

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2026**NEW ISSUE—FULL BOOK ENTRY****RATINGS:****S&P: “—”****Fitch: “—”**

See “RATINGS” herein.

In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming compliance with certain covenants in the documents pertaining to the 2026 Series A Bonds and requirements of the Internal Revenue Code of 1986, as described herein, interest on the 2026 Series A Bonds is not included in the gross income of the owners thereof for federal income tax purposes. Bond Counsel is further of the opinion that interest on the 2026 Series A Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax on individuals. Bond Counsel is also of the opinion that, under existing law, interest on the 2026 Series A Bonds is exempt from personal income taxes of the State of California. See “TAX MATTERS” herein.

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

\$ _____ *

**SALES TAX REVENUE BONDS (LIMITED TAX BONDS),
2026 SERIES A****Dated: Date of Delivery****Due as shown on inside cover**

The San Diego County Regional Transportation Commission (the “Commission”) will issue its Sales Tax Revenue Bonds (Limited Tax Bonds), 2026 Series A (the “2026 Series A Bonds”). The 2026 Series A Bonds are limited obligations of the Commission payable from the receipts of a one-half of one percent (0.5%) retail transactions and use tax (the “Sales Tax”) imposed in the County of San Diego (the “County”) for transportation and related purposes. Collection of the Sales Tax commenced on April 1, 1988. The Sales Tax is scheduled to expire on March 31, 2048. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2026 SERIES A BONDS” herein.

The Commission will apply the proceeds of the 2026 Series A Bonds, together with other available funds, to: (i) refund a portion of the outstanding San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), 2016 Series A, a portion of the outstanding San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), 2019 Series A (Taxable), and a portion of the outstanding San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), 2021 Series A (Federally Taxable), and (ii) pay the costs of issuing the 2026 Series A Bonds. See “SOURCES AND USES OF FUNDS” and “PLAN OF REFUNDING.” No debt service reserve will be funded for the 2026 Series A Bonds.

The 2026 Series A Bonds will be dated their date of delivery. The principal amounts, interest rates, maturity dates and other information relating to the 2026 Series A Bonds are summarized on the inside cover page hereof. The Commission will pay interest on the 2026 Series A Bonds on April 1 and October 1 of each year, commencing on October 1, 2026. Investors may purchase the 2026 Series A Bonds in book-entry form only. See APPENDIX E – “BOOK-ENTRY ONLY SYSTEM.”

The 2026 Series A Bonds are subject to optional and mandatory sinking fund redemption by the Commission prior to maturity as described herein. See “THE 2026 SERIES A BONDS – Redemption.”

THE 2026 SERIES A BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE COUNTY, THE STATE OF CALIFORNIA (THE “STATE”) OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE COMMISSION TO THE EXTENT OF THE PLEDGE OF REVENUES DESCRIBED HEREIN, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE. THE CREDIT OR TAXING POWER (OTHER THAN AS DESCRIBED IN THE INDENTURE) OF THE COMMISSION IS NOT PLEDGED, FOR THE PAYMENT OF THE 2026 SERIES A BONDS, THEIR INTEREST, OR ANY PREMIUM DUE UPON REDEMPTION OF THE 2026 SERIES A BONDS. THE 2026 SERIES A BONDS ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE, LIEN OR ENCUMBRANCE UPON, ANY OF THE PROPERTY OF THE COMMISSION OR ANY OF ITS INCOME OR RECEIPTS, EXCEPT THE SALES TAX REVENUES AND CERTAIN OTHER FUNDS PLEDGED UNDER THE INDENTURE.

This cover page contains general information only. Capitalized terms used on this cover are defined herein. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The 2026 Series A Bonds are offered when, as and if issued by the Commission and received by the Underwriters, subject to the approval of validity by Norton Rose Fulbright US LLP, Bond Counsel to the Commission, and certain other conditions. Certain legal matters will be passed on for the Commission by its General Counsel and by Stradling Yocca Carlson & Rauth LLP, Disclosure Counsel to the Commission, and for the Underwriters by their counsel, Nixon Peabody LLP. It is expected that the 2026 Series A Bonds will be available for delivery through the book-entry facilities of The Depository Trust Company on or about _____, 2026.

Wells Fargo Securities**Barclays****BofA Securities****HilltopSecurities**

Dated: _____, 2026

* Preliminary, subject to change.

4921-1655-7940v16/200943-0000

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

\$ _____*

**SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
SALES TAX REVENUE BONDS (LIMITED TAX BONDS),
2026 SERIES A**

| <u>Maturity (April 1)</u> | <u>Principal Amount</u> | <u>Interest Rate</u> | <u>Yield</u> | <u>Price</u> | <u>CUSIP No. (Base 797400)†</u> |
|-------------------------------|-----------------------------|--------------------------|--------------|--------------|-------------------------------------|
|-------------------------------|-----------------------------|--------------------------|--------------|--------------|-------------------------------------|

\$ _____* % Term Bonds due April 1, _____, Yield _____%, CUSIP† 797400 _____

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* Preliminary, subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Authority and are included solely for the convenience of the holders of the 2026 Series A Bonds. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Global Services. None of the Underwriters, the Municipal Advisor or the Commission is responsible for the selection or correctness of the CUSIP numbers set forth herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2026 Series A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the 2026 Series A Bonds.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2026 Series A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. The information set forth herein has been provided by the San Diego County Regional Transportation Commission (the “Commission”) and other sources that are believed by the Commission to be reliable.

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 dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Commission or the Underwriters.

This Official Statement is not to be construed as a contract with the purchasers of the 2026 Series A Bonds.

This Official Statement speaks only as of its date. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made in conjunction herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Commission or other matters described herein since the date hereof. This Official Statement is submitted with respect to the sale of the 2026 Series A Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the Commission.

All descriptions and summaries of documents and statutes hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document and statute for complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each such document and statute. Certain capitalized terms used but not defined herein are defined in APPENDIX C-1.

The Underwriters may offer and sell the 2026 Series A Bonds to certain dealers, institutional investors and others at prices lower than the public offering prices stated on the inside cover pages hereof and such public offering prices may be changed from time to time by the Underwriters.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this offering document for purposes of, and as that term is defined in, United States Securities and Exchange Commission Rule 15c2-12, as amended (the “Rule”).

**CAUTIONARY STATEMENTS REGARDING
FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT**

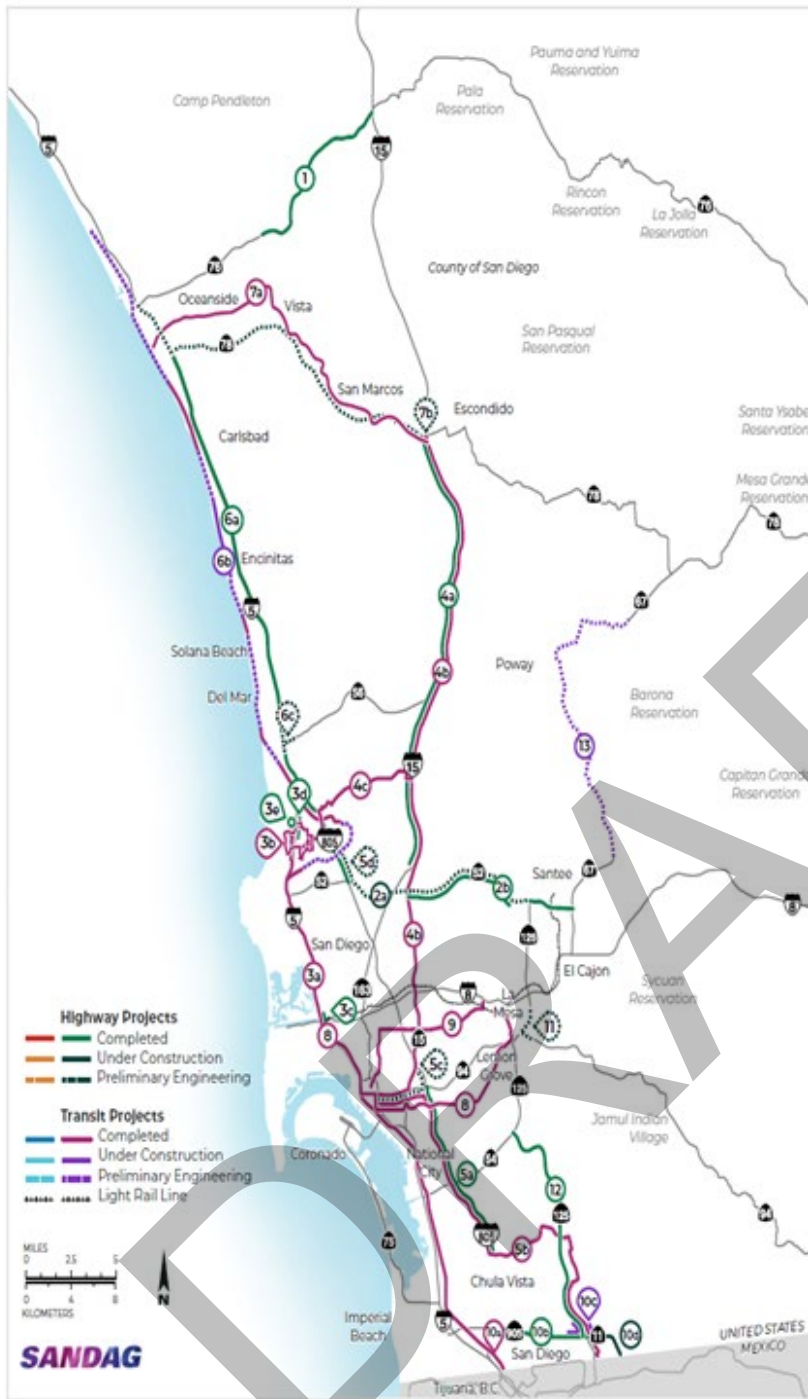
Certain statements included or incorporated by reference in this Official Statement constitute forward-looking statements. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance is given that actual results will meet the forecasts of the Commission in any way, regardless of the level of optimism communicated in the information. The Commission is not obligated to issue nor does it plan to issue any updates or revisions to the forward-looking statements if or when its expectations change, or events, conditions or circumstances on which such statements are based occur.

The 2026 Series A Bonds will not be registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained in such act. The 2026 Series A Bonds have not been registered or qualified under the securities laws of any state. The 2026 Series A Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

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TransNet Ordinance Major Corridor Completed and In-Progress Projects

November 2025



- 1 **SR 76:** Widen highway*
- 2a **SR 52:** Widen and extend highway*
2a I-15 to SR 125
- 3 **Mid-Coast:**
 - 3a Transit: Old Town-UCSD*
 - 3b Transit: UTC SuperLoop Rapid
 - 3c I-5/I-8 west to north connector
 - 3d I-5/Genesee Ave interchange & aux lanes
 - 3e I-5/Voigt Drive
- 4 **I-15:**
 - 4a HOV/Express Lanes
 - 4b Transit: Rapid 235
 - 4c Escondido-Downtown San Diego
 - 4d Transit: Rapid 237
 - 4e Miramar College Transit Station UCSD
- 5 **I-805:**
 - 5a HOV/Express Lanes
 - 5b Transit: Otay Mesa-Downtown San Diego
 - 5c SR 94 HOV Lanes Alternative Analysis
 - 5d I-805 Widening SR52 to Governor Drive
- 6 **North Coast:**
 - 6a I-5 HOV/Express Lanes
 - 6b Coastal rail double track
 - 6c I-5/SR 56 Interchange
- 7 **SR 78:**
 - 7a SPRINTER Oceanside-Escondido light rail
 - 7b HOV Connector: I-15 / SR 78
- 8 **Blue and Orange Line Trolley:**
 - Low-floor vehicles
 - Station upgrades
- 9 **Mid-City Rapid:**
 - Transit: Downtown San Diego-SDSU
- 10 **Goods Movement:**
 - South Line rail upgrades
 - 10a SR 905
 - 10b SR 905/SR 125/SR 11 connector
 - 10c SR 11
- 12 **SR 94/SR 125:** South to east connector
- 13 **SR 125:** Toll Road Purchase
SR 67: Mapleview St to Dye Rd

*TransNet Lock-box projects

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SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

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**CHIEF FINANCIAL
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Municipal Advisor

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Verification Agent

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OFFICIAL STATEMENT

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

\$ _____* SALES TAX REVENUE BONDS (LIMITED TAX BONDS), 2026 SERIES A

INTRODUCTION

General

This Official Statement, including the cover page and all appendices hereto (the “Official Statement”), provides certain information concerning the issuance and sale by the San Diego County Regional Transportation Commission (the “Commission”) of its Sales Tax Revenue Bonds (Limited Tax Bonds), 2026 Series A (the “2026 Series A Bonds”). All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in APPENDIX C-1 or, if not defined therein, in the Indenture (as defined herein).

Authority for Issuance

Pursuant to the San Diego County Regional Transportation Commission Act, Chapter 2 of Division 12.7 (Sections 132000 and following) of the Public Utilities Code of the State of California, (the “Act”), the Commission is authorized to issue indebtedness payable in whole or in part from Sales Tax Revenues (defined below). The 2026 Series A Bonds will be issued and secured pursuant to the Indenture, dated as of March 1, 2008, as supplemented and amended, including by a Fourteenth Supplemental Indenture, dated as of ___ 1, 2026 (collectively, the “Indenture”), between the Commission and U.S. Bank Trust Company, National Association, as successor trustee (the “Trustee”). Bonds, including the 2026 Series A Bonds, issued and outstanding under the Indenture are referred to herein as the “Bonds.”

Application of Proceeds

The Commission will apply the proceeds of the 2026 Series A Bonds, together with other available funds, to (i) refund a portion of the outstanding San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), 2016 Series A (the “2016 Series A Bonds”), a portion of the outstanding San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), 2019 Series A (Taxable) (the “2019 Series A Bonds”), and a portion of the outstanding San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds), 2021 Series A (Federally Taxable) (the “2021 Series A Bonds”), and (ii) pay the costs of issuing the 2026 Series A Bonds. See “SOURCES AND USES OF FUNDS” and “PLAN OF REFUNDING.” No debt service reserve will be funded for the 2026 Series A Bonds.

Security for the 2026 Series A Bonds

The 2026 Series A Bonds are limited obligations of the Commission secured by a pledge of sales tax revenues (herein called the “Sales Tax Revenues”) derived from a one-half of one percent (0.5%) retail transactions and use tax (the “Sales Tax”), imposed in accordance with the Act and the California Transactions and Use Tax Law (Revenue and Taxation Code Section 7251 and following), net of an administrative fee paid to the California Department of Tax and Fee Administration (the “CDTFA”) in connection with the collection and disbursement of the Sales Tax. On November 3, 1987, a majority of

* Preliminary; subject to change.

County voters approved the San Diego County Transportation Improvement Program Ordinance and Expenditure Plan (as amended, the “1987 Ordinance”) which imposed the Sales Tax in the County for a 20-year period.

