on November 20, 1969, as amended. The District has covenanted in the Indenture that, so long as any Bonds are outstanding, it will not amend, modify or alter such Ordinance in any manner which would reduce the amount of or timing of receipt of Sales Tax Revenues and that it will continue to levy and collect the Sales Tax to the full amount permitted by law.

Application of Sales Tax Revenues

Pursuant to an agreement between the District and the State Board of Equalization, dated August 5, 1982, as amended, the State Board of Equalization previously and now the CDTFA remits all Sales Tax Revenues directly to the Trustee. Pursuant to legislation that became effective in July 2017, the CDTFA administers the collection of sales tax and, pursuant to such legislation, succeeded to the obligations of the State Board of Equalization under the agreement with the District and will continue to remit Sales Tax Revenues to the Trustee. Under the Indenture, the Sales Tax Revenues are deposited in the Revenue Fund and applied by the Trustee to the following funds established by the Indenture in the following order of priority; provided that on a parity with such deposits the Trustee will set aside or transfer amounts with respect to outstanding Parity Obligations (which will be proportionate in the event such amounts are insufficient to provide for all deposits required as of any date to be made with respect to the Bonds and such Parity Obligations):

Expense Account. The Trustee will set aside in the Expense Account amounts payable by the District to the CDTFA for costs and for its services in connection with the collection of the transactions and use taxes (in excess of costs previously deducted by the CDTFA) and all Trustee's and paying agent's fees.

Interest Fund. The Trustee will set aside in the Interest Fund as soon as practicable in each month an amount equal to one-sixth of the aggregate half-yearly amount of interest becoming due and payable on the Outstanding Current Interest Bonds during the next ensuing six months, until the requisite half-yearly amount of interest on all such Outstanding Current Interest Bonds is on deposit in the Interest Fund; provided that from the date of delivery of the Current Interest Bonds until the first interest payment date with respect to the Current Interest Bonds the amounts so paid will be sufficient on a monthly pro rata basis to pay the aggregate amount of interest becoming due and payable on said interest payment date. No deposit need be made into the Interest Fund if the amount contained therein is at least equal to the interest to become due and payable on the interest payment dates falling within the next six months upon all the Bonds then Outstanding and on July 1 of each year any excess amounts in the Interest Fund not needed to pay interest on such date will be transferred to the District.

Principal Fund; Sinking Accounts. The Trustee will deposit in the Principal Fund as soon as practicable in each month an amount equal to at least one-twelfth of the aggregate yearly amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds having annual maturity dates within the next 12 months, plus one-twelfth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next twelve-month period into the respective Sinking Accounts for the Term Bonds of all Series for which a Sinking Account will have been created and for which annual mandatory redemption is required from such Sinking Account (See "DESCRIPTION OF THE SERIES 2019 BONDS – Mandatory Redemption"); provided that if the District certifies to the Trustee that any principal payments are expected to be refunded on or prior to their respective due dates or paid from amounts on deposit in the Bond Reserve Fund that would be in excess of the Bond Reserve Requirement upon such payment, no amounts need be set aside towards such principal to be so refunded or paid.

No deposit need be made into the Principal Fund so long as there will be in such fund (i) moneys sufficient to pay the Bond Obligations of all Serial Bonds then Outstanding and maturing by their terms

within the next twelve months plus (ii) the aggregate of all Mandatory Sinking Account Payments required to be made in such twelve-month period, but less any amounts deposited into the Principal Fund during such twelve month period and theretofore paid from the Principal Fund to redeem or purchase Term Bonds during such twelve-month period.

Bond Reserve Fund. If a Bond Reserve Fund has been established for a Series of Bonds, upon the occurrence of any deficiency therein, the Trustee will deposit as soon as possible in each month in the Bond Reserve Fund, an amount equal to one-twelfth of the aggregate amount of each unreplenished prior withdrawal from the Bond Reserve Fund and the amount of any deficiency due to any required valuations of the investments in the Bond Reserve Fund until the balance in the Bond Reserve Fund is at least equal to the Bond Reserve Requirement. In addition, the Trustee will, on a pro rata basis with such deposits, reimburse to the provider of a letter of credit, insurance policy or surety bond satisfying a portion of the Bond Reserve Requirement one-twelfth of the amount of any unreplenished prior withdrawal on such letter of credit, insurance policy or surety bond.

In addition to reimbursing the provider of an insurance policy or surety bond or letter of credit (a “Reserve Facility”) satisfying the Bond Reserve Requirement the amount of any unreplenished prior withdrawal on such Reserve Facility, the Trustee will, on a subordinate basis with such deposits, pay to such provider any reasonable expenses (together with interest thereon), and interest on the amount of any unreplenished prior withdrawal, calculated as specified in the agreement relating to such Reserve Facility. Repayment of such expenses and accrued interest will be made from and to the extent of available Sales Tax Revenues after the replenishment of the Bond Reserve Fund and such withdrawals. Any Sales Tax Revenues remaining in the Revenue Fund after the foregoing transfers will be transferred on the same Business Day to the District. The District may use and apply the Sales Tax Revenues when received by it for any lawful purpose of the District.

If three days prior to any principal payment date, interest payment date or mandatory redemption date the amounts on deposit in the Interest Fund and Principal Fund, including the Sinking Accounts therein, with respect to the payments to be made on such date are insufficient to make such payments, the Trustee will immediately notify the District, by telephone confirmed in writing, of such deficiency and direct that the District transfer the amount of such deficiency to the Trustee on such payment date. The District will transfer to the Trustee from any Sales Tax Revenues in its possession the amount of such deficiency on or prior to the principal, interest or mandatory redemption date referenced in such notice.

Bond Reserve Fund

The District will not be establishing a Reserve Fund for the Series 2019 Bonds and no Reserve Fund is maintained with respect to any of the outstanding Bonds.

Additional Bonds and Parity Debt

Additional Bonds may be issued on a parity with the Bonds provided that, among other things: (1) Sales Tax Revenues and Associated Sales Tax Revenues relating to any recently annexed jurisdiction for any period of 12 consecutive months during the immediately preceding 18 months are at least equal to 1.5 times the Maximum Annual Debt Service (as defined below) for all Series of Bonds and Parity Obligations then outstanding, including the Bonds to be issued; (2) Sales Tax Revenues estimated by the District for the Fiscal Year in which the Additional Bonds are to be issued and for each of the next succeeding four Fiscal Years will equal at least 1.5 times the amount of Annual Debt Service on all Series of Bonds and Parity Obligations, including the Bonds to be issued; and (3) Sales Tax Revenues for the Fiscal Year in which the additional Series of Bonds are to be issued under the laws then in existence at the time of the issuance of such additional Series of Bonds will be at least 1.0 times the amount of the

District's obligations with respect to repayment of any withdrawals under a Reserve Facility if any, then due and owing under the Reserve Facility.

The District may, by Supplemental Indenture, establish one or more Series of Bonds and the District may issue, and the Trustee may authenticate and deliver to the purchasers thereof, Bonds of any Series so established, in such principal amount as will be determined by the District, as well as Parity Debt, but only upon compliance by the District with certain provisions of the Indenture and subject to certain specific conditions precedent to the issuance of any series of Bonds set forth in the Indenture. See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Additional Bonds; Refunding Bonds; Parity Obligations; Subordinate Obligations.”