Under the 1987 Ordinance, the Sales Tax was scheduled to expire on April 1, 2008. On November 2, 2004, more than two-thirds of County voters approved the San Diego County Transportation Improvement Program *TransNet* Ordinance and Expenditure Plan (the “Sales Tax Extension Ordinance” and, together with the 1987 Ordinance, the “Ordinance”) which provided for an extension of the Sales Tax through March 31, 2048. The 2026 Series A Bonds are payable on parity with the other Bonds and Parity Obligations (as such term is defined in the Indenture) from Sales Tax Revenues and certain amounts held by the Trustee under the Indenture as provided therein. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2026 SERIES A BONDS – Pledge of Sales Tax Revenues.”

The Sales Tax is scheduled to expire on March 31, 2048. The final maturity of the 2026 Series A Bonds is April 1, 20___. Under the Indenture, the Trustee is required to make monthly deposits of Sales Tax Revenues in the Interest Fund and Principal Fund held by the Trustee pursuant to the Indenture in advance of the next semiannual or annual payment of debt service becoming due on the 2026 Series A Bonds in amounts sufficient to pay such debt service, including the final amount becoming due on April 1, 20___. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2026 SERIES A BONDS – Revenue Fund; Allocation of Sales Tax Revenues” and “THE SALES TAX – Authorization, Application and Collection of the Sales Tax.”

Parity Obligations

The Commission may issue additional Bonds and may issue or incur other obligations secured in whole or in part by a pledge of Sales Tax Revenues on parity with the 2026 Series A Bonds and any other Outstanding Bonds (as defined herein), subject to compliance with the terms and provisions set forth in the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2026 SERIES A BONDS – Additional Bonds and Parity Obligations” and “OUTSTANDING OBLIGATIONS” and “APPENDIX C-1 – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Issuance of Additional Bonds and Other Obligations.”

The Commission and SANDAG

The Board of Directors of the San Diego Association of Governments (“SANDAG”) is designated under State legislation to serve as the San Diego County Regional Transportation Commission. The Commission is authorized, acting by motion, resolution or ordinance, to enter into contracts and, to authorize the issuance of bonds payable from proceeds of the Sales Tax.

The Commission is a separate legal entity from the City of San Diego, California (the “City”) and the County of San Diego, California (the “County”). See “SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION.”

The Commission is responsible for the implementation and administration of transportation improvement programs funded with the Sales Tax known as “*TransNet*.” The Commission is authorized to receive sales tax revenues after deduction of required CDTFA costs, approve programs and projects for funding, and adopt implementing ordinances, rules, policies, and take such other actions as may be necessary and appropriate to carry out its responsibilities. See “SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION.”

SANDAG is the statutorily created regional transportation planning agency for the County. In 2003, State legislation required the consolidation of the planning, programming, project development, and construction functions of the agencies currently known as San Diego Metropolitan Transit System (“MTS”)

and North County Transit District (“NCTD”) into SANDAG. SANDAG is now responsible for transit planning, programming, project implementation, and construction of transit projects in the region and assists in the financing of transit projects. Neither SANDAG nor the Commission operates public transit services. MTS and NCTD operate such services within the County. SANDAG is the operator of certain express lanes on State Route 125 and has issued non-recourse toll revenue bonds to finance the acquisition of such toll road. Such bonds are not secured by or payable from TransNet sales tax revenues. The liabilities of SANDAG are not liabilities of the Commission.

DESCRIPTION OF THE 2026 SERIES A BONDS

General

The 2026 Series A Bonds are being issued by the Commission pursuant to the Indenture and the Act. The 2026 Series A Bonds will be dated their date of delivery and will mature on the dates and in the amounts, and will bear interest at the rates, shown on the inside cover page of this Official Statement. Each 2026 Series A Bond will bear interest from the latest of: (i) its Issue Date; (ii) the most recent Interest Payment Date to which interest has been paid thereon or duly provided for, or (iii) if the date of authentication of such 2026 Series A Bond is after a Record Date but prior to the immediately succeeding Interest Payment Date, the Interest Payment Date immediately succeeding such date of authentication. “Record Date” means, with respect to the 2026 Series A Bonds, the fifteenth (15th) day (whether or not a Business Day) of the month preceding the month in which such Interest Payment Date occurs. Interest on the 2026 Series A Bonds will be computed on the basis of a 360-day year composed of twelve 30-day months. The Commission will issue the 2026 Series A Bonds as fully registered bonds in denominations of \$5,000 and any integral multiple thereof (each an “Authorized Denomination”). The Commission will pay interest on the 2026 Series A Bonds on April 1 and October 1 of each year, commencing on October 1, 2026 (each, an “Interest Payment Date”).

The 2026 Series A Bonds will be issued in book-entry form only and will be registered in the name of a nominee of The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the 2026 Series A Bonds. Investors may purchase 2026 Series A Bonds in book-entry form only. Purchasers (“Beneficial Owners”) of the 2026 Series A Bonds will not receive physical certificates representing their ownership interest in the 2026 Series A Bonds purchased. Payments of principal of and interest on the 2026 Series A Bonds will be made to DTC, and DTC will distribute such payments to its Direct Participants. Disbursement of such payments to Beneficial Owners of the 2026 Series A Bonds is the responsibility of DTC’s Direct and Indirect Participants and not the Commission. See APPENDIX E – “BOOK-ENTRY ONLY SYSTEM.”

Redemption of 2026 Series A Bonds

Optional Redemption. The 2026 Series A Bonds maturing on and after April 1, 20__ are subject to redemption prior to their respective stated maturities, at the option of the Commission, from any source of available funds, on any date on or after April 1, 20__, as a whole, or in part by such maturity or maturities as may be specified by Request of the Commission in Authorized Denominations, at a Redemption Price equal to 100% of the aggregate principal amount thereof, plus interest accrued thereon to the date fixed for redemption, without premium.

Selection of 2026 Series A Bonds for Optional Redemption. The Commission shall designate which maturities of any 2026 Series A Bonds are to be called for optional redemption under the Indenture. If less than all 2026 Series A Bonds maturing by their terms on any one date and bearing the same rate of interest are to be redeemed at any one time, the Trustee shall select the 2026 Series A Bonds of such maturity date and rate to be redeemed by lot and shall promptly notify the Commission in writing of the numbers of the 2026 Series A Bonds so selected for redemption. For purposes of such selection, 2026 Series A Bonds

shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed.

Mandatory Redemption. The 2026 Series A Bonds maturing on April 1, 20__ are Term Bonds and are subject to mandatory redemption from Mandatory Sinking Account Payments for such 2026 Series A Bonds, on each date a Mandatory Sinking Account Payment for such 2026 Series A Bonds is due, and in the principal amount equal to the Mandatory Sinking Account Payment due on such date at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

Mandatory Sinking Account Payments for 2026 Series A Bonds maturing on April 1, 20__ shall be due in such amounts and on such dates as follows:

| <i>Redemption Date (April 1)</i> | <i>Mandatory Sinking Account Payment</i> |
|--------------------------------------|--|
|--------------------------------------|--|

†

† Maturity.

Selection of Bonds for Mandatory Sinking Account Redemption. If less than all of the 2026 Series A Bonds maturing by their terms on any one date are to be redeemed at any one time with Mandatory Sinking Account Payments, the Trustee shall select the 2026 Series A Bonds of such maturity date to be redeemed by lot, and the Trustee shall promptly notify the Commission in writing of the numbers of the 2026 Series A Bonds so selected for redemption. For purposes of such selection, 2026 Series A Bonds shall be deemed to be composed of multiple of minimum Authorized Denomination and such multiple may be separately redeemed.

General Redemption Provisions

Notice of Redemption. Each notice of redemption of 2026 Series A Bonds shall be mailed by the Trustee, not less than twenty (20) nor more than ninety (90) days prior to the redemption date, to each Holder of 2026 Series A Bonds and each of the Repositories. A copy of such notice shall also be provided to each of the Notice Parties with respect to the 2026 Series A Bonds. Notice of redemption to the Holders of 2026 Series A Bonds, the Repositories and the applicable Notice Parties shall be given by first class mail or by Electronic Means. Each notice of redemption shall state the date of such notice, the date of issue of the 2026 Series A Bonds, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity, the distinctive certificate numbers of the 2026 Series A Bonds of such maturity, if any, to be redeemed and, in the case of 2026 Series A Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said 2026 Series A Bonds the Redemption Price thereof or of said specified portion of the principal amount thereof in the case of a 2026 Series A Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such 2026 Series A Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Neither the Commission nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any 2026 Series A Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Commission nor the Trustee shall be liable for any inaccuracy in such CUSIP numbers.

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

Conditional Notice of Redemption; Rescission. With respect to any notice of optional redemption of 2026 Series A Bonds, unless, upon the giving of such notice, such 2026 Series A Bonds shall be deemed to have been paid pursuant to the terms of the Indenture, such notice is to 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 2026 Series A Bonds to be redeemed, and that if such amounts shall not have been so received said notice will be of no force and effect and the Commission will not be required to redeem such 2026 Series A 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 Holders to the effect that such amounts were not so received and such redemption was not made, such notice to be given by the Trustee in the manner in which the notice of redemption was given.

The Commission may, at its option, on or prior to the date fixed for redemption in any notice of optional redemption, rescind such notice of redemption by written notice of the Commission to the Trustee, and the Trustee is to give notice of such rescission as soon thereafter as practicable in the same manner, and to the same recipients, as notice of such redemption was given.

Effect of Redemption. Notice of redemption having been duly given pursuant to the Indenture and moneys for payment of the Redemption Price of, together with interest accrued to the redemption date on, the 2026 Series A Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice the 2026 Series A Bonds (or portions thereof) so called for redemption shall become due and payable at the Redemption Price specified in such notice, together with interest accrued thereon to the date fixed for redemption. Interest on such 2026 Series A Bonds so called for redemption shall cease to accrue, and said 2026 Series A Bonds (or portions thereof) shall cease to be entitled to any benefit or security under the Indenture, and the Holders of such 2026 Series A Bonds will have no rights in respect thereof except to receive payment of the Redemption Price and interest accrued to the date fixed for redemption from funds held by the Trustee for such payment. All 2026 Series A Bonds redeemed pursuant to the provisions described herein shall be cancelled upon surrender.

SECURITY AND SOURCES OF PAYMENT FOR THE 2026 SERIES A BONDS

Pledge of Sales Tax Revenues

2026 Series A Bonds. The 2026 Series A Bonds are limited obligations of the Commission and are payable as to principal and interest exclusively from Revenues as defined in the Indenture, consisting of Sales Tax Revenues and Swap Revenues, and all amounts held on deposit in the funds and accounts established under the Indenture (except for amounts held in the Rebate Fund, any Letter of Credit Account and any Purchase Fund), subject to the provision of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. “Sales Tax Revenues” means the amounts available for distribution to the Commission on and after July 1, 1988, on account of the Sales Tax after deducting amounts payable by the Commission to CDTFA for costs and expenses for its services in connection with the Sales Tax.

The Indenture provides that the pledge of Revenues for the payment of the Bonds, including the 2026 Series A Bonds, and any debt or other obligations of the Commission payable from Sales Tax Revenues on a parity with the Bonds (such debt or other obligations being hereinafter referred to as “Parity Obligations”), will constitute a first lien on and security interest in the Revenues and such other amounts and will immediately attach thereto and will be effective, binding and enforceable from and after initial delivery by the Trustee of the Bonds or Parity Obligations, without the need for any physical delivery,

recordation, filing or further act. For additional information regarding Bonds and Parity Obligations currently Outstanding, see “OUTSTANDING OBLIGATIONS.”

Revenue Fund; Allocation of Sales Tax Revenues

Pursuant to the Indenture, the Commission has assigned the Sales Tax Revenues to the Trustee and shall cause the CDTFA to transmit the same directly to the Trustee each month, net of the CDTFA administrative fee, which is deducted quarterly. The Trustee is required to deposit all Sales Tax Revenues in the Revenue Fund, maintained and held in trust by the Trustee under the Indenture (the “Revenue Fund”), when and as such Sales Tax Revenues are received by the Trustee. The Sales Tax Revenues are to be received and held in trust by the Trustee for the benefit of the Holders of the Bonds and Parity Obligations and will be disbursed, allocated and applied solely for the uses and purposes set forth in the Indenture. Investment income on amounts held by the Trustee (other than amounts held in the Interest Fund, the Rebate Fund, a Letter of Credit Account or any Purchase Fund or Project Fund (each established under the Indenture) or for which particular instructions are provided) will also be deposited in the Revenue Fund.

If five days prior to any principal payment date, Interest Payment Date or mandatory redemption date the amounts on deposit in the Revenue Fund, the Interest Fund, the Principal Fund, including the Sinking Accounts therein, or, as and to the extent applicable, any Bond Reserve Fund established in connection with a Series of Bonds under the Indenture with respect to the payments to be made on such upcoming date are insufficient to make such payments, the Indenture provides that the Trustee shall immediately notify the Commission, in writing, of such deficiency and direct that the Commission transfer the amount of such deficiency to the Trustee on or prior to such payment date. The Commission covenants and agrees in the Indenture to transfer to the Trustee from any Revenues (as defined in the Indenture) in its possession the amount of such deficiency on or prior to the principal payment date, Interest Payment Date or mandatory redemption date referenced in such notice.

So long as any Bonds remain Outstanding and Parity Obligations, Subordinate Obligations, Junior Subordinate Obligations and all other amounts payable under the Indenture remain unpaid, in each month following receipt and deposit of the Sales Tax Revenues in the Revenue Fund, the Trustee is required under the Indenture to set aside the moneys in the Revenue Fund in the following respective funds, amounts and order of priority (provided that deficiencies in any previously required deposit may be made up prior to the deposit to a fund subsequent in priority and further provided that set asides or transfers required with respect to outstanding Parity Obligations shall be made on a parity basis each month, as provided in the Indenture):

1. Interest Fund. The Indenture requires the Trustee to make monthly deposits in the Interest Fund (the “Interest Fund”) in an amount equal to (a) one-sixth of the aggregate semiannual amount of interest becoming due and payable on Outstanding fixed interest rate bonds during the next ensuing six-months until the requisite semiannual amount of interest on all such bonds is on deposit, provided that the amounts set aside in such fund with respect to such Series of Bonds shall be sufficient on a monthly pro rata basis to pay the aggregate amount of interest becoming due and payable on the first Interest Payment Date with respect to such fixed interest rate Series of Bonds, plus (b) the aggregate amount of interest to accrue during that month on Outstanding Variable Rate Indebtedness calculated, if the actual rate of interest is not known, at the interest rate specified by the Commission, or if the Commission has not specified an interest rate, at the maximum interest rate borne by such Variable Rate Indebtedness during the month prior to the month of deposit plus one percent (1%); subject to such adjustments as are provided pursuant to the provisions of the Indenture. See APPENDIX C-1 – “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Allocation of Sales Tax Revenues.” All Subsidy Payments received with respect to the 2010 Series A Bonds are to be deposited in the Interest Fund and credited toward the above-described deposits.

2. Principal Fund; Sinking Accounts. The Indenture also requires the Trustee to make monthly deposits in the Principal Fund (the “Principal Fund”) in an amount equal to at least (a) one-sixth of the aggregate semiannual amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds of all Series having semiannual maturity dates within the next six (6) months, plus (b) one-twelfth of the aggregate yearly amount of Bond Obligation becoming due and payable on the Outstanding Serial Bonds of all Series having annual maturity dates within the next twelve (12) months, plus (c) one-sixth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next six-month period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking Accounts have been created and for which semiannual mandatory redemption is required from said Sinking Accounts, plus (d) one-twelfth of the aggregate of the Mandatory Sinking Account Payments to be paid during the next 12-month period into the respective Sinking Accounts for the Term Bonds of all Series for which Sinking Accounts shall have been created and for which annual mandatory redemption is required from such Sinking Accounts; provided, that if the Commission 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 a Bond Reserve Fund that would be in excess of the Bond Reserve Requirement applicable to such Bond Reserve Fund upon such payment, no amounts need be set aside towards such principal to be so refunded or paid.

If the Sales Tax Revenues shall not be sufficient to make the required deposits so that moneys in the Principal Fund on any principal or mandatory redemption date are equal to the amount of Bond Obligation to become due and payable on the Outstanding Serial Bonds of all Series plus the Bond Obligation amount of and redemption premium on the Outstanding Term Bonds required to be redeemed or paid at maturity on such date, then such moneys will be applied on a Proportionate Basis and in such proportion as the Serial Bonds and the Term Bonds bear to each other, after first deducting for such purposes from the Term Bonds any of such Term Bonds required to be redeemed annually as shall have been redeemed or purchased during the preceding 12-month period and any of the Term Bonds required to be redeemed semiannually as shall have been redeemed or purchased during the six-month period ending on such date or the immediately preceding six month period. If the Sales Tax Revenues shall not be sufficient to pay in full all Mandatory Sinking Account Payments required to be paid at any one time into all such Sinking Accounts, then payments into all such Sinking Accounts will be made on a Proportionate Basis, in proportion that the respective Mandatory Sinking Account Payments required to be made into each Sinking Account during the then current 12-month period bear to the aggregate of all of the Mandatory Sinking Account Payments required to be made into all such Sinking Accounts during such 12-month period.

No deposit need be made into the Principal Fund so long as there is in such fund moneys sufficient to pay (i) the Bond Obligations of all Serial Bonds then Outstanding and maturing by their terms within the next twelve (12) months plus (ii) the aggregate of all Mandatory Sinking Account Payments required to be made in such 12-month period, but less any amounts deposited into the Principal Fund during such 12-month period and theretofore paid from the Principal Fund to redeem or purchase Term Bonds during such 12-month period; provided that if the Commission 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 a Bond Reserve Fund that would be in excess of the Bond Reserve Requirement applicable to such Bond Reserve Fund upon such payment, no amounts need be on deposit with respect to such principal payments. See APPENDIX C-1 – “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Allocation of Sales Tax Revenues.”

3. Bond Reserve Funds. The Indenture also requires the Trustee to make deposits to any of the Bond Reserve Funds established pursuant to the provisions of the Indenture as soon as possible in each month in which any deficiency in any Bond Reserve Fund occurs, until the balance

in such Bond Reserve Fund is at least equal to the applicable Bond Reserve Requirement. See APPENDIX C-1 – “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Allocation of Sales Tax Revenues.” No Bonds of any Series are secured by a Bond Reserve Fund at the present time.

4. Subordinate Obligations Fund. The Indenture also requires the Trustee to establish a Subordinate Obligations Fund. The Trustee shall deposit in the Subordinate Obligations Fund any Sales Tax Revenues remaining in the Revenue Fund after the transfers described in (1), (2) and (3) above and will transfer such Sales Tax Revenues to the Subordinate Trustee. After the Subordinate Trustee has made the required deposit of Sales Tax Revenues under any Subordinate Indenture, the Subordinate Trustee will transfer any remaining Sales Tax Revenues in accordance with the Subordinate Indenture.

5. Fees and Expenses Fund. The Indenture also requires the Trustee to establish a Fees and Expenses Fund. At the direction of the Commission, after the transfers described above have been made, the Trustee will deposit as soon as practicable in each month in the Fees and Expenses Fund amounts necessary for payment of fees, expenses and similar charges owing in such month or the following month by the Commission in connection with the Bonds or any Parity Obligation and amounts necessary for payment of fees, expenses, and similar charges owing in such month or the following month by the Commission in connection with Subordinate Obligations or Junior Subordinate Obligations.

See APPENDIX C-1 – “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” for a more complete summary of the flow of funds under the Indenture.

No Bond Reserve Fund for the 2026 Series A Bonds

No Bond Reserve Fund will be established for the 2026 Series A Bonds under the Indenture.

Issuance of Additional Series of Bonds

The Commission may by Supplemental Indenture to the Indenture establish one or more Series of additional Bonds payable from Sales Tax Revenues and secured by the pledge made under the Indenture equally and ratably with all other Bonds Outstanding under the Indenture, but only upon compliance by the Commission with certain provisions of the Indenture. Some applicable provisions of the Indenture are described below:

(a) No Event of Default shall have occurred and then be continuing;

(b) If the Supplemental Indenture providing for the issuance of such Series of additional Bonds requires either (i) the establishment of a Bond Reserve Fund to provide additional security for such Series of Bonds or (ii) that the balance on deposit in an existing Bond Reserve Fund be increased, forthwith upon the receipt of the proceeds of the sale of Bonds of such Series, to an amount at least equal to the Bond Reserve Requirement with respect to such Series of Bonds and all other Bonds secured by such Bond Reserve Fund to be considered Outstanding upon the issuance of such additional Series of Bonds, the supplemental indenture providing for the issuance of such additional Series of Bonds shall require deposit of the amount necessary. Such deposit may be made from the proceeds of the sale of Bonds of such Series or from other funds of the Commission or from both such sources or in the form of a Reserve Facility as described under APPENDIX C-1 – “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Definitions” and “Establishment and Application of Funds and Accounts – Funding and Application of Bond Reserve Funds.”

(c) The aggregate principal amount of Bonds issued under the Indenture shall not exceed any limitation imposed by law or by any Supplemental Indenture;

(d) The Commission shall have placed on file with the Trustee a Certificate of the Commission, certifying that the amount of Sales Tax Revenues collected during the Fiscal Year for which audited financial statements are available preceding the date on which such additional Series of Bonds will become outstanding was equal to at least 2.0 times Maximum Annual Debt Service (as defined in the Indenture) on all Series of Bonds and Parity Obligations then Outstanding and the additional Series of Bonds then proposed to be issued. For purposes of calculating Maximum Annual Debt Service, principal and interest payments on Obligations are excluded to the extent such payments are to be paid from Revenues then held on deposit by the Trustee or from other amounts on deposit, including Investment Securities and interest to be payable thereon, with the Trustee or other fiduciary in escrow specifically therefor and interest payments are excluded to the extent that such interest payments are to be paid from the proceeds of Obligations, including Investment Securities and interest to be payable thereon, held by the Trustee or other fiduciary as capitalized interest specifically to pay such interest or from pledged Subsidy Payments the Commission expects to receive; and

(e) Principal payments of each additional Series of Bonds shall be due on April 1 or October 1 in each year in which principal is to be paid if and to the extent deemed practical in the reasonable judgment of the Commission with regard to the type of Bond to be issued, and, if the interest on such Series of Bonds is to be paid semiannually, such interest payments shall be due on April 1 and October 1 in each year to the extent deemed practical in the reasonable judgment of the Commission with regard to the type of Bond to be issued.

See APPENDIX C-1 – “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” for certain additional provisions applicable while any TIFIA Bond (as such term is defined in the Indenture) remains Outstanding.

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

Parity Obligations

As defined in the Indenture, “Parity Obligations” means any indebtedness, installment sale obligation, lease obligation or other obligation of the Commission for borrowed money or any Interest Rate Swap Agreement (excluding, in each case, fees and expenses and termination payments on Interest Rate Swap Agreements which fees and expenses and termination payments shall be secured by a lien and charge on the Sales Tax Revenues subordinate to the lien and charge upon the Sales Tax Revenues which secures the Bonds, Parity Obligations and payment of principal and interest on Subordinate Obligations) entered into in connection with a Series of Bonds, in each case incurred in accordance with the provisions of the Indenture described herein and 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 Commission may issue or incur additional Parity Obligations which will have, when issued, an equal lien and charge upon the Sales Tax Revenues, provided that the conditions to the issuance of such Parity Obligations set forth in the Indenture are satisfied, including satisfaction of the coverage test described in paragraph (d) above under the caption “Issuance of Additional Series of Bonds,” unless such Parity Obligations are being issued for refunding purposes, in which case the coverage test shall not apply.

Refunding Bonds

Refunding Bonds may be authorized and issued by the Commission under the Indenture without compliance with the provisions of the Indenture summarized above under paragraph (d) of the caption “Issuance of Additional Series of Bonds,” provided that the Trustee shall have been provided with a Certificate of the Commission to the effect that the Commission has determined one of the following: (i) that Maximum Annual Debt Service on all Bonds Outstanding and all Parity Obligations outstanding following the issuance of such Refunding Bonds is less than or equal to Maximum Annual Debt Service on all Bonds Outstanding and all Parity Obligations outstanding prior to the issuance of such Refunding Bonds, or (ii) that the Commission expects a reduction in Debt Service on all Bonds Outstanding and all Parity Obligations outstanding to result from the refunding to be effected with the proceeds of such Refunding Bonds.

Limitation on Additional Senior Lien Debt or Subordinate Obligations under TIFIA Loan Agreement

Under the TIFIA Loan Agreement (as defined herein under “OUTSTANDING OBLIGATIONS – Junior Subordinate TIFIA Loan”), to issue additional Bonds, Parity Obligations or Subordinate Obligations the Commission must certify that the Sales Tax Revenues collected during any twelve (12) consecutive calendar months specified by the Commission within the most recent eighteen (18) calendar months immediately preceding the date of issuance of such Senior Lien Debt or Subordinate Obligations shall be at least equal to 1.15 times the maximum amount of Debt Service becoming due and payable on all Bonds, Parity Obligations, Subordinate Obligations and Junior Subordinate Obligations in any Fiscal Year during the period from the calculation date through October 1, 2045.

PLAN OF REFUNDING

General

The Commission will apply the proceeds of the 2026 Series A Bonds, together with other available funds, to: (i) refund a portion of the outstanding 2016 Series A Bonds, a portion of the outstanding 2019 Series A Bonds and a portion of the outstanding 2021 Series A Bonds, and (ii) pay the costs of issuing the 2026 Series A Bonds. See “SOURCES AND USES OF FUNDS.”

All or a portion of the 2016 Series A Bonds, the 2019 Series A Bonds and the 2021 Series A Bonds listed on the following table may be refunded with proceeds of the 2026 Series A Bonds. The specific amounts and maturities of the 2016 Series A Bonds, the 2019 Series A Bonds and the 2021 Series A Bonds to be refunded will be determined by the Commission at the time that the Commission and the Underwriters execute the bond purchase agreement for the 2026 Series A Bonds. The 2016 Series A Bonds, 2019 Series A Bonds and 2021 Series A Bonds to be refunded, and the refunding dates and amounts, are subject to change by the Commission in its sole discretion. Such 2016 Series A Bonds, 2019 Series A Bonds and the 2021 Series A Bonds to be refunded may be referred to herein as the “Refunded Bonds.”

REFUNDED BONDS*

| | <i>Maturity Date</i> | <i>Interest Rate</i> | <i>Principal Amount Outstanding</i> | <i>Principal Amount Refunded</i> | <i>Maturity Date or Redemption Date</i> | <i>Redemption Price</i> | <i>CUSIP Number</i> |
|----------------|-------------------------|----------------------|-------------------------------------|----------------------------------|---|-------------------------|---------------------|
| 2016 Series A: | 4/1/2027 | 5.00% | \$ 7,065,000 | | 4/1/2026 | 100% | 797400KL1 |
| | 4/1/2028 | 5.00 | 7,420,000 | | 4/1/2026 | 100 | 797400KM9 |
| | 4/1/2029 | 5.00 | 7,790,000 | | 4/1/2026 | 100 | 797400KN7 |
| | 4/1/2030 | 5.00 | 8,180,000 | | 4/1/2026 | 100 | 797400KP2 |
| | 4/1/2031 | 5.00 | 8,585,000 | | 4/1/2026 | 100 | 797400KQ0 |
| | 4/1/2032 | 5.00 | 9,015,000 | | 4/1/2026 | 100 | 797400KR8 |
| | 4/1/2033 | 5.00 | 9,465,000 | | 4/1/2026 | 100 | 797400KS6 |
| | 4/1/2034 | 5.00 | 9,940,000 | | 4/1/2026 | 100 | 797400KT4 |
| | 4/1/2035 | 5.00 | 10,440,000 | | 4/1/2026 | 100 | 797400KU1 |
| | 4/1/2036 | 5.00 | 10,960,000 | | 4/1/2026 | 100 | 797400KV9 |
| | 4/1/2041 | 5.00 | 63,590,000 | | 4/1/2026 | 100 | 797400KW7 |
| | 4/1/2048 | 5.00 | <u>119,570,000</u> | | 4/1/2026 | 100 | 797400KX5 |
| | | | | <u>\$272,020,000</u> | | | |
| 2019 Series A: | 4/1/2039 ⁽¹⁾ | 3.198 | <u>\$50,425,000</u> | | 4/1/2030 | 100% | 797400LN6 |
| | | | <u>\$50,425,000</u> | | | | |
| 2021 Series A: | 4/1/2027 | 1.395% | \$ 9,010,000 | | 4/1/2027 | N/A | 797400MS4 |
| | 4/1/2028 | 1.495 | 9,135,000 | | 4/1/2028 | N/A | 797400MT2 |
| | 4/1/2029 | 1.763 | 9,270,000 | | 4/1/2029 | N/A | 797400MU9 |
| | 4/1/2030 | 1.863 | 9,435,000 | | 4/1/2030 | N/A | 797400MV7 |
| | 4/1/2031 | 1.963 | 9,615,000 | | 4/1/2031 | N/A | 797400MW5 |
| | 4/1/2032 | 2.063 | 9,800,000 | | 4/1/2031 | 100% | 797400MX3 |
| | 4/1/2033 | 2.113 | 10,000,000 | | 4/1/2031 | 100 | 797400MY1 |
| | 4/1/2034 | 2.213 | 10,215,000 | | 4/1/2031 | 100 | 797400MZ8 |
| | 4/1/2035 | 2.363 | <u>10,435,000</u> | | 4/1/2031 | 100 | 797400NA2 |
| | | | | <u>\$ 86,915,000</u> | | | |

⁽¹⁾ The Commission may refund all or a portion of the 2039 Term Bond and will determine the Mandatory Sinking Account Payments or portions thereof to be refunded at the time that the Commission and the Underwriters execute the bond purchase agreement for the 2026 Series A Bonds.