“Maximum Annual Debt Service” will mean the greatest amount of principal and interest becoming due and payable on all Bonds and Parity Obligations in the Fiscal Year in which the calculation is made or any subsequent Fiscal Year as set forth in a Certificate of the District; provided, however, that for the purposes of computing Maximum Annual Debt Service:

(a) if the Bonds or Parity Obligations are Variable Rate Indebtedness for which an Interest Rate Swap Agreement is not in place, the interest rate on such debt will be calculated at the greater per annum rate (not to exceed 12%) of: (i) the average of the SIFMA Swap Index for the ten years preceding the date of calculation, and (ii) the highest interest rate listed in The Bond Buyer “25 Bond Revenue Bond Index” published one month preceding the date of sale of such Series of Bonds or Parity Obligations; or, if such Variable Rate Indebtedness is to bear interest expected to be included in gross income for federal income tax purposes (taxable bonds), such higher rate of interest as will be specified in a Certificate of the District;

(b) principal and interest payments on Bonds and Parity Obligations will be excluded to the extent such payments are to be paid from amounts on deposit with the Trustee or other fiduciary in escrow specifically therefore and to the extent that such interest payments are to be paid from the proceeds of Bonds or Parity Obligations held by the Trustee or other fiduciary as capitalized interest specifically to pay such interest by the Trustee or other fiduciary and to the extent such payments are to be paid from pledged Subsidy Payments the District expects to receive;

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

(d) if the Bonds or Parity Obligations are debt, the principal of which the District determines (in a Supplemental Indenture or other document delivered on a date not later than the date of issuance of such Bonds or Parity Obligations) that the District intends to pay with moneys which are not Revenues (such as commercial paper, balloon indebtedness or bond anticipation notes), but from future debt obligations of the District, grants received from the State or federal government, or any agency or instrumentality thereof, or any other source of funds of the District, the principal of such Bonds or Parity Obligations will be treated as if such principal were due based upon a 30-year level amortization of principal from the date of calculation and the interest on such Bonds or Parity Obligations will be calculated as if such Bonds were Variable Rate Indebtedness;

(e) if any Bonds feature an option, on the part of the Bondowners or an obligation under the terms of such Bonds, to tender all or a portion of such Bonds to the District, the Trustee, or other fiduciary or agent and require that such Bonds or portion thereof be purchased if properly presented, then for purposes of determining the amounts of principal and interest due in any Fiscal Year on such Bonds, the options or obligations of the Owners of such Bonds to tender the same for purchase or payment prior to their stated maturity or maturities will be ignored and not treated as a principal maturity and repayment obligations related to the purchase price of such Bonds provided by a Liquidity Facility and the obligations of the District with respect to the provider of such Liquidity Facility, other than its obligations on such Bonds, will be excluded from the tests for the issuance of Parity Obligations until such time as such obligations exist due to such purchase and thereafter, such repayment obligations of the District to the provider of such Liquidity Facility will be included in the computation of the Maximum Annual Debt Service in accordance with the terms of such obligations;

(f) with respect to any Variable Rate Indebtedness for which an Interest Rate Swap Agreement is in place, if (i) the interest rate on such Variable Rate Indebtedness, plus (ii) the payments received and made by the District under an Interest Rate Swap Agreement with respect to such variable interest rate, are expected to produce a synthetic fixed rate to be paid by the District (e.g., an interest rate swap under which the District pays a fixed rate and receives a variable rate that is expected to equal or approximate the rate of interest on such Variable Rate Indebtedness), the Variable Rate Indebtedness will be treated as bearing such synthetic fixed rate for the duration of the synthetic fixed rate; and

(g) if any Bonds or Parity Obligations bear a fixed interest rate or the Bonds or Parity Obligations proposed to be issued will bear a fixed interest rate and an Interest Rate Swap Agreement is entered into with respect to such Bonds or Parity Obligations, if (i) the interest rate on such fixed rate Bonds or Parity Obligations, plus (ii) the payments received and made by the District under an Interest Rate Swap Agreement with respect to such fixed rate Bonds or Parity Obligations, are expected to produce a synthetic variable rate to be paid by the District (e.g., an interest rate swap under which the District pays a variable rate and receives a fixed rate that is expected to equal or approximate the rate of interest on such fixed interest rate debt), the fixed interest rate debt, will be treated as bearing such synthetic variable rate for the duration of the Interest Rate Swap Agreement calculated as if such Bonds or Parity Obligations were Variable Rate Indebtedness.

“Interest Rate Swap Agreement” means an interest rate swap agreement relating to a Series of Bonds or portion thereof or Parity Debt in which the party with which the District or the Trustee may contract is limited to: (i) entities the debt securities of which are rated in one of the two highest long-term debt Rating Categories by either Fitch or Standard & Poor’s and the debt securities of which are rated not lower than the third highest long-term debt Rating Category by the other rating agency; (ii) entities the obligations of which under the interest rate swap agreement are either guaranteed or insured by an entity the debt securities or insurance policies of which are so rated; or (iii) entities the debt securities of which are rated in the third highest long-term debt Rating Categories by Fitch or Standard & Poor’s or whose obligations are guaranteed or insured by an entity so rated and, in either case, the obligations of which under the interest rate swap agreement are continuously and fully secured by Investment Securities described in clauses (i) through (iv) of the definition thereof, which will have a market value determined, by the party designated in such interest rate swap agreement, at least monthly (exclusive of accrued interest) at least equal to the termination value, if any, that would be payable by the provider of the interest rate swap agreement under such interest rate swap agreement and which will be deposited with a custodian acceptable to the District.

“Subsidy Payments” means payments made by the U.S. Department of the Treasury to the District pursuant to Section 6431 of the Internal Revenue Code.

The District currently has no Parity Debt other than Bonds, and has no Variable Rate Indebtedness or Interest Rate Swap Agreements relating to any Bonds Outstanding, nor has it issued any Bonds for which it expects to receive Subsidy Payments. All Outstanding Bonds of the District bear interest at fixed interest rates to maturity.

Subordinate Obligations

No provision of the Indenture limits the ability of the District to issue bonds or other obligations payable from Sales Tax Revenues which are junior and subordinate to the payment of principal, premium, interest and reserve fund requirements of the Bonds and all Parity Debt. See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Additional Bonds; Refunding Bonds; Parity Obligations; Subordinate Obligations – *Subordinate Obligations.*”

There are currently no outstanding debt obligations of the District payable from and secured on a subordinate basis with a lien upon Sales Tax Revenues.

Special Obligations

The Series 2019 Bonds are special obligations of the District payable solely from Sales Tax Revenues and no other revenues of the District are pledged to the payment thereof. The Series 2019 Bonds are not a general obligation of the District, the State or any political subdivision thereof and the District is not obligated to levy any form of taxation, other than the Sales Tax, for the payment of the Series 2019 Bonds.

INVESTMENT CONSIDERATIONS

Economy of the Three BART Counties and the State

The Series 2019 Bonds are secured by a pledge of Sales Tax Revenues, which consist primarily of the Sales Tax less an administrative fee paid to the CDTFA. The level of Sales Tax Revenues collected at any time is dependent upon the level of retail sales within the Three BART Counties, which level of retail sales is, in turn, dependent upon the level of economic activity in the Three BART Counties and in the State generally. While the Three BART Counties have experienced sustained growth this past decade, fluctuations in the economy are typical and if a recession were to occur, Sales Tax Revenues may decline.

For information relating to current economic conditions within the Three BART Counties and the State, see APPENDIX E – “THE ECONOMY OF THE THREE BART COUNTIES.”

Risk of Earthquake

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 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 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 Society, 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 Bay Area before the year 2045. In addition, the U.S.G.S. released a report in April 2017 entitled the HayWired Earthquake Scenario, which estimates property damage and direct business disruption losses of \$82 billion (in 2016 dollars) from a magnitude 7.0 earthquake on the Hayward Fault. Property within the District 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 Sales Tax collections in the District.

Climate Change

Hazards relating to climate change include sea level rise, flooding, heat wave, wildfire and severe storm and wind, all of which may have adverse effects on economic activity. 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.