_____, a firm of independent certified public accountants (the “Verification Agent”), will deliver a report stating that the firm has verified the accuracy of mathematical computations concerning the adequacy of the amounts deposited in the Escrow Accounts established for each series of the Refunded Bonds to pay principal of and interest on the Refunded Bonds becoming due on or before their respective maturity dates or the Redemption Date, as applicable. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS.”

* Preliminary; subject to change.

SOURCES AND USES OF FUNDS

The sources and uses of proceeds of the 2026 Series A Bonds and other available amounts are shown below:

| | |
|--------------------------------------|----------|
| Sources of Funds: | |
| Principal Amount | \$ |
| Bond Premium | |
| Other Available Funds ⁽¹⁾ | |
| Total | <hr/> \$ |
| Uses of Funds: | |
| Refunding Escrow Deposit | \$ |
| Costs of Issuance ⁽²⁾ | |
| Total | <hr/> \$ |

⁽¹⁾ Release of funds under the Indenture attributable to Refunded Bonds.

⁽²⁾ Includes rating agency, municipal advisory, verification, legal and trustee fees, printing costs, underwriters' discount and other miscellaneous expenses.

OUTSTANDING OBLIGATIONS

Senior Lien Debt

As of January 1, 2026, the Commission had \$1,533,957,000 of the following Series of Bonds Outstanding under the Indenture.

2010 Series A Bonds. On November 10, 2010, the Commission issued its \$338,960,000 Sales Tax Revenue Bonds (Limited Tax Bonds), 2010 Series A (Taxable Build America Bonds) (the "2010 Series A Bonds"). The 2010 Series A Bonds are currently outstanding in the aggregate principal amount of \$338,960,000. The 2010 Series A Bonds are fixed rate bonds and have a final stated maturity date of April 1, 2048.

The 2010 Series A Bonds were issued as "Build America Bonds" bearing taxable interest rates that were expected to be offset by a cash subsidy from the United States Treasury (the "Subsidy Payments") pledged thereto under the Indenture. The amount of any Subsidy Payments to be received in connection with the 2010 Series A Bonds is subject to change by the federal government. On March 1, 2013, the federal government announced the implementation of certain automatic spending cuts known as "sequestration." Future reductions in Subsidy Payments may occur due to sequestration, but the Commission is unable to predict the amount or duration of such reductions. Further, Subsidy Payments will only be paid if the 2010 Series A Bonds continue to qualify as Build America Bonds. The Commission does not believe that failure to receive the Subsidy Payments in whole or in part will materially and adversely impact the Commission's ability to pay debt service on the 2010 Series A Bonds or other obligations. See "RISK FACTORS – Loss of Subsidy Payments."

2016 Series A Bonds. On August 17, 2016, the Commission issued its 2016 Series A Bonds in the aggregate principal amount of \$325,000,000. The 2016 Series A Bonds are currently Outstanding in the aggregate principal amount of \$278,750,000. The 2016 Series A Bonds are fixed rate bonds and have a final stated maturity date of April 1, 2048. The Commission expects to refund a portion of the outstanding 2016 Series A Bonds with a portion of the 2026 Series A Bonds. See "PLAN OF REFUNDING."

2019 Series A Bonds. On December 19, 2019, the Commission issued its 2019 Series A Bonds in the aggregate principal amount of \$442,620,000. The 2019 Series A Bonds are currently Outstanding in the aggregate principal amount of \$314,062,000. The 2019 Series A Bonds are fixed rate bonds and have a

final maturity date of April 1, 2048. The Commission expects to refund a portion of the outstanding 2019 Series A Bonds with a portion of the 2026 Series A Bonds. See “PLAN OF REFUNDING.”

2020 Series A Bonds. On February 19, 2020, the Commission issued its \$74,820,000 Sales Tax Revenue Bonds (Limited Tax Bonds) 2020 Series A (Green Bonds) (the “2020 Series A Bonds”). The 2020 Series A Bonds are currently Outstanding in the aggregate principal amount of \$66,290,000. The 2020 Series A Bonds are fixed rate bonds and have a final stated maturity date of April 1, 2048.

2021 Series A Bonds. On March 25, 2021, the Commission issued its 2021 Series A Bonds in the aggregate principal amount of \$149,840,000. The 2021 Series A Bonds are currently Outstanding in the aggregate principal amount of \$140,180,000. The 2021 Series A Bonds are fixed rate bonds and have a final stated maturity date of April 1, 2039. The Commission expects to refund a portion of the outstanding 2021 Series A Bonds with a portion of the 2026 Series A Bonds. See “PLAN OF REFUNDING.”

2023 Series A Bonds. On July 13, 2023, the Commission issued its \$433,355,000 Sales Tax Revenue Bonds (Limited Tax Bonds) 2023 Series A (the “2023 Series A Bonds”). The 2023 Series A Bonds are currently outstanding in the aggregate of \$395,715,000. The Series 2023 Series A Bonds are fixed rate bonds and have a final maturity date of April 1, 2042.

Additional Senior Obligations. The Commission may issue additional Bonds and may issue or incur other obligations secured in whole or in part by a pledge of Sales Tax Revenues on a parity with the Bonds, subject to compliance with the terms and provisions set forth in the Indenture.

Subordinate Obligations

The following Series of Subordinate Obligations are Outstanding under the Subordinate Indenture.

2021 Series B Bonds. On March 25, 2021, the Commission issued its \$116,150,000 Subordinate Sales Tax Revenue Bonds (Limited Tax Bonds) 2021 Series B (the “2021 Series B Bonds”). The 2021 Series B Bonds are currently Outstanding in full. The 2021 Series B Bonds are fixed rate bonds and have a final stated maturity date of April 1, 2048.

Subordinate Commercial Paper Notes and CP Letter of Credit. In 2005, the Commission authorized the issuance from time to time of Subordinate Commercial Paper Notes secured by a lien on the Sales Tax Revenues that is subordinate to the lien of the Bonds and any Parity Obligations. The total principal amount of Subordinate Commercial Paper Notes that is authorized to be issued may not exceed \$100,000,000. As of December 31, 2025, \$15,023,000 in aggregate principal amount of Subordinate Commercial Paper Notes was outstanding. The payment of principal of and interest on the Subordinate Commercial Paper Notes up to \$100,000,000 is supported by an irrevocable, transferable direct-pay letter of credit issued by Bank of America, N.A. (the “CP Letter of Credit”). The CP Letter of Credit is stated to expire on August 9, 2027. The Commission’s obligation to reimburse Bank of America, N.A. for draws under the CP Letter of Credit is secured by a lien on the Sales Tax Revenues on a parity with the lien securing the Subordinate Commercial Paper Notes and the 2021 Series B Bonds.

Under a Memorandum of Understanding, dated as of June 1, 2008 (the “Certificate Purchase MOU”), by and between the Commission and NCTD, the Commission agreed to issue \$34,000,000 in Subordinate Commercial Paper Notes to purchase outstanding Certificates of Participation evidencing payments by NCTD under a Lease Agreement, dated as of July 1, 2004 (the “NCTD Certificates”), the proceeds of which funded the NCTD “SPRINTER” rail line. Under the Certificate Purchase MOU, while the Commission holds the NCTD Certificates, they bear interest at a rate equal to the weighted average interest rate on the Subordinate Commercial Paper Notes and are subject to an amortization schedule of approximately level debt service payments through September 1, 2034, corresponding to the amortization schedule of an interest rate swap agreement NCTD entered into in connection with the NCTD Certificates.

The Commission is not obligated to make any payments under such interest rate swap agreement. The NCTD Certificates are currently outstanding in an aggregate principal amount of \$14,900,000.

Additional Subordinate Obligations. Except to the extent restricted by the Indenture, the Commission may issue or incur Subordinate Obligations secured by a pledge of Sales Tax Revenues on a basis junior and subordinate to the payment of the principal, interest and reserve fund requirements for the Bonds and Parity Obligations, as the same become due and payable and at the times and in the manner as required by the Subordinate Indenture.

Junior Subordinate TIFIA Loan

On June 27, 2017, the Commission entered into a loan agreement (the “2017 TIFIA Loan Agreement”), pursuant to which the U.S. Department of Transportation, acting by and through the Executive Director of the Build America Bureau (the “TIFIA Lender”) agreed to make a junior and subordinate loan to the Commission in an amount not to exceed \$537,484,439. The 2017 TIFIA Loan had a fixed interest rate of 2.72% and a final maturity no later than October 1, 2045.

To achieve interest rate savings the Commission entered into a replacement TIFIA Loan Agreement with the TIFIA Lender on January 14, 2021 (the “TIFIA Loan Agreement”) and terminated the 2017 TIFIA Loan Agreement, which was not drawn. Pursuant to the TIFIA Loan Agreement the TIFIA Lender agreed to extend credit to the Commission in the amount of \$537,484,439, plus up to five years of capitalized interest (the “Junior Subordinate TIFIA Loan”). The Commission has drawn the entire amount of \$537,484,439 available under the TIFIA Loan Agreement and, as of January 1, 2026, the Junior Subordinate TIFIA Loan is outstanding in the amount of \$555,982,574 (including capitalized interest). The proceeds of the Junior Subordinate TIFIA Loan have been applied to the repayment of the Commission’s Subordinate Sales Tax Revenue Short-Term Notes, 2018 Series A, which financed federally eligible costs of the Mid-Coast Corridor Transit Project. The Junior Subordinate TIFIA Loan bears interest at a fixed rate of 1.75% and will mature no later than October 1, 2045. The Junior Subordinate TIFIA Loan is secured by a third lien pledge of Sales Tax Revenues that is subordinate to the liens and charges securing the Bonds and the Subordinate Obligations. The Junior Subordinate TIFIA Loan is not secured by a springing lien.

For a description of certain provisions of the TIFIA Loan Agreement, see APPENDIX C-3.

A copy of the TIFIA Loan Agreement may be found at:

<https://www.sandagbonds.com/sandag-investor-relations-ca/documents/view-file/i928?mediaId=608195>

OUTSTANDING SENIOR LIEN DEBT SERVICE SCHEDULE

The table on the following page shows the annual debt service requirements with respect to the 2010 Series A Bonds, 2016 Series A Bonds, 2019 Series A Bonds, 2020 Series A Bonds, 2021 Series A Bonds, 2023 Series A Bonds and 2026 Series A Bonds. The table on the following page does not reflect the contemplated refunding described under the heading “PLAN OF REFUNDING.” The table in the final Official Statement will be updated to reflect the refunding of the Bonds to be effected with a portion of the proceeds of the 2026 Series A Bonds.

**SENIOR LIEN DEBT SERVICE SCHEDULE
OUTSTANDING BONDS**

| Fiscal Year Ending June 30 | 2010 Series A⁽¹⁾ | 2016 Series A⁽²⁾ | 2019 Series A⁽³⁾ | 2020 Series A | 2021 Series A⁽⁴⁾ | 2023 Series A | 2026 Series A | Total Outstanding Bonds⁽¹⁾⁽²⁾ |
|---|--|--|--|--------------------------|--|--------------------------|--------------------------|---|
| 2026 | \$13,423,068 | \$20,667,500 | \$10,175,521 | \$5,092,250 | \$11,802,342 | \$ 42,515,750 | | |
| 2027 | 13,423,068 | 20,666,000 | 10,175,521 | 5,094,000 | 11,804,983 | 42,449,250 | | |
| 2028 | 13,423,068 | 20,667,750 | 10,175,521 | 5,091,400 | 11,804,293 | 42,389,250 | | |
| 2029 | 13,423,068 | 20,666,750 | 10,175,521 | 5,089,150 | 11,802,725 | 42,327,750 | | |
| 2030 | 13,423,068 | 20,667,250 | 10,175,521 | 5,096,650 | 11,804,295 | 42,257,000 | | |
| 2031 | 13,423,068 | 20,663,250 | 10,175,521 | 4,588,150 | 11,808,521 | 42,774,500 | | |
| 2032 | 13,423,068 | 20,664,000 | 10,175,521 | 4,589,150 | 11,804,779 | 42,702,750 | | |
| 2033 | 13,423,068 | 20,663,250 | 10,175,521 | 4,590,150 | 11,802,605 | 42,636,500 | | |
| 2034 | 13,423,068 | 20,665,000 | 10,175,521 | 4,590,900 | 11,806,305 | 42,557,000 | | |
| 2035 | 13,423,068 | 20,668,000 | 18,780,521 | 4,591,150 | 11,800,247 | 34,021,250 | | |
| 2036 | 13,423,068 | 20,666,000 | 18,670,333 | 4,590,650 | 11,808,668 | 34,048,250 | | |
| 2037 | 13,423,068 | 20,668,000 | 18,604,869 | 4,589,150 | 11,802,511 | 34,027,000 | | |
| 2038 | 13,423,068 | 20,667,500 | 18,282,528 | 4,591,400 | 11,802,935 | 34,256,500 | | |
| 2039 | 41,863,068 | 20,663,250 | 24,161,307 | 4,586,900 | 11,800,495 | 1,480,750 | | |
| 2040 | 41,831,823 | 20,664,000 | 24,782,930 | 4,590,650 | - | 11,060,750 | | |
| 2041 | 41,792,215 | 20,668,000 | 24,786,104 | 4,586,900 | - | 11,066,750 | | |
| 2042 | 41,757,858 | 20,663,500 | 25,379,064 | 4,590,650 | - | 10,468,500 | | |
| 2043 | 41,721,773 | 20,664,250 | 39,601,094 | 4,591,150 | - | - | | |
| 2044 | 41,682,176 | 20,663,250 | 39,599,323 | 4,588,150 | - | - | | |
| 2045 | 41,642,286 | 20,663,750 | 39,598,123 | 4,591,400 | - | - | | |
| 2046 | 41,600,124 | 20,663,750 | 39,601,358 | 4,589,400 | - | - | | |
| 2047 | 41,553,708 | 20,666,250 | 39,607,727 | 4,591,200 | - | - | | |
| 2048 | 41,506,060 | 20,664,000 | 39,605,933 | 4,586,400 | - | - | | |
| Total | \$591,450,975 | \$475,304,250 | \$502,640,903 | \$108,076,950 | \$165,255,704 | \$553,039,500 | | |

Totals may not add due to rounding.

⁽¹⁾ 2010 Series A Bonds projected debt service is net of Subsidy Payments. See “RISK FACTORS – Loss of Subsidy Payments.”

⁽²⁾ A portion of the 2016 Series A Bonds may be refunded with a portion of the proceeds of the 2026 Series A Bonds. See “PLAN OF REFUNDING.”

⁽³⁾ A portion of the 2019 Series A Bonds may be refunded with a portion of the proceeds of the 2026 Series A Bonds. See “PLAN OF REFUNDING.”

⁽⁴⁾ A portion of the 2021 Series A Bonds may be refunded with a portion of the proceeds of the 2026 Series A Bonds. See “PLAN OF REFUNDING.”

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

General

The Commission was organized pursuant to the Act and is responsible for providing improvements to the transportation system and other public infrastructure systems in the County funded with the Sales Tax. To carry out this responsibility, the Commission adopted in 1987 the initial San Diego County Transportation Improvement Program Ordinance (Commission Ordinance 87-1 – Proposition A, 1987) (referred to herein as the “1987 Ordinance”). In 2004, the Commission adopted the San Diego County Transportation Improvement Program *TransNet* Ordinance and Expenditure Plan (Commission Ordinance 04-01), referred to herein as the “2004 Sales Tax Extension Ordinance,” which provides for an extension of the retail transactions and use tax implemented by the initial 1987 Ordinance for a 40-year period commencing on April 1, 2008. See “– The Expenditure Plan” below. The Commission Board is composed of the SANDAG Board of Directors. However, the liabilities of SANDAG are not liabilities of the Commission. SANDAG employees carry out the work of the Commission. The Commission has no employees.

On January 1, 2003, Senate Bill 1703 took effect, changing the structure of SANDAG from a Joint Powers Authority to a State-created regional government agency. The effect of this legislation was to make SANDAG a permanent rather than voluntary association of local governments and to increase SANDAG’s responsibilities and powers. The SANDAG Board of Directors consists of voting representatives from the County and 18 incorporated cities within the County. Supplementing these voting members are advisory representatives from Imperial County, the U.S. Department of Defense, Caltrans, San Diego Unified Port District, MTS, NCTD, San Diego County Water Authority, Southern California Tribal Chairmen’s Association, the Association of Planning Groups and Mexico. Policy Advisory Committees assist the SANDAG Board of Directors in carrying out the agency’s work program. The SANDAG Board of Directors is also assisted by a professional staff of approximately 400 planners, engineers, research specialists, and supporting staff. Senate Bill 1703 also required the consolidation of the planning, programming, project development, and construction functions of MTS and NCTD into SANDAG. SANDAG is responsible for transit planning, project implementation, and construction of regional transit projects in the County. Neither the Commission nor SANDAG operates transit services. Transit operations in the County are the responsibility of MTS and NCTD.

On December 12, 2025, the SANDAG Board of Directors adopted the 2025 Regional Plan (“2025 RP”), which is the long range transportation plan for the region that describes a plan for investing local, state and federal transportation funds expected to come into the region over the next 25 years. The 2025 RP is incrementally implemented by the Regional Transportation Improvement Program (“RTIP”), which is updated every two years. On September 27, 2024, the SANDAG Board of Directors adopted the 2025 RTIP which programs five fiscal years of transportation funding for projects included in the 2025 RP.

Reducing greenhouse gas emissions is a major goal for the State of California. Rising emissions are increasing average temperatures around the globe leading to numerous changes, including increased extreme heat events, coastal and inland flooding, and wildfires. SANDAG, in partnership with local jurisdictions, is working to decrease emissions by planning and building a more efficient and low emission regional transportation system within the County. SANDAG has collaborated with local agency staff, community groups, and leading experts in the field to prepare a regional roadmap which provides a long-term vision to reduce carbon emissions by 2045. The roadmap builds on climate action plans that were adopted by local jurisdictions and was completed and submitted to the United States Environmental Protection Agency on November 24, 2025, as part of a federal grant. SANDAG will coordinate regional implementation and monitoring with local jurisdictions.

The Expenditure Plan

The 1987 Ordinance and the 2004 Sales Tax Extension Ordinance each outline a series of projects (together, the “Expenditure Plan”) to be completed during the term of the Sales Tax. The Expenditure Plan may be found at:

<https://www.sandag.org/-/media/SANDAG/Documents/PDF/funding/transnet/transnet-amended-and-restated-rransnet-extension-ordinance-and-expenditure-plan.pdf>

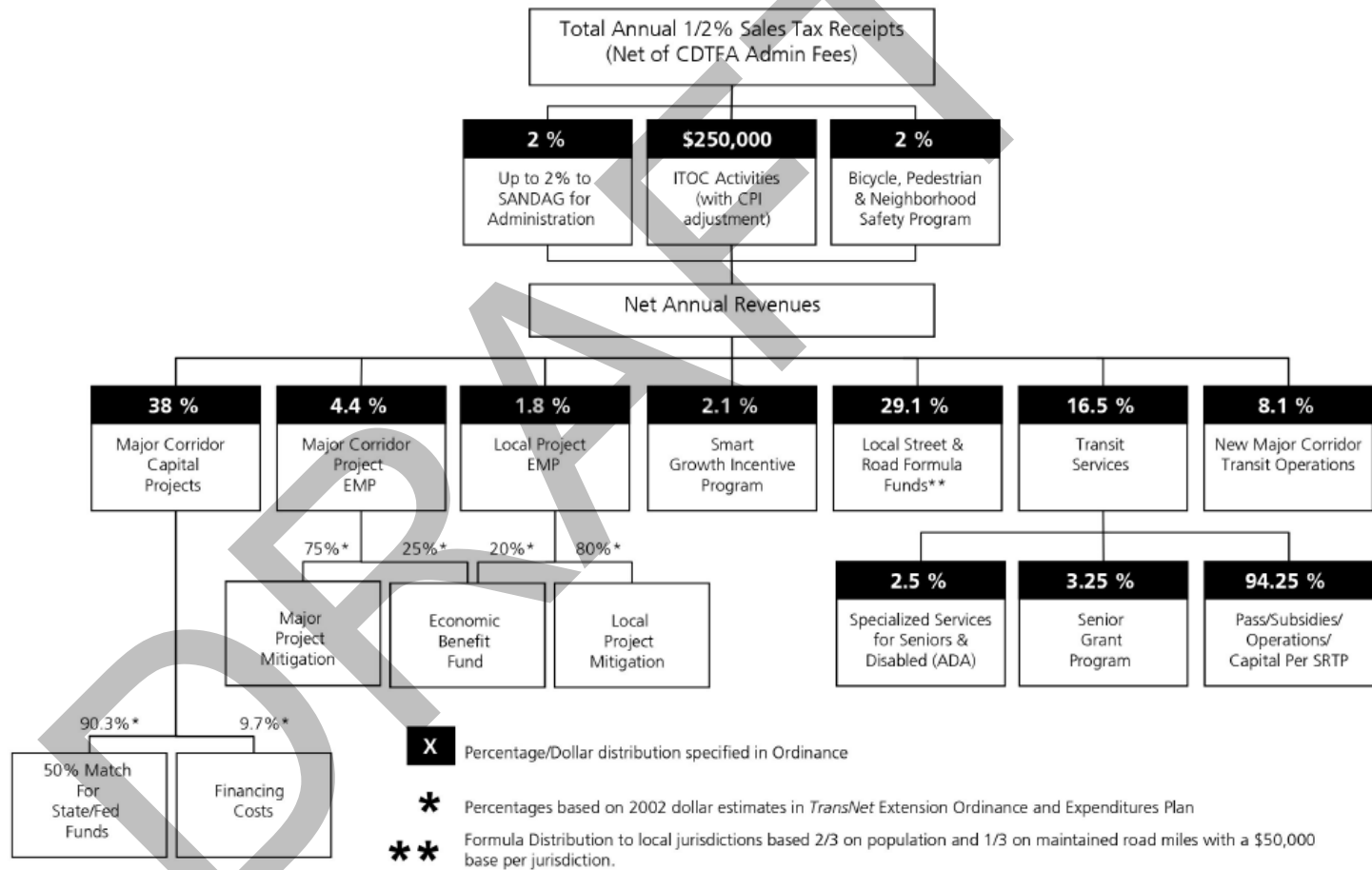
The Expenditure Plan is not incorporated herein by reference. The Ordinance specifies that Sales Tax Revenues are to be applied according to the following diagram.

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TransNet Extension Flow of Funds FY 2009 – FY 2048*



* On May 14, 2021, the SANDAG Board of Directors, acting as the San Diego County Regional Transportation Commission, approved an adjustment to increase the administrative expense limitation from 1% to 2% beginning in FY 2022.

Revised May 2021

To implement the Expenditure Plan, the Commission annually prepares finance plan updates (each, a “*TransNet* Plan of Finance”) that describe major program revenue, cost and project budget and schedule assumptions. Each *TransNet* Plan of Finance prepared by the Commission sets forth projected cash flow and borrowing requirements during the term of the program covered by such plan.

The *TransNet* Early Action Program (depicted in the map entitled “*TransNet* Early Action Program” at the front of this Official Statement) includes various highway and transit improvements in the Interstates 5, 15, 805 corridors; State Route 52 and 76 corridors; implementation of the Mid-Coast Light Rail Project; trolley vehicle and station upgrades along the Blue and Orange Lines; and double tracking improvements in the coastal rail corridor to be financed by the proceeds of Bonds, Sales Tax Revenues, and eligible federal, state, and local revenues.

In response to changing conditions, the *TransNet* Plan of Finance is updated periodically. Such updates include the latest project cost estimates, actual revenues received, and estimated revenue projections. The update allows the Commission to assess the strength of the program and appropriate changes to the implementation of the Project. In response to economic conditions during which costs have decreased while sales tax collections have increased, the Board has accelerated projects to take advantage of a construction bid environment offering bids significantly below engineering estimates. During periods when costs were rising faster than revenues, the Commission has deferred the implementation of certain projects to allow the *TransNet* Plan of Finance to remain focused on the highest priority projects.

The SANDAG Board of Directors was presented with a *TransNet* Program Update at its May 2, 2025 meeting, continuing the implementation of major transportation projects in the region.

As a guiding principle, the Commission’s primary borrowing is focused on capital programs: (1) Major Corridor Capital Projects; (2) Major Corridor Environmental Mitigation Program (“EMP”); and (3) Bicycle Pedestrian and Neighborhood Safety (“BPNS”). The remaining Sales Tax Revenues are allocated to current expenses for the remaining programs. From time to time, at the request of member agencies (local jurisdictions), the Commission may borrow for local street and road capital improvements, with the debt service for these improvements paid from each respective agency’s share of Local Street & Road Formula Funds.

Future Financings

The Commission manages the implementation of its capital program based on project readiness and the availability of federal and State funds, and may advance or slow down the delivery of projects in response to current conditions. As of the date of this Official Statement, the Commission does not expect to issue additional Bonds within the next 24 months. No assurance can be given regarding the amount of additional Bonds that may be issued by the Commission in the future, subject to the limitations of the Indenture.

The Commission is authorized to issue up to \$100,000,000 in the aggregate principal amount of Subordinate Commercial Paper Notes. See “OUTSTANDING OBLIGATIONS – Subordinate Obligations – *Subordinate Commercial Paper Notes and CP Letter of Credit.*”

Executive Staff

The staff of SANDAG serves as staff to the Commission. Key staff members, the position held by each and a brief statement of the background of each key staff member are set forth below.

Mario Orso, *Chief Executive Officer*. Mr. Orso brings more than 30 years of experience and passion in transportation planning and leads SANDAG to deliver more than 200 projects across the San Diego region that improve mobility, equity, safety, and our economy. Mr. Orso oversees SANDAG’s \$1.3 billion annual budget, implements policies set by its Board of Directors, and leads a staff of more than 400

professionals who plan, implement, and build regional solutions. Prior to joining SANDAG in 2024, Mr. Orso held several leadership positions with Caltrans District 11 in San Diego and Imperial Counties and served as the Acting Caltrans District 12 Director in Orange County.

Dawn Vettese, *Chief Financial Officer*. Ms. Vettese serves as the Chief Financial Officer of SANDAG and directs all financial, budgets, and contracting functions for SANDAG and the Commission. Ms. Vettese joined SANDAG in 2014. Prior to joining SANDAG, Ms. Vettese served over 20 years with the California Department of Transportation in a variety of roles including transportation finance and program/project management. She has developed strategic partnerships between the region, Caltrans, the California Transportation Commission, and peer agencies to further the region's goals and priorities. Ms. Vettese has decades of professional transportation finance experience and managed innovative finance strategies for projects in the San Diego region.

Teddy Low, *General Counsel*. Mr. Low brings over 25 years of extensive legal expertise in public service, trial law, and advising municipal and public agencies. Mr. Low will oversee the activities and operations of the Office of General Counsel as well as coordinate assigned services and activities with other SANDAG departments, Policy Advisory Committees, member agencies, and outside organizations. Prior to joining SANDAG, Mr. Low served as Senior Deputy County Counsel with the Los Angeles Office of County Counsel, where he served as a key legal advisor for Los Angeles County Metropolitan Transportation Authority. In this critical role, he guided some of the region's largest and most complex rail and construction projects, collectively valued in the billions of dollars.

Clint Peace, *Senior Director of Capital Delivery*. Mr. Peace leads strategic program delivery and supports the region's largest transportation and infrastructure priorities. Mr. Peace's experience encompasses both public- and private-sector roles, primarily with Caltrans District 11 where he spent 17 years advancing complex corridor programs and major capital initiatives before joining SANDAG in 2024.

Kimberly Trammel, *Director of Accounting and Finance*. Ms. Trammel oversees the core financial functions of SANDAG. With more than 20 years in local government finance, Ms. Trammel has held key leadership roles, including Chief Financial Officer for the City of Stockton, where she helped strengthen long-term financial stability, modernize financial systems, and support data-informed decision-making. Kimberly joined SANDAG in 2024.

Betsy Blake, *Senior Legal Counsel*. Ms. Blake has served as Senior Legal Counsel for SANDAG since July 2021 and advises on all aspects of project delivery, public contracting, innovative financing, and compliance with laws applicable to California local governmental agencies. Before joining SANDAG, she served in legal leadership roles supporting municipal operations and previously practiced at a public law firm representing public entities in economic development, finance, and litigation matters. Ms. Blake holds a Juris Doctor degree from the University of Kansas.

THE SALES TAX

Authorization, Application and Collection of the Sales Tax

The Commission is authorized by the Act to adopt a retail transactions and use tax ordinance applicable in the incorporated and unincorporated territory of the County in accordance with California's Transactions and Use Tax Law (Revenue and Taxation Code Sections 7251 *et seq.*), upon authorization by a majority of the electors voting on the issue. On November 3, 1987, the voters approved the 1987 Ordinance which imposed the Sales Tax in the County for a twenty-year period. On November 2, 2004, more than two-thirds of the voters approved the Sales Tax Extension Ordinance which, among other things, extended the collection of the tax to March 31, 2048. The Ordinance imposes the Sales Tax on the gross receipts of retailers from the sale of tangible personal property sold in the County and upon the storage, use or other consumption in the County of such property purchased from any retailer for storage use or other consumption in the County, subject to certain limited exceptions described below.