BART is responding to climate change impacts through developing adaptation strategies and hardening its infrastructure against such hazards. Current efforts 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 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.

Other Force Majeure Events

Operation of the BART System and amount of Sales Tax Revenues is also at risk from other events of force majeure, such as damaging storms, winds and floods, fires and explosions, 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 or the level of Sales Tax Revenues.

Limitations on Remedies in Event of Bankruptcy

Because it is a municipal governmental entity, BART may be eligible to file a bankruptcy petition under Chapter 9 (“Chapter 9”) of the United States Bankruptcy Code (the “Bankruptcy Code”) under certain circumstances.

If the Sales Tax Revenues are “special revenues” under Chapter 9, then Sales Tax Revenues collected after the date of the bankruptcy filing will be subject to the lien of the Indenture. “Special revenues” are defined to include taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. It is possible that a bankruptcy court would conclude that the sales tax is a sales tax levied to finance the general purposes of BART, and thus that the Sales Tax Revenues are not special revenues. In a case arising from the insolvency proceedings of Puerto Rico, the United States Court of Appeals for the First Circuit concluded that while a debtor has the right to voluntarily apply special revenues to the payment of debt service during the pendency of a bankruptcy case, the debtor is not obligated to do so, even though the special revenues are subject to the lien of the bond documents.

If the Sales Tax Revenues are subject to a “statutory lien” as defined in the Bankruptcy Code, then Sales Tax Revenues collected after the date of the bankruptcy filing will be subject to the statutory

lien for the benefit of the holders of the Bonds. California state law provides that the payment of interest on and principal of the Bonds and any premiums upon the redemption of any thereof are secured by a pledge, charge, and lien upon the Sales Tax Revenues. No assurance can be given that a bankruptcy court would conclude that this pledge, charge, and lien constitutes a “statutory lien” as defined in the Bankruptcy Code.

Chapter 9 also provides that Chapter 9 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. The State law provides that the Sales Tax Revenues could not be used by BART for any purpose other than to make payments on the Bonds except, if the interest and principal of the bonds and all charges to protect or secure them are paid when due, an amount for the necessary and reasonable maintenance and operation costs of the enterprise, which costs include the reasonable expenses of management, repair and other expenses necessary to maintain and preserve the enterprise in good repair and working order, may be apportioned from the revenues. If this law is respected in a bankruptcy proceeding, the Sales Tax Revenues should be required to pay the Bonds prior to BART operating expenses, but there are very few court decisions as to the precise meaning of this provision of Chapter 9, and no assurance can be given that a bankruptcy court would not conclude otherwise. The United States Court of Appeals for the First Circuit, in another case involving the insolvency proceedings of Puerto Rico, concluded that a bankruptcy court does not have the power order a debtor to comply with state law.

If it were to be determined that the Sales Tax Revenues are not special revenues and that there is no statutory lien, then the lien of the Indenture likely will not attach to any Sales Tax Revenues collected after the date of the bankruptcy filing. If it is also determined that the Sales Tax Revenues can be used for other purposes, then it is not clear whether the holders of the Bonds would be treated as general unsecured creditors of BART or whether the holders of the Bonds would have no further claim against any assets of BART.

Under any circumstance, the bankruptcy court may determine that BART is entitled to use Sales Tax Revenues to pay the necessary operating expenses of the BART system prior to paying debt service on the Bonds, regardless of the provisions of the Indenture.

If BART is in bankruptcy, the Trustee and the holders of the Bonds may be prohibited from taking any action to collect any amount from BART (including Sales Tax Revenues) 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 Bonds from funds in the Trustee’s possession during the pendency of the bankruptcy proceedings.

While the CDTFA has agreed that it will pay the Sales Tax Revenues directly to the Trustee, so that BART receives them only after debt service set asides, it is not clear whether this arrangement is enforceable in bankruptcy or whether BART will instead be able to require that Sales Tax Revenues be paid directly to it by the CDTEA.

BART may be able, without the consent and over the objection of the Trustee and the holders of the Bonds, to alter the priority, principal amount, interest rate, payment terms, maturity dates, covenants (including tax-related covenants), and other terms or provisions of the Indenture and the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable.

There may be other possible effects of a bankruptcy of BART that could result in delays or reductions in payments on the Bonds or in other losses to the holders of the Bonds. The proposed form of opinion of Bond Counsel, attached hereto as APPENDIX H, is qualified by reference to bankruptcy,

insolvency and other laws relating to or affecting creditor's rights. Regardless of any specific adverse determinations in a bankruptcy proceeding, the fact of a bankruptcy proceeding by BART could have an adverse effect on the liquidity and value of the Bonds.

No Acceleration Provision

The Indenture does not contain a provision allowing for the acceleration of the Series 2019 Bonds in the event of a default in the payment of principal and interest on the Series 2019 Bonds when due. In the event of a default by the District, each holder of a Series 2019 Bond will have the right to exercise the remedies, subject to the limitations thereon, set forth in the Indenture. See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

Loss of Tax Exemption

As discussed under “TAX MATTERS,” interest on the Series 2019A Bonds could become includable in federal gross income, possibly from the date of issuance of the Series 2019A Bonds, as a result of acts or omissions of the District subsequent to the issuance of the Series 2019A Bonds. Should interest become includable in federal gross income, the Series 2019A Bonds are not subject to redemption by reason thereof and will remain outstanding until maturity or earlier redemption.

Green Bonds Sustainability

The purpose of labeling the Series 2019B Bonds as “Green Bonds” is to allow owners of the Series 2019B Bonds to invest in bonds that have financed environmentally beneficial projects. The District does not make any representation as to the suitability of the Series 2019B Bonds to fulfill such environmental and sustainability criteria. The Series 2019B 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 Series 2019B 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.

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 or one 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 National Association in its role as dissemination agent in connection with the District's compliance with its 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 Series 2019 Bonds, including for example, systems related to the timeliness of payments to owners of the Series 2019 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 police and other law enforcement authorities have undertaken security measures in an effort to reduce the probability that portions of the BART System could be attacked by terrorists. However, such measures are not guaranteed to prevent an attack on the BART System. 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 attack. See Appendix A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – BART FINANCINGS AND CAPITAL PROGRAMS – Security Enhancement Program.”

Changes in Taxable Items

With limited exceptions, the Sales Tax is imposed upon the same transactions and items subject to the sales tax levied statewide by the State. The State Legislature or the voters within the State, through the initiative process, could change or limit the transactions and items upon which the State Sales Tax and the District Sales Tax are imposed. Any such change or limitation could have an adverse impact on the Sales Tax Revenues collected. For a further description of the District Sales Tax, see “SECURITY FOR THE SERIES 2019 BONDS – Sales Tax Revenues.” See also APPENDIX E – “THE ECONOMY OF THE THREE BART COUNTIES” for data relating to taxable transactions in the Three BART Counties.

Effect of Growth in Internet Commerce

It is possible that collections of District Sales Tax in the future could be adversely impacted due to the growth of commerce over the internet. Goods purchased from out-of-state retailers for delivery to a customer within the District could displace sales from retailers located within the District. Even though such purchases are subject to California use tax and within the District Sales Tax, such sales may go unreported.

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 lost operating revenues. In 2013, the District suffered strikes during contract negotiations. See APPENDIX A – “SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT FINANCIAL AND OPERATING INFORMATION – San Francisco Bay Area Rapid Transit District – Employees and Labor Relations.” The District cannot predict the potential impact of future labor disruptions on the financial condition of the District.

Constitutional Limitations on Appropriations

State and local government agencies in California are each subject to annual “appropriations limits” imposed by Article XIII B of the Constitution of the State of California (“Article XIII B”). Article XIII B prohibits government agencies and the State from spending “appropriations subject to limitation” in excess of the appropriations limit imposed. “Appropriations subject to limitation” are authorizations to spend “proceeds of taxes,” which include all tax revenues and investment earnings thereon, certain state subventions and certain other funds, including proceeds received by an entity of local government from regulatory licenses, user charges or other user fees to the extent that such proceeds exceed “the cost reasonably borne by that entity in providing the regulation, product, or service.” “Appropriations subject

to limitation” under Article XIII B do not include appropriations required to comply with mandates of courts or of the Federal government, appropriations for qualified outlay projects (as defined by the Legislature), or appropriations for debt service on indebtedness existing prior to the passage of Article XIII B or thereafter authorized by the voters.

As amended at the June 5, 1990 election by Proposition 111, Article XIII B provides that, in general terms, the District’s appropriations limit is based on the limit for the prior year adjusted annually to reflect changes in cost of living, population and, when appropriate, transfer of financial responsibility of providing services from one governmental unit to another. Proposition 111 liberalized the aforementioned adjustment factors as compared to the original provisions of Article XIII B. If revenues from “proceeds of taxes” during any two consecutive fiscal years exceed the combined appropriations limits for those two years, the excess must be returned by a revision of tax rate or fee schedules within the two subsequent fiscal years.

Section 7900 et seq. of the Government Code of the State of California defines certain terms used in Article XIII B and sets forth the methods for determining the appropriations limits for local jurisdictions. The District’s appropriations limit for the fiscal year ending June 30, 2020 is \$648,649,165 and the “appropriations subject to the limitation” are \$414,272,841, or \$234,376,324 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, it is arguable that amounts appropriated to pay debt service on the Bonds are appropriations for capital outlay projects and therefore not subject to the limit.

Proposition 218 and Proposition 26

On November 5, 1996, California voters approved an initiative known as the Right to Vote on Taxes Act (“Proposition 218”). Proposition 218 added Articles XIII C and XIII D to the California Constitution. Article XIII C requires majority voter approval for the imposition, extension or increase of general taxes and two-thirds voter approval for the imposition, extension or increase of special taxes by a local government, which is defined to include local or regional governmental agencies such as the District. Article XIII C also removes limitations on the initiative power with regard to reducing or repealing previously authorized local taxes. Proposition 26, approved by the voters of California on November 2, 2010, also amended Article XIII C to define “tax” to include in the two-thirds voter approval requirement local levies, charges or exactions previously considered fees with certain specified exemptions.

Article XIII D addresses assessments and property-related fees and charges. Article XIII D explicitly provides that nothing in Article XIII C or XIII D shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees imposed by the District. In the opinion of the District, however, any attempt by the voters to use such initiative provision to rescind or reduce the levy and collection of the Sales Tax in a manner which would prevent the payment of debt service on the Bonds would violate the Impairment Clause of the United States Constitution and would, accordingly, be precluded.

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.

Further Initiatives

Article XIII B and Propositions 218 and 26 were each adopted as measures that qualified for the ballot pursuant to California's initiative process. From time to time other initiative measures could be adopted, which may affect the District's ability to levy and collect the Sales Tax.

LEGAL MATTERS

The validity of the Series 2019 Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the District ("Bond Counsel"). A complete copy of the proposed form of the opinion to be delivered by Bond Counsel is attached hereto as APPENDIX H. Compensation of Bond Counsel and counsel to the Underwriters is contingent upon the issuance of the Series 2019 Bonds. Approval of certain other legal matters will be passed upon for the District by Matthew Burrows, Esq., General Counsel to the District and by Orrick, Herrington & Sutcliffe LLP, Disclosure Counsel to the District, and for the Underwriters by their Counsel, 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

Series 2019A Bonds

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 Series 2019A 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 Series 2019A 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 H hereto.

To the extent the issue price of any maturity of the Series 2019A Bonds is less than the amount to be paid at maturity of such Series 2019A Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2019A 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 Series 2019A 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 Series 2019A Bonds is the first price at which a substantial amount of such maturity of the Series 2019A 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 Series 2019A Bonds accrues daily over the term to maturity of such Series 2019A 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 Series 2019A Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2019A Bonds. Beneficial Owners of the Series 2019A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2019A Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2019A Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2019A Bonds is sold to the public.

Series 2019A 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 Series 2019A Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2019A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2019A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2019A 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 Series 2019A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2019A 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 Series 2019A 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 Series 2019A 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 Series 2019A 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 Series 2019A Bonds. Prospective purchasers of the Series 2019A 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 Series 2019A 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 Series 2019A Bonds ends with the issuance of the Series 2019A 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 Series 2019A 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 Series 2019A 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 Series 2019A 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 Series 2019A Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

Series 2019B 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 Series 2019B Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Series 2019B 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 Series 2019B Bonds. The proposed form of opinion of Bond Counsel relating to the Series 2019B Bonds is contained in APPENDIX H hereto.

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to U.S. Holders (as defined below) of the Series 2019B Bonds that acquire their Series 2019B 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 income tax considerations 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 Series 2019B Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Series 2019B 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 Series 2019B Bonds pursuant to this offering for the issue price that is applicable to such Series 2019B Bonds (i.e., the price at which a substantial amount of the Series 2019B Bonds are sold to the public) and who will hold their Series 2019B Bonds as "capital assets" within the meaning of Section 1221 of the Code. The following discussion does not address tax considerations applicable to any investors in the Series 2019B Bonds other than investors that are U.S. Holders.

As used herein, "U.S. Holder" means a beneficial owner of a Series 2019B 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). If a partnership holds Series 2019B 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 Series 2019B Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series 2019B Bonds (including their status as U.S. Holders).

Notwithstanding the rules described below, it should be noted that certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Series 2019B Bonds at the time that such income, gain or loss is recognized on such financial statements instead of under the rules described below (in the case of original issue discount, such requirements are only effective for tax years beginning after December 31, 2018).

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 Series 2019B Bonds in light of their particular circumstances.

Interest. Interest on the Series 2019B 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 Series 2019B Bonds is less than the amount to be paid at maturity of such Series 2019B Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2019B Bonds) by more than a de minimis amount, the difference may constitute original issue discount ("OID"). U.S. Holders of Series 2019B 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.

Series 2019B 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 Series 2019B 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 Series 2019B Bond.

Sale or Other Taxable Disposition of the Series 2019B 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 Series 2019B Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Series 2019B 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 Series 2019B 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 Series 2019B Bond (generally, the purchase price paid by the U.S. Holder for the Series 2019B 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 Series 2019B 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 Series 2019B 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 Series 2019B Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the Series 2019B Bonds. If the District defeases any Series 2019B Bond, the Series 2019B Bond may be deemed to be retired and "reissued" for federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted tax basis in the Series 2019B Bond.

Information Reporting and Backup Withholding. Payments on the Series 2019B 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 Series 2019B Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the Series 2019B Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2019B 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.

Foreign Account Tax Compliance Act ("FATCA"). 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 Series 2019B 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 Series 2019B 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 Series 2019B Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

ABSENCE OF MATERIAL LITIGATION

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 Series 2019 Bonds, the application of the proceeds thereof in accordance with the Indenture, or the levy or collection of the Sales Tax or application of the Sales Tax Revenues or other moneys to be pledged to pay the principal of and interest on the Series 2019 Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Series 2019 Bonds, the Indenture, the Continuing Disclosure Agreement or in any way contesting the completeness or accuracy of this Official Statement.

RATINGS

Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") and Fitch Ratings ("Fitch") have assigned ratings of "AA+" and "AA+," respectively, to the Series 2019 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: Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041 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 Series 2019 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 Series 2019 Bonds.