Collection of the Sales Tax is administered by the CDTFA, as successor to the Board of Equalization (“BOE”) for this purpose. The CDTFA, after deducting a fee for administering the Sales Tax, remits the remaining Sales Tax Revenues to the Trustee which are then applied to satisfy the Commission’s obligations with respect to the Bonds and Parity Obligations. The remaining Sales Tax Revenues are then remitted to the Subordinate Trustee for the Commission’s Subordinate Obligations, including the 2021 Series B Bonds and the Subordinate Commercial Paper Notes. After payment of debt service requirements on the Subordinate Obligations, any remaining unapplied Sales Tax Revenues are then remitted to the Subordinate Trustee for payment of certain fees and expenses and the Junior Subordinate TIFIA Loan and thereafter to the Commission. The fee charged by the CDTFA is determined by the CDTFA pursuant to statute. The fee estimated to be charged by the CDTFA to the Commission for collection of the Sales Tax for Fiscal Year 2025-26 was \$3,668,780. The fee that the CDTFA is authorized to charge for collection of the Sales Tax is determined by State legislation and may be increased or decreased by legislative action. There can be no assurances that the amount of this fee or the method for determining the amount of the fee will remain the same. The CDTFA collects and subsequently distributes sales and use tax revenues to sales taxing jurisdictions such as the Commission. The CDTFA disburses sales taxes three times a quarter. For a given quarter the first two monthly payments correspond to an estimated advance plus the current distributions processed during the month. The third monthly payment then trues-up the total quarterly allocation against payments disbursed in the prior two months, net of administrative fees. The methodology for calculating the estimated advances has been recently improved to more closely track actual tax receipts and to accelerate the allocations to sales taxing jurisdictions such as the Commission. The methodology includes two steps. First, the CDTFA calculates the share of a jurisdiction’s total allocation for the same quarter of the prior year. Second, this share is applied to the total prepayment collected in the current month.

The Sales Tax is imposed in addition to a 7.25 percent sales and use tax levied statewide by the State and local sales tax measures enacted by cities, as described below under “– Other Sales Taxes Imposed in the County.” In general, the statewide sales tax applies to the gross receipts of retailers from the sale of tangible personal property. The statewide use tax is imposed on the storage, use or other consumption in the State of property purchased from a retailer for such storage, use or other consumption. Since the use tax does not apply to cases where the sale of the property is subject to the sales tax, the application of the use tax generally is to purchases made outside of the State for use within the State, subject to certain exceptions.

Many categories of transactions are exempt from the Statewide sales and use tax and from the 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 statewide sales and use tax and from the Sales Tax. Action by the State legislature or by voter initiative could change the transactions and items upon which the Statewide sales and use tax and the Sales Tax are imposed. Such changes or amendments could have either an adverse or beneficial impact on the Sales Tax Revenues. The Commission is not currently aware of any proposed legislative change, which would have a material adverse effect on Sales Tax Revenues. See also “RISK FACTORS – Proposition 218.”

Historical Sales Tax Revenues

Annual Sales Tax Revenues. The Commission began receiving distributions of the Sales Tax from the BOE in June 1988. The CDTFA now handles most of the taxes and fees previously collected by the BOE. The following table shows the Sales Tax remitted to the Commission during the Fiscal Years ended June 30, 1990 through June 30, 2025.

**SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
HISTORICAL SALES TAX REVENUES**

| <u>Fiscal Year Ended June 30</u> | <u>Sales Tax Revenues⁽¹⁾</u> | <u>% Change From Prior Fiscal Year</u> |
|--------------------------------------|---|--|
| 1990 | \$113,758,624 | -- |
| 1991 | 109,806,529 | (3.5)% |
| 1992 | 106,105,958 | (3.4) |
| 1993 | 111,783,116 | 5.4 |
| 1994 | 111,461,846 | (0.3) ⁽²⁾ |
| 1995 | 114,303,387 | 2.5 |
| 1996 | 123,511,934 | 8.1 |
| 1997 | 131,592,528 | 6.5 |
| 1998 | 145,754,155 | 10.8 |
| 1999 | 156,909,677 | 7.7 |
| 2000 | 172,274,619 | 9.8 |
| 2001 | 189,795,888 | 10.2 |
| 2002 | 192,836,199 | 1.6 |
| 2003 | 200,600,386 | 4.0 |
| 2004 | 213,230,634 | 6.3 |
| 2005 | 228,562,785 | 7.2 |
| 2006 | 243,317,789 | 6.5 |
| 2007 | 247,924,304 | 1.9 |
| 2008 | 244,406,219 | (1.4) |
| 2009 | 221,991,360 | (9.2) |
| 2010 | 204,191,747 | (8.0) |
| 2011 | 221,304,014 | 8.4 |
| 2012 | 236,947,113 | 7.1 |
| 2013 | 247,221,162 | 4.3 |
| 2014 | 260,114,931 | 5.2 |
| 2015 | 268,840,549 | 3.4 |
| 2016 | 275,500,023 | 2.5 |
| 2017 | 284,456,260 | 3.3 |
| 2018 | 294,501,324 | 3.5 |
| 2019 | 312,303,669 | 6.0 ⁽³⁾ |
| 2020 | 305,851,214 | (2.1) ⁽⁴⁾ |
| 2021 | 333,998,568 | 9.2 ⁽⁴⁾ |
| 2022 | 405,921,138 | 21.5 ⁽⁴⁾ |
| 2023 | 429,735,180 | 5.9 ⁽⁵⁾ |
| 2024 | 426,692,983 | (0.7) ⁽⁵⁾ |
| 2025 ⁽⁶⁾ | 426,937,565 | 0.1 ⁽⁵⁾ |

⁽¹⁾ Cash basis, net of BOE/CDTFA administrative fee.

⁽²⁾ Reflects, in part, effect of increase in BOE administration fee in 1994.

⁽³⁾ In May 2018, CDTFA implemented a new automated system for processing, reporting, and distributing sales tax revenues to agencies throughout the State. As a result, several thousand tax returns were not processed in a timely manner. Approximately \$7 million of Fiscal Year 2018 revenue was recorded in Fiscal Year 2019. Assuming the \$7 million figure was properly accounted for in Fiscal Year 2018, annual sales tax revenues would have been \$301.5 million for Fiscal Year 2018 and \$305.3 million in Fiscal Year 2019.

⁽⁴⁾ Sales tax collections from Fiscal Year 2020 through Fiscal Year 2022 reflect a confluence of factors, including the brief COVID-19 related economic downturn and subsequent recovery, federal and local stimulus payments and a change in State law regarding the collection of sales tax on internet sales transaction. See “RISK FACTORS – Economy of the County and the State.”

⁽⁵⁾ In Fiscal Year 2023, the year-over-year change in sales tax collections reflects inflationary factors in combination with a normalization of consumer spending patterns which resulted in sales tax revenue growth flattening. Inflationary pressures began to ease in Fiscal Year 2024, while the normalization of consumer spending patterns continued in Fiscal Years 2024 and 2025.

⁽⁶⁾ Unaudited actual results for Fiscal Year 2025.

Source: San Diego County Regional Transportation Commission.

Debt Service Coverage. Sales Tax Revenues for the Fiscal Year ended June 30, 2025 are approximately 4.01 times Maximum Annual Debt Service on the Outstanding Senior Bonds based on the debt service and assumptions shown in the table “SENIOR DEBT SERVICE SCHEDULE.”

Monthly Sales Tax Revenues. The following table presents Sales Tax Revenues remitted each month by the CDTFA for the account of the Commission in the Fiscal Years ended June 30, 2024 and 2025 and a portion of the Fiscal Year ending June 30, 2026. Through the first five months of the Fiscal Year ending June 30, 2026, Sales Tax Revenues are up 3.91% as compared to the same five-month period in the prior Fiscal Year.

**MONTHLY SALES TAX DISBURSEMENTS
FISCAL YEARS ENDED JUNE 30, 2024 AND 2025 AND ENDING JUNE 30, 2026**

| Month | Fiscal Year Ended June 30, 2024⁽¹⁾⁽²⁾ | Fiscal Year Ended June 30, 2025⁽¹⁾⁽²⁾ | Year Over Year % Change (2024 v. 2025) | Fiscal Year Ending June 30, 2026⁽¹⁾⁽²⁾ | Year Over Year % Change (2025 v. 2026) |
|---------------|---|---|---|--|---|
| July | \$ 43,691,260 | \$ 42,756,562 | (2.14)% | \$ 37,896,840 | (11.37)% |
| August | 27,925,686 | 29,154,928 | 4.40 | 36,082,553 | 23.76 |
| September | 36,672,942 | 36,669,208 | (0.01) | 39,076,372 | 6.56 |
| October | 38,088,738 | 34,614,090 | (9.12) | 33,528,222 | (3.14) |
| November | 33,489,426 | 33,063,017 | (1.27) | 36,569,399 | 10.61 |
| December | 35,801,646 | 35,389,735 | (1.15) | - | - |
| January | 33,972,638 | 31,821,636 | (6.33) | - | - |
| February | 39,509,271 | 47,515,705 | 20.26 | - | - |
| March | 35,786,454 | 31,941,036 | (10.75) | - | - |
| April | 33,305,657 | 28,707,040 | (13.81) | - | - |
| May | 33,419,427 | 40,969,261 | 22.59 | - | - |
| June | 35,029,838 | 34,335,347 | (1.98) | - | - |
| Totals | \$ 426,692,983 | \$ 426,937,565 | 0.06% | \$ 183,153,386 | - |

⁽¹⁾ Unaudited; cash basis; net of CDTFA administrative fee.

⁽²⁾ Totals may not add due to rounding.

Other Sales Taxes Imposed in the County

With limited exceptions, the Sales Tax is imposed upon the same transactions and items subject to the 7.25 percent sales and use tax levied statewide by the State. The State Legislature or the voters of the State, through the initiative process, could change or limit the transactions and items upon which the statewide sales tax and the Sales Tax are imposed. Any such change or limitation could have an adverse impact on the Sales Tax Revenues collected. See “RISK FACTORS – Other Sales Taxes.”

In addition to the statewide sales and use tax and the Sales Tax, the following sales and use taxes are imposed in certain cities within the County. No portion of the statewide sales and use tax or the following taxes imposed in certain cities within the County are pledged to the repayment of the 2026 Series A Bonds.

| <u>Sales and Use Tax</u> | <u>Tax Rate</u> | <u>Effective Date</u> | <u>Termination Date</u> |
|--|-----------------|-----------------------|-------------------------|
| City of Chula Vista – Measure P | 0.50% | 04/01/17 | 03/31/37 |
| City of Chula Vista – Measure A | 0.50 | 10/01/18 | Upon Repeal |
| City of Del Mar | 1.00 | 04/01/17 | Ongoing |
| City of El Cajon Service Preservation Transactions and Use Tax | 0.50 | 04/01/17 | 03/31/49 |
| City of Imperial Beach | 1.00 | 04/01/21 | Ongoing |
| City of La Mesa Transactions and Use Tax | 0.75 | 04/01/09 | 03/31/49 |
| City of National City Transactions and Use Tax | 1.00 | 10/01/06 | Ongoing |
| City of Oceanside | 0.50 | 04/01/19 | 03/31/36 |
| City of Vista Transactions and Use Tax | 0.50 | 04/01/07 | 03/31/37 |

Source: *California City and County Sales and Use Tax Rates* (October 1, 2025), CDTFA.

For information concerning historical taxable sales in the County, see the table entitled “County of San Diego, Taxable Sales Transactions” in APPENDIX A – “INFORMATION REGARDING THE COUNTY OF SAN DIEGO.”

COMMISSION INVESTMENT PORTFOLIO

Funds of the Commission are invested pursuant to an investment policy adopted by the Commission Board, which permits the Commission to invest in some (but not all) of the types of securities authorized by State law for the investment of funds of local agencies. The securities in which the Commission currently is authorized to invest include United States treasury notes, bonds and bills, bonds, notes, bills, warrants and obligations issued by certain agencies of the United States, bankers acceptances, commercial paper of prime quality, certificates of deposit, medium term corporate notes, State municipal obligations and local obligations, the California Asset Management Program (CAMP), money market funds, savings/money market accounts, mortgage and asset-backed obligations (within limits specified in the investment policy), supranationals, the State’s local agency investment fund, the San Diego County local agency investment fund, collateralized repurchase agreements, and other securities authorized under State law as appropriate for public fund investments and not specifically prohibited by the investment policy. The investment policy (which is subject to change in the future) does not allow investment in reverse repurchase agreements, mortgage interest strips, inverse floaters or securities lending or any investment that fails to meet the credit or portfolio limits of the investment policy at the time of investment.

Funds held by the Trustee are invested in Investment Securities (as defined in APPENDIX C-1) in accordance with instructions from the Commission. The instructions from the Commission currently restrict those investments to investments permitted by the investment policy adopted by the Commission Board described above (except that the Trustee is permitted to invest a greater percentage of funds in specific securities than the investment policy would otherwise permit).

The value of the various investments in the portfolio will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Further, such values may vary based on credit quality, ratings, or other factors. Therefore, there can be no assurance that the values of the various investments in the portfolio will not vary significantly from the values described below. Further, the values specified in the following tables were based upon estimates of market values provided to the Commission by a third party as of September 30, 2025. Accordingly, there can be no assurance that if these securities had been sold on September 30, 2025, the portfolio would have received the values specified. In addition, under certain provisions of the Indenture, funds and accounts held thereunder must be invested in certain specified Investment Securities that include investment agreements and other investments not described above.

INVESTMENT PORTFOLIO INFORMATION
As of September 30, 2025

| <i>Investments</i> | <i>Par Value</i> | <i>Market Value</i> |
|--|-------------------------------|--------------------------------|
| Cash and Cash Equivalents ⁽¹⁾ | \$ 955,358,769 | \$ 955,358,769 |
| United States Agencies | 177,274,901 | 175,697,582 |
| Corporate Medium Term Notes | 58,319,000 | 58,106,997 |
| Supra-National Agency Bond/Note | 17,800,000 | 17,889,582 |
| Certificates of Participation | <u>14,900,000</u> | <u>14,900,000</u> |
| TOTAL | <u>\$1,223,652,670</u> | <u>\$ 1,221,952,930</u> |

⁽¹⁾ Amounts reported under Cash and Cash Equivalents reflect unadjusted account balances as of the date reported.
Source: The Commission.

RISK FACTORS

Economy of the County and the State

The 2026 Series A Bonds are secured by a pledge of Sales Tax Revenues, which consist 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 County, which level of retail sales is, in turn, dependent upon the level of economic activity in the County and in the State generally. As a result, any substantial deterioration in the level of economic activity within the County or the State could have an adverse impact upon the level of Sales Tax Revenues and therefore upon the ability of the Commission to pay principal of, and interest on the 2026 Series A Bonds. For information relating to economic conditions within the County and the State, see APPENDIX A – “INFORMATION REGARDING THE COUNTY OF SAN DIEGO.”