MUNICIPAL ADVISOR

Sperry Capital Inc., Sausalito, California, serves as Municipal Advisor to the District with respect to the sale of the Series 2019 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 and 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 Series 2019 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 the Trustee, 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 Series 2019 Bonds. A copy of the proposed form of Continuing Disclosure Agreement is set forth in APPENDIX G hereto. During the five-year period preceding the date of this Official Statement, the District has determined that certain annual reports, while including District-wide assessed value information, did not include specific assessed value information by county as may have been required by a continuing disclosure agreement. The District filed notices on the Municipal Securities Rulemaking Board Electronic Municipal Market Access System ("EMMA") with respect to the affected bonds and provided the additional information.

The District has engaged BLX Group to assist with its continuing disclosure obligations and U.S. Bank National Association to serve as Dissemination Agent.

UNDERWRITING

The Series 2019 Bonds are being purchased by Barclays Capital Inc., as representative of itself and the Underwriters identified on the cover page of this Official Statement (together, the “Underwriters”). The bond purchase agreement provides that the Underwriters will purchase all of the Series 2019 Bonds, if any are purchased, at a purchase price equal to \$320,699,898.87 (representing the principal amount of the Series 2019 Bonds plus an original issue premium of \$17,947,888.75, less an underwriters’ discount in the aggregate amount of \$557,989.88).

The Underwriters are initially offering the Series 2019 Bonds to the public at the public offering yields indicated on the inside cover page hereof but the Underwriters may offer and sell the Series 2019 Bonds to certain 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.

J.P. Morgan Securities LLC (“JPMS”), one of the Underwriters of the Series 2019 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 Series 2019 Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2019 Bonds that such firm sells.

VERIFICATION OF MATHEMATICAL ACCURACY

Upon delivery of the Series 2019 Bonds, the arithmetical accuracy of certain computations included in the schedules provided by the Underwriters on behalf of the District relating to the: (i) sufficiency of forecasted receipts of principal and interest on the escrow securities and cash held in the escrow fund relating to the Refunded Bonds; (ii) the scheduled payments of principal and interest with respect to the Refunded Bonds on and prior to their projected redemption date; (iii) yields on the securities to be deposited pursuant to the Escrow Agreement relating to the Refunded Bonds upon delivery of the Series 2019 Bonds, and (iv) the level of debt service savings, will be verified by Causey Demgen & Moore P.C. (the “Verification Agent”). Such verification will 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 financial statements of the District included in Appendix B to this Official Statement have been examined by Macias, Gini & O’Connell 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 Series 2019 Bonds. All of the preceding summaries of the Series 2019 Bonds, the Indenture, applicable legislation and other agreements and documents are made subject to the provisions of the Series 2019 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 Controller/Treasurer of the District has been duly authorized by the District.

SAN FRANCISCO BAY AREA RAPID TRANSIT
DISTRICT

By: _____ /s/ Rosemarie V. Poblete
Controller/Treasurer

APPENDIX A

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

APPENDIX B

**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
REPORT ON AUDITS OF FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

APPENDIX C

**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
STATEMENT OF INVESTMENT POLICY**

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX E

THE ECONOMY OF THE THREE BART COUNTIES

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. The surrounding non-member six 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 District 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.

Historical Population and Employment Trends

Table 1 shows historical population for cities within the Three BART Counties for the selected years between 2000 and 2019. Population in the Three BART Counties increased approximately 17.0% between 2000 and 2019 and approximately 0.6% between 2018 and 2019.

Table 1
HISTORICAL POPULATION
Alameda and Contra Costa Counties and City and County of San Francisco
2000, 2010 and 2016 through 2019

	<u>2000⁽¹⁾</u>	<u>2010⁽¹⁾</u>	<u>2016⁽²⁾</u>	<u>2017⁽²⁾</u>	<u>2018⁽²⁾</u>	<u>2019⁽²⁾</u>	<u>% Change 2018-2019</u>
Alameda County							
Alameda	72,259	73,812	78,750	78,945	78,980	79,316	0.4%
Albany	16,444	18,539	18,749	18,861	19,216	19,393	0.9
Berkeley	102,743	112,580	120,012	121,328	122,369	123,328	0.8
Dublin	30,023	46,036	57,879	59,500	61,874	64,577	4.4
Emeryville	6,882	10,080	11,738	11,883	11,871	11,885	0.1
Fremont	203,413	214,089	229,687	230,525	231,252	232,532	0.6
Hayward	140,030	144,186	156,114	158,290	158,693	159,433	0.5
Livermore	73,464	80,968	87,976	89,517	90,359	91,039	0.8
Newark	42,471	42,573	44,882	45,479	47,178	48,712	3.3
Oakland	399,566	390,724	426,850	430,482	431,373	432,897	0.4
Piedmont	10,952	10,667	11,292	11,368	11,368	11,420	0.5
Pleasanton	63,654	70,285	76,073	77,097	79,483	80,492	1.3
San Leandro	79,452	84,950	89,605	89,630	89,552	89,825	0.3
Union City	66,869	69,516	73,430	74,100	74,058	74,916	1.2
Other Areas	135,717	141,266	148,051	149,151	149,258	149,536	0.2
	<u>1,443,939</u>	<u>1,510,271</u>	<u>1,631,088</u>	<u>1,646,156</u>	<u>1,656,884</u>	<u>1,669,301</u>	0.7%
Contra Costa County							
Antioch	90,532	102,372	111,382	112,674	113,266	113,901	0.6%
Brentwood	23,302	51,481	59,063	60,583	62,140	63,662	2.4
Clayton	10,762	10,897	11,389	11,558	11,631	11,653	0.2
Concord	121,872	122,067	129,171	129,288	129,493	129,889	0.3
Danville	41,715	42,039	44,318	44,823	45,103	45,270	0.4
El Cerrito	23,171	23,549	24,711	24,971	25,192	25,459	1.1
Hercules	19,488	24,060	25,299	25,833	25,964	26,224	1.0
Lafayette	23,908	23,893	25,486	25,835	26,077	26,327	1.0
Martinez	35,866	35,824	37,840	38,233	38,406	38,490	0.2
Moraga	16,290	16,016	16,748	16,783	16,886	16,939	0.3
Oakley	25,619	35,432	40,127	40,355	40,949	41,759	2.0
Orinda	17,599	17,643	18,911	19,158	19,331	19,475	0.7
Pinole	19,039	18,390	19,176	19,371	19,458	19,498	0.2
Pittsburg	56,769	63,264	69,256	70,334	72,006	72,541	0.7
Pleasant Hill	32,837	33,152	34,609	34,850	34,969	35,055	0.2
Richmond	99,216	103,701	109,646	109,863	110,128	110,436	0.3
San Pablo	30,256	29,139	31,250	31,577	31,737	31,817	0.3
San Ramon	44,722	72,148	79,899	81,947	83,179	83,957	0.9
Walnut Creek	64,296	64,173	68,920	69,243	69,498	70,121	0.9
Other Areas	151,557	159,785	171,373	172,467	172,466	173,406	0.5
	<u>948,816</u>	<u>1,049,025</u>	<u>1,128,574</u>	<u>1,139,746</u>	<u>1,147,879</u>	<u>1,155,879</u>	0.7%
City and County of							
San Francisco	<u>776,733</u>	<u>805,235</u>	<u>865,992</u>	<u>873,352</u>	<u>880,980</u>	<u>883,869</u>	0.3%
Three BART Counties							
	3,169,488	3,364,531	3,625,654	3,659,254	3,685,743	3,709,049	0.6%

⁽¹⁾ As of April 1 of that year.

⁽²⁾ As of January 1 of that year.

Source: For 2000-2010: 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 2016-2017: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2019, with 2010 Census Benchmark. Sacramento, California, May 2019; For 2018-2019: State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change — January 1, 2018 and 2019. Sacramento, California, May 2019.

Table 2-A shows historical nonagricultural employment for the Three BART Counties by industry sector in calendar year 2018 and Table 2-B shows total nonagricultural employment for those counties by industry sector in calendar years 2008 and 2018.

Table 2-A
NONAGRICULTURAL EMPLOYMENT BY INDUSTRY SECTOR
Alameda and Contra Costa Counties and City and County of San Francisco
Calendar Year 2018
(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⁾	807,600	–	372,300	–	740,900	–
<i>Major Classifications</i>						
Manufacturing	84,700	10.5%	15,600	4.2%	12,800	1.7%
Transportation, Warehousing and Public Utilities	30,300	3.8	11,800	3.2	21,700	2.9
Wholesale Trade	38,200	4.7	9,800	2.6	15,300	2.1
Retail Trade	72,100	8.9	42,700	11.5	47,100	6.4
Finance and Insurance	17,500	2.2	19,700	5.3	42,300	5.7
Real Estate, Rental and Leasing	10,500	1.3	7,200	1.9	15,300	2.1
Information	19,600	2.4	7,800	2.1	46,600	6.3
Professional & Business Services	134,300	16.7	55,200	14.8	203,600	27.5
Educational & Health Services	124,300	15.4	70,600	19.0	91,200	12.3
Leisure & Hospitality	75,100	9.3	41,500	11.1	96,200	13.0
Other Services	27,400	3.4	13,400	3.6	28,000	3.8
Government	124,200	15.4	50,900	13.7	98,100	13.2

⁽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 2018 Benchmark.

Table 2-B
NONAGRICULTURAL EMPLOYMENT BY INDUSTRY SECTOR
Total Three BART Counties
Calendar Years 2008 and 2018
(Not Seasonally Adjusted)

	2008		2018	
	Number	Percent ⁽²⁾	Number	Percent ⁽²⁾
Total Nonagricultural Employment ⁽¹⁾	1,619,700	-	1,920,800	-
<i>Major Classifications</i>				
Manufacturing	102,200	6.3%	113,100	5.9%
Transportation, Warehousing and Public Utilities	46,900	2.9	63,800	3.3
Wholesale Trade	59,900	3.7	63,300	3.3
Retail Trade	154,000	9.5	161,900	8.4
Finance and Insurance	79,500	4.9	79,500	4.1
Real Estate, Rental, and Leasing	28,700	1.8	33,000	1.7
Information	47,900	3.0	74,000	3.9
Professional & Business Services	289,800	17.9	393,100	20.5
Educational & Health Services	230,100	14.2	286,100	14.9
Leisure & Hospitality	168,500	10.4	212,800	11.1
Other Services	58,600	3.6	68,800	3.6
Government	268,300	16.6	273,200	14.2

⁽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 2018 Benchmark.

Total nonagricultural employment in the Three BART Counties increased approximately 18.6% between 2008 and 2018.

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 45.0% of the population and approximately 42.0% of the nonagricultural employment of the Three BART Counties. Alameda County's population increased approximately 15.6% between 2000 and 2019. Alameda County has a diverse economic base. A large number of new jobs have been, and are expected to be, created by firms classified in the services industry, many of which will be highly skilled professional, technical, and managerial positions. The two largest employment sectors are professional and business services and educational and health services, which account for approximately 32.1% of total nonagricultural employment. The transportation, warehousing and public utilities sector, accompanied by both retail trade and wholesale trade categories, averaged 140,600 jobs in 2018, comprising approximately 17.4% of total nonagricultural employment.

Contra Costa County. Contra Costa County, predominantly a low-density residential area, accounts for approximately 31.2% of the population and approximately 19.4% of total nonagricultural employment of the Three BART Counties in 2018. Contra Costa County's population increased approximately 21.8% between 2000 and 2019.

Contra Costa County has one of the fastest-growing work forces among Bay Area counties, with growth in its employment base being 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 account for approximately 59.0% of the nonagricultural employment base.

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 38.6% of the nonagricultural employment and approximately 23.8% of the population of the Three BART Counties. The population of San Francisco is relatively dense and has increased slowly in recent years, with an overall increase of approximately 0.3% between 2018 and 2019.

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 are professional and business services and government, which account for approximately 40.7% of total nonagricultural employment. The transportation, warehousing and public utilities sector, accompanied by both retail trade and wholesale trade categories, accounted for approximately 84,100 jobs in 2018, comprising approximately 11.4% of total nonagricultural employment. The professional and business services industry accounted for approximately 203,600 jobs for 2018, comprising approximately 27.5% 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 2019.

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 2019**

Calendar Year	Alameda County	Contra Costa County	City and County of San Francisco	State of California	United States
2012	9.0%	9.0%	7.2%	10.4%	8.1%
2013	7.4	7.4	5.7	8.9	7.4
2014	5.9	6.1	4.4	7.5	6.2
2015	4.7	5.0	3.6	6.2	5.3
2016	4.2	4.4	3.3	5.4	4.9
2017	3.9	4.1	3.0	5.2	4.7
2018	3.0	3.2	2.4	4.2	3.9
2019	3.3	3.5	2.6	4.6	3.9

Sources: California Employment Development Department and U.S. Department of Labor, Bureau of Labor Statistics.

Table 4 identifies the major employers of the San Francisco Bay Area.

Table 4
MAJOR PRIVATE SECTOR EMPLOYERS
San Francisco Bay Area
As of 2019

Employer	Number of Bay Area Employees
Kaiser Permanente	46,044
Sutter Health	25,435
Stanford University	14,727
Safeway Northern California Division	14,274
Wells Fargo & Co.	14,119
Facebook Inc.	14,000
United Airlines	13,000
Genentech	11,000
Tesla Inc.	10,000
PG&E Corp.	9,680
Oracle Corp.	8,161
Salesforce	7,000
UPS	6,700
Amazon	6,600
John Muir Health	6,484
Stanford Health Care	6,250
Allied Universal	5,890
Starbucks Coffee Co.	5,692
Uber Technologies Inc.	5,500
Chevron Corp.	5,261
Bank of America	4,773
VMware Inc.	4,434
Stanford Children's Health/Lucile Packard Children's Hospital Stanford	4,300
Gap Inc.	4,050
Gilead Sciences Inc.	3,942

Source: San Francisco Business Times, *2019 Book of Lists*.

Population and Employment Forecasts

Table 5 presents population and employment projections for the Three BART Counties prepared by the Association of Bay Area Governments (“ABAG”). ABAG projects the population of the Three BART Counties to increase to approximately 4,258,200 people by 2035, as compared with the actual population of 3,709,049 in January 2019, with most of the growth occurring in Contra Costa and Alameda counties. Employment in the Three BART Counties is projected by ABAG to increase to 2,402,160 in 2035, as compared with the actual 1,951,700 employment level as of March 2019 (the most recent data available). Most of the growth in employment is projected by ABAG to occur in the professional and managerial services and health and educational services sectors in each of the Three BART Counties. ABAG also projects the largest growth in employment will occur in San Francisco County.

Table 5
PROJECTED POPULATION AND EMPLOYMENT
Alameda and Contra Costa Counties and City and County of San Francisco
Population

<u>County</u>	<u>2019⁽¹⁾</u> <u>(Actual)</u>	<u>2035</u> <u>(Projected)</u>	<u>% Change</u> <u>2019-2035</u> <u>(Projected)</u>
Alameda	1,669,301	1,966,300	17.8%
Contra Costa	1,155,879	1,322,900	14.4
San Francisco	883,869	969,000	9.6
Three BART Counties	3,709,049	4,258,200	14.8%

<u>County</u>	<u>2019⁽²⁾</u>	<u>2035</u> <u>(Projected)</u>	<u>% Change</u> <u>2019-2035</u> <u>(Projected)</u>
Alameda	829,100	1,039,680	25.4%
Contra Costa	550,600	555,650	0.9
San Francisco	572,000	806,830	41.1
Three BART Counties	1,951,700	2,402,160	23.1%

⁽¹⁾ As of January 1, 2019.