Legislative Changes

Action by the State legislature or by voter initiative could change the transactions and items upon which the Sales Tax is imposed. Future changes or amendments could have either an adverse or beneficial impact on the Sales Tax Revenues. The State Legislature from time to time may adopt legislation that impacts the collection or the distribution of sales taxes or that otherwise may impact the operations or finances of the Commission. The Commission cannot predict whether any such legislation will negatively impact Sales Tax Revenues.

Other Sales Taxes

With limited exceptions, the Sales Tax is imposed upon the same transactions and items subject to the 7.25% sales and use tax levied statewide by the State. The State Legislature or the voters of the State, through the initiative process, could change or limit the transactions and items upon which the statewide sales tax and the Sales Tax are imposed. Any such change or limitation could have an adverse impact on the Sales Tax Revenues collected. In addition, the Sales Tax is imposed generally on the same transactions and items subject to sales and use taxes levied by certain cities within the County. See “THE SALES TAX – Other Sales Taxes Imposed in the County.”

No Acceleration of 2026 Series A Bonds

The Indenture does not include a provision allowing for the acceleration of any 2026 Series A Bonds. In the event of a default by the Commission, each Holder of a 2026 Series A Bond will have the rights to exercise the remedies, subject to the limitations thereon, set forth in the Indenture.

Loss of Subsidy Payments

The 2010 Series A Bonds were issued as “Build America Bonds.” The amount of any Subsidy Payments are subject to legislative changes by the United States Congress. On March 1, 2013, the federal government announced the implementation of certain automatic spending cuts known as “sequestration.” Future reductions in Subsidy Payments may occur due to the sequester, but the Commission is unable to predict the amount or duration of such reductions. Further, Subsidy Payments will only be paid if the 2010 Series A Bonds continue to qualify as Build America Bonds. For the 2010 Series A Bonds to remain Build America Bonds, the Commission must comply with certain covenants with respect to the 2010 Series A Bonds, the use and investment of proceeds thereof and the use of property financed thereby. Thus, it is possible that the Commission may not receive the Subsidy Payments. Subsidy Payments are also subject to offset against amounts that may, for unrelated reasons, be owed by the Commission to any agency of the United States of America. The Commission does not believe that failure to receive all or a portion of the Subsidy Payments or any offset to the Subsidy Payments will materially and adversely impact the Commission’s ability to pay interest on the 2010 Series A Bonds. The failure to receive all or any portion of the Subsidy Payment does not affect the Commission’s obligation to pay debt service on the 2010 Series A Bonds.

Bankruptcy Considerations

The Commission may be authorized to file for Chapter 9 municipal bankruptcy under certain circumstances. Should the Commission file for bankruptcy, there could be adverse effects on the holders of the 2026 Series A Bonds.

If the Sales Tax Revenues are “special revenues” under the Bankruptcy Code, then Sales Tax Revenues collected after the date of the bankruptcy filing should be subject to the lien of the Indenture. “Special revenues” are defined to include taxes specifically levied to finance one or more projects or systems, excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the governmental entity. The Sales Tax was levied to finance the projects described in the San Diego County Transportation Improvement Program *TransNet* Ordinance and Expenditure Plan (under this caption, the “Projects”), and some of these Projects are described in broad terms. In addition, the Projects are not owned by the Commission. No assurance can be given that a court would not hold that the Sales Tax Revenues are not special revenues. Were the Sales Tax Revenues determined not to be “special revenues,” then Sales Tax Revenues collected after the commencement of a bankruptcy case would likely not be subject to the lien of the Indenture. The holders of the 2026 Series A Bonds may not be able to assert a claim against any property of the Commission other than the Sales Tax Revenues, and were these amounts no longer subject to the lien of the Indenture, as applicable, following commencement of a bankruptcy case, then there could thereafter be no amounts from which the holders of the 2026 Series A Bonds are entitled to be paid.

The Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system from which the special revenues are derived, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. The law is not clear as to whether, or to what extent, Sales Tax Revenues would be considered to be “derived” from the Projects. To the extent that Sales Tax Revenues are determined to be both special revenues and derived from the Projects, the Commission may be able to use Sales Tax Revenues to pay necessary operating expenses connected with the Projects, before the remaining Sales Tax Revenues are turned over to the Trustee to pay amounts owed to the holders of the 2026 Series A Bonds. It is not clear precisely which expenses would constitute necessary operating expenses.

If the Commission is in bankruptcy, the parties (including the holders of the 2026 Series A Bonds) may be prohibited from taking any action to collect any amount from the Commission or to enforce any obligation of the Commission, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the holders of the 2026 Series A Bonds from funds

in the Trustee's possession. The procedure pursuant to which Sales Tax Revenues are paid directly by the CDTFA to the Trustee may no longer be enforceable, and the Commission may be able to require the CDTFA to pay Sales Tax Revenues directly to the Commission.

The Commission as a debtor in bankruptcy may be able to borrow additional money that is secured by a lien on any of its property (including Sales Tax Revenues), which lien could have priority over the lien of the Indenture, or to cause some Sales Tax Revenues to be released to it, free and clear of lien of the Indenture, in each case provided that the bankruptcy judicial determines that the rights of the Trustee and the holders of the 2026 Series A Bonds will be adequately protected. The Commission may also be able, without the consent and over the objection of the Trustee and the holders of the 2026 Series A Bonds, to alter the priority, interest rate, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Indenture and the 2026 Series A Bonds, provided that the bankruptcy court determines that the alterations are fair and equitable.

There may be delays in payments on the 2026 Series A Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of the Commission that could result in delays or reductions in payments on the 2026 Series A Bonds, or result in losses to the holders of the 2026 Series A Bonds. Regardless of any specific adverse determinations in a Commission bankruptcy proceeding, the fact of a Commission bankruptcy proceeding could have an adverse effect on the liquidity and value of the 2026 Series A Bonds.

Proposition 218

On November 5, 1996, voters in the State approved an initiative known as the Right to Vote on Taxes Act ("Proposition 218"). Proposition 218 added Articles XIIC and XIID to the California Constitution. Article XIIC requires majority voter approval for the imposition, extension or increase of general taxes and two-thirds voter approval for the imposition, extension or increase of special taxes by a local government, which is defined to include local or regional governmental agencies such as the Commission. In 2004, the Sales Tax Extension Ordinance received the approval of more than 2/3 of the voters as required by Article XIIC. However, Article XIIC also removes limitations that may have applied to the voter initiative power with regard to reducing or repealing previously authorized taxes. In the opinion of Disclosure Counsel to the Commission, however, any attempt by the voters to use the initiative provisions under Proposition 218 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 2026 Series A Bonds would violate the Impairment Clause of the United States Constitution and, accordingly, would be precluded. However, it is likely that the interpretation and application of Proposition 218 will ultimately be determined by the courts.

Further Initiatives

Proposition 218 was adopted as a measure that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, which may affect the Commission's ability to levy and collect the Sales Tax.

Cybersecurity

The Commission, like many other public and private entities, relies on computer and other digital networks and systems to conduct its operations and finances. As a recipient and provider of personal, private or other electronic sensitive information, the Commission is potentially subject to multiple cyber threats including, but not limited to, hacking, viruses, malware, ransomware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the Commission's systems for the purposes of misappropriating assets or information or causing operational disruption or damage. The Commission has not experienced any significant cyber-attack or breach.

No assurances can be given that the security and operational control measures of the Commission will be successful in guarding against any and each cyber threat or breach. The cost of remedying damage or disruption caused by cyber-attacks could be substantial and in excess of any applicable insurance coverage.

Climate Change

Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, wildfires will become more common and intense, and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. For example, the Fifth National Climate Assessment, published by the U.S. Global Change Research Program, in November 2023 (NCA5) finds that more frequent and intense extreme weather and climate-related events, as well as changes in average climate conditions, are expected to continue to damage infrastructure, ecosystems and social systems over the next 25 to 100 years. The Commission cannot predict what impact climate change will have on Sales Tax Revenues in the future.

Wildfire

In recent years, portions of the State have experienced wildfires that have burned millions of acres and destroyed thousands of homes and structures, and certain portions of the County are in areas designated as very high fire hazard severity zones by the California Department of Forestry and Fire Protection. Several of the fires that occurred recently damaged or destroyed property in areas that were not previously considered to be at risk from such events. In 2025, communities in Los Angeles County, including Pacific Palisades, Malibu and Altadena, experienced widespread devastation from wildfires causing losses of life, thousands of burned homes, and billions of dollars in property damage. Property damage due to wildfire could adversely affect the economy and reduce the amount of Sales Tax Revenues collected in the County. It is not possible for the Commission to make any representation regarding the extent to which wildfires could cause reduced economic activity with the region. Additionally, property located adjacent to burn areas can be subject to mudslides and flooding, which can cause significant damage and destruction to property.

Earthquake and Seismic Conditions

According to the County of San Diego Office of Emergency Services, every year approximately 500 earthquakes occur in the State that are large enough to be felt. Since 1984, earthquake activity in San Diego County has doubled over that of the preceding 50 years. A major earthquake could cause widespread destruction and significant loss of life in a populated area such as the City. There are several known earthquake faults in San Diego County including San Andreas, San Jacinto, Elsinore, and Rose Canyon, which are all capable of producing earthquakes that could cause damage in the San Diego area. The Rose Canyon Fault Zone runs through the heart of the San Diego metropolitan area and could present a major seismic hazard to the region.

In March, 2020 the Earthquake Engineering Research Institute San Diego Chapter released a report entitled “San Diego Earthquake Planning Scenario: Magnitude 6.9 on the Rose Canyon Fault Zone.” The planning scenario examined the potential impacts and consequences of a probable 6.9 earthquake occurring on the Rose Canyon fault zone. The scenario report concluded that the San Diego Region could suffer severe damage to its buildings and lifeline infrastructure with devastating consequences to the communities and economy following a major Rose Canyon fault zone earthquake.

Global Health Emergencies

A pandemic, epidemic or outbreak of an infectious disease can have significant adverse health and financial impacts on global and local economies. Future pandemics like COVID-19 and other widespread

public health emergencies may arise from time-to-time and can impact broader economic conditions in the affected region. Reduced economic activity and its associated impacts, including as a result of the outbreak of infectious disease, such as job losses, income losses, business closures and housing foreclosures or vacancies, and any prolonged recession that may occur, could have a variety of adverse effects on Sales Tax Revenues. The Commission cannot predict whether another national or localized outbreak of highly contagious or epidemic disease in the future could negatively impact Sales Tax Revenues, reducing amounts available to pay the principal of and interest on the Series 2026 Bonds.

Risks Related to Federal Funding and Federal Policy

Federal policies involving taxation, appropriations, borrowing (including the debt ceiling), trade (including tariffs), immigration, climate change, clean energy and other topics can shift, sometimes dramatically, from one presidential administration or Congress to another. From time to time, such shifts can result in reductions to the level of federal funding for a variety of policy priorities, including transportation, housing, healthcare, social services and other federally funded programs. Recently, several such policy shifts, including proposed delays in grants and other appropriations, have been proposed or promulgated through presidential executive orders and other official and unofficial actions at the federal level. The Commission cannot predict the outcome of such proposals and other actions, nor the potential impacts of any future such changes in federal policy.

Federal Department of Transportation formula programs are a significant source of funding for the Commission. While these formula programs have not been affected by policies or actions at the Federal level to date, if there is a significant decrease in or delay of appropriations or authorizations, the Commission may need to delay, reprioritize or cancel projects or use alternate funding sources for projects, possibly including additional Bonds. Additional Bonds may be issued only if the additional bonds tests described under “SECURITY AND SOURCES OF PAYMENT FOR THE 2026 SERIES A BONDS-Issuance of Additional Series of Bonds” are satisfied.

The Trump Administration has recently implemented various export restrictions on various technology products to China and imposed tariffs on a range of imported goods from numerous countries, varying in both amount and targeted products. The Trump Administration has also paused or reduced many such tariffs recently. With tariffs acting as a de facto tax on imports, higher costs could lead to shifts in supply chains, adjustments in freight patterns and increased pricing pressure on import-dependent businesses. In response, several countries have imposed retaliatory tariffs on products from the United States, particularly agricultural products. In addition, the legality of the imposition of the tariffs by the Trump Administration has been challenged under several lawsuits. In November 2025, two such lawsuits were heard by the United States Supreme Court. The court is expected to render a decision in early 2026. As of the date of this Official Statement, the situation remains fluid, and tariffs may be added, removed, modified or paused on imports or exports by the United States and other countries. The duration and extent of such export restrictions and tariffs is unknown at this time. The Commission cannot predict what additional actions may ultimately be taken by the United States and or other governments with respect to tariffs or trade relations, what products may be subject to such actions or what actions may be taken by the other governments in retaliation. The imposition of additional tariffs or other trade barriers could impact the cost of construction materials and supplies for the Commission or have an impact on inflation and spending habits of the public. Additionally, it is possible that government policy changes and uncertainty about such changes could increase market volatility and currency exchange rate fluctuations. As a result of these dynamics, the Commission cannot predict the impact of any future changes to the trading relationships between the United States and other countries or the impact new laws, regulations or policies adopted by the United States or other countries may have on the Commission’s receipt of the Sales Tax Revenues.

ABSENCE OF MATERIAL LITIGATION

No litigation is pending or, to the best knowledge of the Commission, threatened against the Commission concerning the validity of the 2026 Series A Bonds. The Commission is not aware of any litigation pending or threatened against the Commission questioning the political existence of the Commission or contesting the Commission's ability to impose and collect the Sales Tax.

TAX MATTERS

Federal Tax Exemption

In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, Bond Counsel to the Commission, under existing statutes, regulations, rulings and judicial decisions, and assuming compliance by the Commission with certain covenants in the Indenture, the Tax Certificate and other documents pertaining to the 2026 Series A Bonds and requirements of the Internal Revenue Code of 1986 (the "Code") regarding the use, expenditure and investment of proceeds of the 2026 Series A Bonds and the timely payment of certain investment earnings to the United States, interest on the 2026 Series A Bonds is not included in the gross income of the owners of the 2026 Series A Bonds for federal income tax purposes. Failure to comply with such covenants and requirements may cause interest on the 2026 Series A Bonds to be included in gross income retroactive to the date of issuance of the 2026 Series A Bonds.

In the further opinion of Bond Counsel, interest on the 2026 Series A Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax on individuals. Bond Counsel expresses no opinion regarding the applicability of the federal corporate alternative minimum tax to the adjusted financial statement income of certain corporations.

Ownership of, or the receipt of interest on, tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers who may be eligible for the earned income tax credit. Bond Counsel expresses no opinion with respect to any collateral tax consequences and, accordingly, prospective purchasers of the 2026 Series A Bonds should consult their tax advisors as to the applicability of any collateral tax consequences.

Certain requirements and procedures contained or referred to in the Indenture, the Tax Certificate or other documents pertaining to the 2026 Series A Bonds may be changed, and certain actions may be taken or not taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax-exempt obligations. Bond Counsel expresses no opinion as to the effect of any change to any document pertaining to the 2026 Series A Bonds or of any action taken or not taken where such change is made or action is taken or not taken without the approval of Norton Rose Fulbright US LLP or in reliance upon the advice of counsel other than Norton Rose Fulbright US LLP with respect to the exclusion from gross income of the interest on the 2026 Series A Bonds for federal income tax purposes.