⁽²⁾ Preliminary data for March 2019; not seasonally adjusted.

Sources: State of California Department of Finance; State of California Employment Development Department; Association of Bay Area Governments, *Jobs-Housing Connections Strategy*.

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.

Table 6 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 2012 through 2017 (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 6
PERSONAL INCOME
Alameda County, Contra Costa County, City and County of San Francisco,
State of California and United States
Calendar Years 2012 through 2017

Year and Area	Personal Income (millions of dollars) ⁽¹⁾	Per Capita Personal Income (dollars)
2012		
Alameda County	\$80,530	\$51,746
Contra Costa County	66,154	61,290
San Francisco County	70,574	85,061
State of California	1,812,315	47,614
United States	13,904,485	44,266
2013		
Alameda County	85,174	53,798
Contra Costa County	66,729	60,885
San Francisco County	72,858	86,619
State of California	1,849,505	48,125
United States	14,064,468	44,438
2014		
Alameda County	90,631	56,261
Contra Costa County	70,850	63,752
San Francisco County	77,233	90,600
State of California	1,939,528	49,985
United States	14,683,147	46,049
2015		
Alameda County	104,465	63,809
Contra Costa County	77,915	69,195
San Francisco County	93,448	107,868
State of California	2,173,300	55,679
United States	15,711,634	48,940
2016		
Alameda County	111,355	67,356
Contra Costa County	82,204	72,195
San Francisco County	99,810	113,925
State of California	2,259,414	57,497
United States	16,115,630	49,831
2017		
Alameda County	118,555	71,282
Contra Costa County	87,810	76,527
San Francisco County	106,007	119,868
State of California	2,364,129	59,796
United States	16,820,250	51,640

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

⁽¹⁾ Numbers reflect rounding.

Table 7 shows the total dollar volume of sales and other taxable transactions (which correlate with sales tax receipts) in the Three BART Counties for fiscal years 2011 through 2018 (the most recent data available).

Table 7
HISTORICAL TAXABLE TRANSACTIONS
Alameda and Contra Costa Counties and City and County of San Francisco
Fiscal Years 2011 Through 2018
(\$ in thousands)

Fiscal Year	Alameda County	Contra Costa County	San Francisco County	Total Three BART Counties	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	29,770,157	15,670,053	18,871,834	64,312,044	3.9
2016	30,958,479	15,924,591	19,397,302	66,280,372	3.0
2017	32,702,083	16,757,632	19,473,871	68,933,586	3.3
2018	35,073,302	17,607,890	20,342,720	73,023,912	5.9

Sources: California State Board of Equalization, 2011-2016 Annual Reports; California Department of Tax and Fee Administration, 2017 and 2018 Annual Reports.

Table 8 shows taxable transactions by type of business for the Three BART Counties for the fiscal year ended June 30, 2018 (the most recent annual data available).

Table 8
TAXABLE TRANSACTIONS BY TYPE OF BUSINESS
Alameda and Contra Costa Counties and the City and County of San Francisco
For Fiscal Year 2018
(\$ in thousands)

Type of Business	Alameda County	Contra Costa County	City and County of San Francisco
<i>Retail and Food Services</i>			
Motor Vehicle and Parts Dealers	5,831,346	2,524,584	674,008
Home Furnishings and Appliance Stores	1,336,807	739,695	1,018,006
Building Material and Garden Equipment and Supplies Dealers	1,861,085	1,247,703	681,369
Food and Beverage Stores	1,257,774	911,240	856,217
Gasoline Stations	2,111,653	1,638,072	583,480
Clothing and Clothing Accessories Stores	1,824,581	1,006,196	2,046,414
General Merchandise Stores	2,110,422	1,711,123	790,845
Food Services and Drinking Places	3,512,894	1,853,159	4,844,464
Other Retail Group	3,010,788	1,532,117	2,535,667
<i>Total Retail and Food Services⁽¹⁾</i>	22,857,349	13,163,891	14,030,469
<i>All Other Outlets⁽¹⁾</i>	12,215,953	4,444,000	6,312,252
<i>Total All Outlets⁽¹⁾</i>	35,073,302	17,607,890	20,342,721

⁽¹⁾ Totals may reflect rounding.

Source: California Department of Tax and Fee Administration.

Table 9 shows a comparison of taxable transactions among several large northern and southern California counties (including the Three BART Counties) and state-wide over the fiscal years 2013 through 2018 (the most recent annual data available).

Table 9
COMPARISON OF TAXABLE TRANSACTIONS TRENDS
FOR MAJOR CALIFORNIA COUNTIES
Fiscal Years 2013 Through 2018
(\$ in thousands)

	2013	2014	2015	2016	2017	2018	% Change (2013-2018)
Three BART Northern Counties							
Alameda	\$26,624,571	\$28,377,714	\$29,770,157	\$30,958,479	\$32,702,083	\$35,073,302	31.7%
Contra Costa	14,471,988	15,030,047	15,670,053	15,924,591	16,757,632	17,607,890	21.7
San Francisco	17,094,163	18,469,729	18,871,834	19,397,302	19,473,871	20,342,720	19.0
Total Three BART Counties	\$58,190,722	\$61,877,490	\$64,312,044	\$66,280,372	\$68,933,586	73,023,912	25.5
Other Northern Counties							
Sacramento	\$20,097,095	\$21,061,901	\$22,043,196	\$23,184,499	\$24,610,616	\$25,443,669	26.6%
San Mateo	14,611,618	15,298,434	15,487,010	15,658,573	16,736,448	17,547,096	20.1
Santa Clara	37,621,606	39,628,655	41,231,759	41,831,668	43,149,031	45,353,073	20.6
Southern Counties							
Los Angeles	\$140,079,708	\$147,446,927	\$151,033,781	\$154,208,333	\$160,280,129	\$166,023,795	18.5%
Orange	57,591,217	60,097,128	61,358,087	62,511,421	65,148,057	67,468,615	17.2
Riverside	30,065,467	32,035,687	32,910,910	34,231,143	36,407,460	38,919,497	29.4
San Bernardino	31,177,823	33,055,967	35,338,556	36,981,693	38,399,372	40,554,023	30.1
San Diego	50,297,331	52,711,639	54,185,588	55,407,866	57,551,359	59,041,041	17.4
Ventura	12,824,296	13,366,628	13,784,346	13,745,950	14,000,695	14,323,431	11.7
Statewide	\$586,839,618	\$615,821,874	\$633,941,952	\$649,079,371	\$677,823,492	\$706,835,200	20.4%

Sources: California State Board of Equalization, 2011-2016 Annual Reports; California Department of Tax and Fee Administration, 2017 and 2018 Annual Reports.

APPENDIX F

DTC AND THE BOOK-ENTRY-ONLY SYSTEM

The information in this Appendix F concerning The Depository Trust Company (“DTC”) and DTC’s book-entry-only system has been obtained from sources that the San Francisco Bay Area Rapid Transit District (the “District”) believes to be reliable, but neither the District nor the Underwriters takes any responsibility for the accuracy thereof. The District and the Underwriters cannot and do not give any assurances that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners (all as defined below): (a) payments of principal of, premium if any, and interest on (“Debt Service”) the Series 2019 Bonds; (b) confirmations of ownership interest in the Series 2019 Bonds; or (c) notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Series 2019 Bonds, or that they will so do on a timely basis or that DTC, Direct Participants or Indirect Participants will 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 Direct Participants and Indirect Participants 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 Series 2019 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 Indenture; or (4) any consent given or other action taken by DTC as registered owner of the Series 2019 Bonds.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2019 Bonds. The Series 2019 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 Series 2019 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. 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 Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (each a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019 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 Series 2019 Bonds, except in the event that use of the book-entry system for the Series 2019 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019 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 Series 2019 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the documents. For example, Beneficial Owners of Series 2019 Bonds may wish to ascertain that the nominee holding the Series 2019 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 Series 2019 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2019 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 Series 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2019 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by

standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2019 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 Series 2019 Bonds, the provisions of the Indenture relating to place of payment, transfer and exchange of the Series 2019 Bonds, regulations with respect to exchanges and transfers, bond register, Bonds mutilated, destroyed or stolen, and evidence of signatures of Bond Owners and ownership of Series 2019 Bonds will govern the payment, registration, transfer, exchange and replacement of the Series 2019 Bonds. Interested persons should contact the District for further information regarding such provisions of the Indenture.

APPENDIX G

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 National Association, as dissemination agent (the “Dissemination Agent”), in connection with the issuance of \$223,020,000 principal amount of San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds, 2019 Series A (the “Series 2019A Bonds”) and \$80,290,000 principal amount of San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds, 2019 Refunding Series B (Federally Taxable) (Green Bonds) (the “Series 2019B Bonds” and, together with the Series 2019A Bonds, the “Series 2019 Bonds”). The Series 2019 Bonds are being issued pursuant to an Indenture, dated as of September 1, 2012 (the “Master Indenture”), as supplemented and amended by a First Supplemental Indenture, dated as of September 1, 2012 (the “First Supplemental Indenture”) a Second Supplemental Indenture, dated as of October 1, 2015 (the “Second Supplemental Indenture”), a Third Supplemental Indenture, dated as of August 1, 2016 (the “Third Supplemental Indenture”), a Fourth Supplemental Indenture, dated as of December 1, 2017 (the “Fourth Supplemental Indenture”), and a Fifth Supplemental Indenture, dated as of October 1, 2019 (the “Fifth Supplemental Indenture” and, together with the Master Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, and the Fourth Supplemental Indenture, the “Indenture”), each by and between the Issuer and the U.S. Bank National Association, as Trustee (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 Series 2019 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 Indenture, 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 Series 2019 Bonds (including persons holding Series 2019 Bonds through nominees, depositories or other intermediaries).

“Disclosure Representative” shall mean the Controller/Treasurer of the Issuer or her designee, or such other officer or employee of the Issuer as the 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 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 Series 2019 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 EMMA website of the MSRB, currently located at <http://emma.msrb.org>.

“Participating Underwriter” shall mean any of the original underwriters of the Series 2019 Bonds required to comply with the Rule in connection with offering of the Series 2019 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, 2019, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Each Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. Neither the Trustee nor the Dissemination Agent shall have any duties or responsibilities with respect to the contents of the Annual Report. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

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

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

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

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

(a) The audited financial statements of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Issuer's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, dated October 22, 2019, relating to the Series 2019 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 entitled "Sales Tax Revenues" set forth in the Official Statement under the caption "SECURITY FOR THE SERIES 2019 BONDS – Sales Tax Revenues" and an update for the table entitled "Debt Service Requirements" set forth in the Official Statement under the caption "DEBT SERVICE REQUIREMENTS."

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 Series 2019 Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes;

9. Bankruptcy, insolvency, receivership or similar event of the obligated person; 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 the Issuer 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 Issuer, 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 Issuer.

(b) The Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2019 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 Series 2019 Bonds or other material events affecting the tax status of the Series 2019 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 Series 2019 Bonds;

5. Non-payment related defaults;

6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

7. Appointment of a successor or additional paying agent or the change of name of a paying agent; 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 Series 2019 Bonds pursuant to the Resolution.

(f) The Issuer intends to comply with the Listed Events described in Section 5(a)(10) and Section 5(b)(8), and the definition of “Financial Obligation” in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the 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 Series 2019 Bonds. If such termination occurs prior to the final maturity of the Series 2019 Bonds, the Issuer shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

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

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

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2019 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 Series 2019 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 Series 2019 Bonds in the same manner as provided in the Indenture for amendments to the Indenture 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 Series 2019 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 Series 2019 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 Series 2019 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 Indenture, 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 Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture 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 attorney's 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 Series 2019 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.

It is understood and agreed that any information that the Dissemination Agent may be instructed to file with the MSRB shall be prepared and provided to it by the Issuer. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the Issuer shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition except as may be provided by written notice from the Issuer.

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
300 Lakeside Drive
Oakland, California 94612-3534
Attention: Controller/Treasurer
Telephone: (510) 464-6070
Fax: (510) 464-6011

- (ii) If to the Dissemination Agent:
U.S. Bank National Association
One California Street, Suite 1000
San Francisco, California 94111
Attention: Global Corporate Trust Services
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 Series 2019 Bonds, and shall create no rights in any other person or entity.

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

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

Date: October 31, 2019.

SAN FRANCISCO BAY AREA RAPID
TRANSIT DISTRICT

By _____
Controller/Treasurer

U.S. BANK 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 Sales Tax Revenue
Bonds, 2019 Series A
San Francisco Bay Area Rapid Transit District Sales Tax Revenue
Bonds, 2019 Refunding Series B (Federally Taxable) (Green Bonds)
Date of Issuance of Bonds: October 31, 2019

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 _____, 2019, between the Issuer and U. S. Bank National Association, as dissemination agent. [The Issuer anticipates that the Annual Report will be filed by _____.]

Dated: _____

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

cc: Issuer

APPENDIX H

PROPOSED FORM OF OPINION OF BOND COUNSEL

[Closing Date], 2019

San Francisco Bay Area
Rapid Transit District
Oakland, California

San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds 2019 Series A	San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds 2019 Refunding Series B (Federally Taxable) (Green Bonds)
<hr/>	
(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 by the District of \$223,020,000 aggregate principal amount of San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds, 2019 Series A (the “Series 2019A Bonds”) and \$80,290,000 aggregate principal amount of San Francisco Bay Area Rapid Transit District Sales Tax Revenue Bonds, 2019 Refunding Series B (Federally Taxable) (Green Bonds) (the “Series 2019B Bonds” and, together with the Series 2019A Bonds, the “Series 2019 Bonds”), issued pursuant to a Master Indenture, dated as of September 1, 2012, as supplemented and amended, including by a Fifth Supplemental Indenture, dated as of October 1, 2019 (hereinafter collectively referred to as the “Indenture”), between the District and U.S. Bank National Association, as trustee (the “Trustee”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Tax Certificate, dated the date hereof (the “Tax Certificate”), certificates of the District, the Trustee, and others, opinions of counsel to the District and 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 the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the 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 Series 2019 Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the 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 Indenture and the Tax Certificate, including without limitation covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Series 2019A 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 Series 2019 Bonds, the Indenture and the

Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public transit districts in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series 2019 Bonds and express no opinion with respect thereto.

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

1. The Series 2019 Bonds constitute the valid and binding special obligations of the District payable from and secured by a pledge of Sales Tax Revenues.

2. The Indenture has been duly executed and delivered by, and constitutes the valid and binding obligation of, the District. The Indenture creates a valid pledge, to secure the payment of the principal of and interest on the Series 2019 Bonds, of the Sales Tax Revenues and any other amounts held by the Trustee in any fund or account established pursuant to the Indenture, except the Rebate Fund, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.

3. Interest on the Series 2019A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the Series 2019A Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Interest on the Series 2019B 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 Series 2019 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 Series 2019 Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

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