Bond Counsel's opinion is not a guarantee of result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and judicial decisions and the representations and covenants of the Commission described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of examining the tax-exempt status of the interest on municipal obligations. If an examination of the 2026 Series A Bonds is commenced, under current procedures the IRS is likely to treat the Commission as the "taxpayer," and the owners of the 2026 Series A Bonds would have no right to participate in the examination process. In responding to or

defending an examination of the tax-exempt status of the interest on the 2026 Series A Bonds, the Commission may have different or conflicting interests from the owners. Additionally, public awareness of any future examination of the 2026 Series A Bonds could adversely affect the value and liquidity of the 2026 Series A Bonds during the pendency of the examination, regardless of its ultimate outcome.

Tax Accounting Treatment of Bond Premium and Original Issue Discount

Bond Premium. To the extent a purchaser acquires a 2026 Series A Bond at a price in excess of the amount payable at its maturity, such excess will constitute “bond premium” under the Code. The Code and applicable Treasury Regulations provide generally that bond premium on a tax-exempt obligation is amortized over the remaining term of the obligation (or a shorter period in the case of certain callable obligations) based on the obligation's yield to maturity (or shorter period in the case of certain callable obligations). The amount of premium so amortized reduces the owner's basis in such obligation for federal income tax purposes, though such amortized premium is not deductible for federal income tax purposes. This reduction in basis will increase the amount of any gain (or decrease the amount of any loss) recognized for federal income tax purposes upon a sale or other taxable disposition of the obligation. Bond Counsel is not opining on the accounting for bond premium or the consequence to a 2026 Series A Bond purchaser of purchasing a 2026 Series A Bond with bond premium. Accordingly, persons considering the purchase of 2026 Series A Bonds with bond premium should consult their own tax advisors with respect to the determination of bond premium on such 2026 Series A Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of such 2026 Series A Bonds.

Original Issue Discount. The excess, if any, of the stated redemption price at maturity of 2026 Series A Bonds of a particular maturity over the initial offering price to the public of the 2026 Series A Bonds of that maturity at which a substantial amount of the 2026 Series A Bonds of that maturity is sold to the public is “original issue discount.” Original issue discount accruing on a 2026 Series A Bond is treated as interest excluded from the gross income of the owner thereof for federal income tax purposes under the same conditions and limitations as are applicable to interest payable on such 2026 Series A Bond. Original issue discount on a 2026 Series A Bond of a particular maturity purchased pursuant to the initial public offering at the initial public offering price at which a substantial amount of the 2026 Series A Bonds of that maturity is sold to the public accrues on a semiannual basis over the term of the 2026 Series A Bond on the basis of a constant yield; and within each semiannual period accrues on a ratable daily basis. The amount of original issue discount on a 2026 Series A Bond accruing during each period is added to the adjusted basis of such 2026 Series A Bond, which will affect the amount of taxable gain upon disposition (including sale, redemption or payment on maturity) of such 2026 Series A Bond. The Code includes certain provisions relating to the accrual of original issue discount in the case of purchasers that purchase 2026 Series A Bonds other than at the initial offering price. Bond Counsel is not opining on the accounting for or consequence to a 2026 Series A Bond purchaser of purchasing a 2026 Series A Bond with original issue discount. Accordingly, persons considering the purchase of 2026 Series A Bonds with original issue discount should consult their own tax advisors with respect to the determination of original issue discount on such 2026 Series A Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of such 2026 Series A Bonds.

Information Reporting and Backup Withholding

Interest paid on the 2026 Series A Bonds will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although such reporting requirement does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, such reporting requirement causes the payment of interest on the 2026 Series A Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (a) are not “exempt recipients,” and (b) either fail to provide certain identifying information (such as the beneficial owner's taxpayer identification number) in the required manner or have been identified by the IRS as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities are exempt recipients. Amounts withheld under

the backup withholding rules from a payment to a beneficial owner are allowed as a refund or credit against such beneficial owner's federal income tax liability so long as the required information is furnished to the IRS.

State Tax Exemption

In the further opinion of Bond Counsel, interest on the 2026 Series A Bonds is exempt from personal income taxes imposed by the State of California.

Future Developments

Existing law may change to reduce or eliminate the benefit to owners of the 2026 Series A Bonds of the exclusion of the interest on the 2026 Series A Bonds from gross income for federal income tax purposes or of the exemption of interest on the 2026 Series A Bonds from State of California personal income taxation. Any proposed legislation, whether or not enacted, or administrative action, whether or not taken, could also affect the value and marketability of the 2026 Series A Bonds. Prospective purchasers of the 2026 Series A Bonds should consult their own tax advisors with respect to any proposed or future change in tax law.

A copy of the form of opinion of Bond Counsel relating to the 2026 Series A Bonds is included in APPENDIX F hereto.

LEGAL MATTERS

The validity of the 2026 Series A Bonds and certain other legal matters are subject to the approving opinion of Norton Rose Fulbright US LLP, Bond Counsel to the Commission. A complete copy of the proposed form of opinion of Bond Counsel is attached as Appendix F hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the Commission by its General Counsel and by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel, and for the Underwriters by their counsel Nixon Peabody LLP. Compensation paid to Bond Counsel, Disclosure Counsel and Underwriters' Counsel is contingent on the successful issuance of the 2026 Series A Bonds.

CONTINUING DISCLOSURE

The Commission has agreed to execute a continuing disclosure agreement (the "Continuing Disclosure Agreement"), which provides for disclosure obligations on the part of the Commission while the 2026 Series A Bonds remain Outstanding. Under the Continuing Disclosure Agreement, the Commission will covenant for the benefit of owners of the 2026 Series A Bonds to provide certain financial information and operating data relating to the Commission by not later than two hundred and seventy (270) days after the end of the prior fiscal year, commencing with the Fiscal Year ending June 30, 2026 (the "Annual Reports"), and to provide notices of the occurrence of certain enumerated events (the "Notice Events") in a timely manner. The Annual Reports and the Notice Events will be filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system. These covenants will be made to assist the Underwriters of the 2026 Series A Bonds in complying with the Rule 15c2-12, as amended (the "Rule"), adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. See APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT."

In the past five years, the Commission has been subject to continuing disclosure agreements previously entered into with respect to Bonds previously issued by the Commission (each a "Prior Continuing Disclosure Undertaking"). Pursuant to the Prior Continuing Disclosure Undertakings, the Commission agreed to file its audited financial statements, certain operating data relevant to the respective obligations, notices of certain enumerated events and notices of the occurrence of certain other enumerated events, if material.

In connection with the annual report for Fiscal Year 2024 to be delivered by the Commission under its Prior Continuing Disclosure Undertakings, the Commission filed a notice of failure to file prior to the due date of such annual report indicating that the audited financial statements of the Commission would not be available by the annual report due date. The Commission did not file unaudited financial statements for Fiscal Year 2024 prior to the annual report due date, as was required under the Prior Continuing Disclosure Undertakings in instances where the audited financial statements are not available by the annual report due date. The Commission filed the audited financial statements for Fiscal Year 2024 in April 2025.

As described above, the Commission believes that it is in compliance in all material respects with the Prior Continuing Disclosure Undertakings.

RATINGS

S&P Global Ratings and Fitch Ratings have assigned ratings to the 2026 Series A Bonds of “___” and “___,” respectively, with “_____” Outlooks. The ratings described above reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: S&P Global Ratings, 55 Water Street, New York, New York 10041 and Fitch Ratings, 33 Whitehall Street, New York, New York 10004. Such ratings are not recommendations to buy, sell or hold securities. 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 such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of any of such ratings may have an adverse effect on the market price of the 2026 Series A Bonds.

UNDERWRITING

Purchase of the 2026 Series A Bonds

The Commission has entered into a Bond Purchase Agreement (the “Purchase Agreement”) with respect to the 2026 Series A Bonds with Wells Fargo Bank, National Association (“WFBNA”), on behalf of itself as senior manager and as representative of the underwriters named therein and set forth on the cover page hereof (collectively, the “Underwriters”), pursuant to which the Underwriters will agree, subject to certain conditions, to purchase the 2026 Series A Bonds for reoffering at a purchase price of \$_____, which represents the aggregate principal amount of the 2026 Series A Bonds, plus a bond premium of \$_____ and less an Underwriters’ discount of \$_____.

The Purchase Agreement provides that the Underwriters will purchase all of the 2026 Series A Bonds if any are purchased. The 2026 Series A Bonds may be offered and sold by the Underwriters to certain dealers and others at yields higher than the public offering yields indicated on the inside cover hereof, and such public offering yields may be changed from time to time by the Underwriters. The Underwriters agree to make a public offering of the 2026 Series A Bonds.

The following paragraphs have been provided by and are being included in this Official Statement at the request of the Underwriters. The Commission does not assume any responsibility for the accuracy or completeness of such statements or information.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Commission, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Commission. Certain of the Underwriters or their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such securities and instruments.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group (“WFBNA”), the senior underwriter of the 2026 Series A Bonds, has entered into an agreement (the “WFA Distribution Agreement”) with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name “Wells Fargo Advisors”) (“WFA”), for the distribution of certain municipal securities offerings, including the 2026 Series A Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the 2026 Series A Bonds with WFA. WFBNA has also entered into an agreement (the “WFSLLC Distribution Agreement”) with its affiliate Wells Fargo Securities, LLC (“WFSLLC”), for the distribution of municipal securities offerings, including the 2026 Series A Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company

MUNICIPAL ADVISOR

The Commission has retained PFM Financial Advisors, LLC, San Francisco, California, as municipal advisor (the “Municipal Advisor”) in connection with the 2026 Series A Bonds. The Municipal Advisor is an independent registered municipal advisor. The Municipal Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The Verification Agent, _____, a firm of independent certified public accountants, will deliver to the Commission, on or before the delivery date of the 2026 Series A Bonds, its verification report indicating that it has verified, in accordance with the Statement on Standards for Consulting Services established by the American Institute of Certified Public Accountants, the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash and the maturing principal of and interest on the Defeasance Securities deposited in the Escrow Accounts, to pay, when due, the maturing principal of, and interest on, the Refunded Bonds becoming due on or before their respective maturity dates or applicable Redemption Date, as applicable, and (b) the mathematical computations of yield used by Bond Counsel to support its opinion that interest on the 2026 Series A Bonds will be excluded from gross income for federal income tax purposes.

In its report, _____ will rely on the accuracy, completeness and reliability of all information provided to it by, and on all decisions and approvals of, the Commission. In addition, _____ will rely on any information provided to it by the Commission’s retained advisors, consultants or legal

counsel. _____ is not engaged to perform audit or attest services under American Institute of Certified Public Accountants auditing or attestation standards or to provide any form of attest report or opinion under such standards in conjunction with its engagement to deliver such report.

FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANTS

Financial information relating to the Commission is included in the Commission’s Audited Financial Statements for the Fiscal Year Ended June 30, 2024, which are included as part of Appendix B to this Official Statement. The financial statements of the Commission included in Appendix B have been audited by Davis Farr LLP (the “Auditors”), as stated in their report appearing in Appendix B. The Auditors were not requested to consent to the inclusion of their report in Appendix B, nor have they undertaken to update their 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 Auditors with respect to any event subsequent to the date of their report.

The Commission expects that its Audited Financial Statements for the Fiscal Year Ended June 30, 2025 will be available in February 2026. The Commission does not expect the audited Sales Tax Revenues in its Audited Financial Statements for the Fiscal Year Ended June 30, 2025 to change materially from the unaudited Sales Tax Revenues for Fiscal Year 2025 reflected in the table in the section titled “THE SALES TAX — Historical Sales Tax Revenues” herein. Once available, the Commission’s Audited Financial Statements for the Fiscal Year Ended June 30, 2025 will be available on the SANDAG website and posted to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system website.

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MISCELLANEOUS

This Official Statement is not to be construed as a contract or agreement between the Commission and holders of any of the 2026 Series A Bonds. All quotations from and summaries and explanations of the Indenture, the Act and of other statutes and documents contained herein, do not purport to be complete, and reference is made to said documents and statutes for full and complete statements of their provisions.

Any statements in this Official Statement involving matters of opinion are intended as such and not as representations of fact.

**SAN DIEGO COUNTY REGIONAL
TRANSPORTATION COMMISSION**

By: _____
Chief Executive Officer

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APPENDIX A

INFORMATION REGARDING THE COUNTY OF SAN DIEGO

Set forth below is certain information with respect to the County of San Diego (the "County"). Such information was obtained from the County and from sources the Commission believes to be reliable as of the latest date when such information was available. The Commission takes no responsibility for the accuracy or completeness of such information.

ECONOMIC AND DEMOGRAPHIC INFORMATION

General

The County is the southernmost major metropolitan area in the State of California (the "State"). The County covers 4,261 square miles, extending 70 miles along the Pacific Coast from the Mexican border to Orange County and inland 75 miles to Imperial County. Riverside and Orange Counties form the northern boundary. The County is approximately the size of the State of Connecticut.

The topography of the County varies from broad coastal plains and fertile inland valleys to mountain ranges in the east which rise to an elevation of 6,500 feet. Eastern slopes of these mountains form the rim of the Anza-Borrego Desert and the Imperial Valley. The Cleveland National Forest occupies much of the interior portion of the County. The average annual rainfall in the coastal areas is less than 12 inches.

The County possesses a diverse economic base consisting of high technology, manufacturing, tourism, agriculture, government and the largest uniformed military presence in the nation.

PETCO Park, located in the City of San Diego (the "City"), provides a 42,000 fixed seat baseball stadium for the San Diego Padres. PETCO Park is located in a 26-block neighborhood that contains existing and proposed hotels, office space, retail and housing units within walking distance from the San Diego Convention Center and the Gaslamp Quarter. The baseball stadium also is within walking distance of a San Diego Trolley station and nearby parking facilities.

The County is also growing as a major center for culture and education. Over 30 recognized art organizations, including the Old Globe Theatre productions, the La Jolla Chamber Orchestra, as well as museums and art galleries, are located in the County. Higher education is provided through community colleges and colleges, universities, and graduate level schools, referenced below under "Education."

In addition to the City, other principal cities in the County include Carlsbad, Chula Vista, Oceanside, El Cajon, Escondido, San Marcos, and Vista. Most County residents live within 20 miles of the coast. Farther inland are agricultural areas, principally planted in avocados and tomatoes, while the easternmost portion of the County has a dry, desert-like topography.

Population

There are 18 incorporated cities in the County, and a number of unincorporated communities. In the 1990s, the population of the County grew at a greater rate than that of either the State or the nation. The County population as of January 1, 2025 was estimated to be 3,330,139, making it the second largest County by population in California.

The following table shows changes in the population in the County and the State for the years 2016 to 2025.

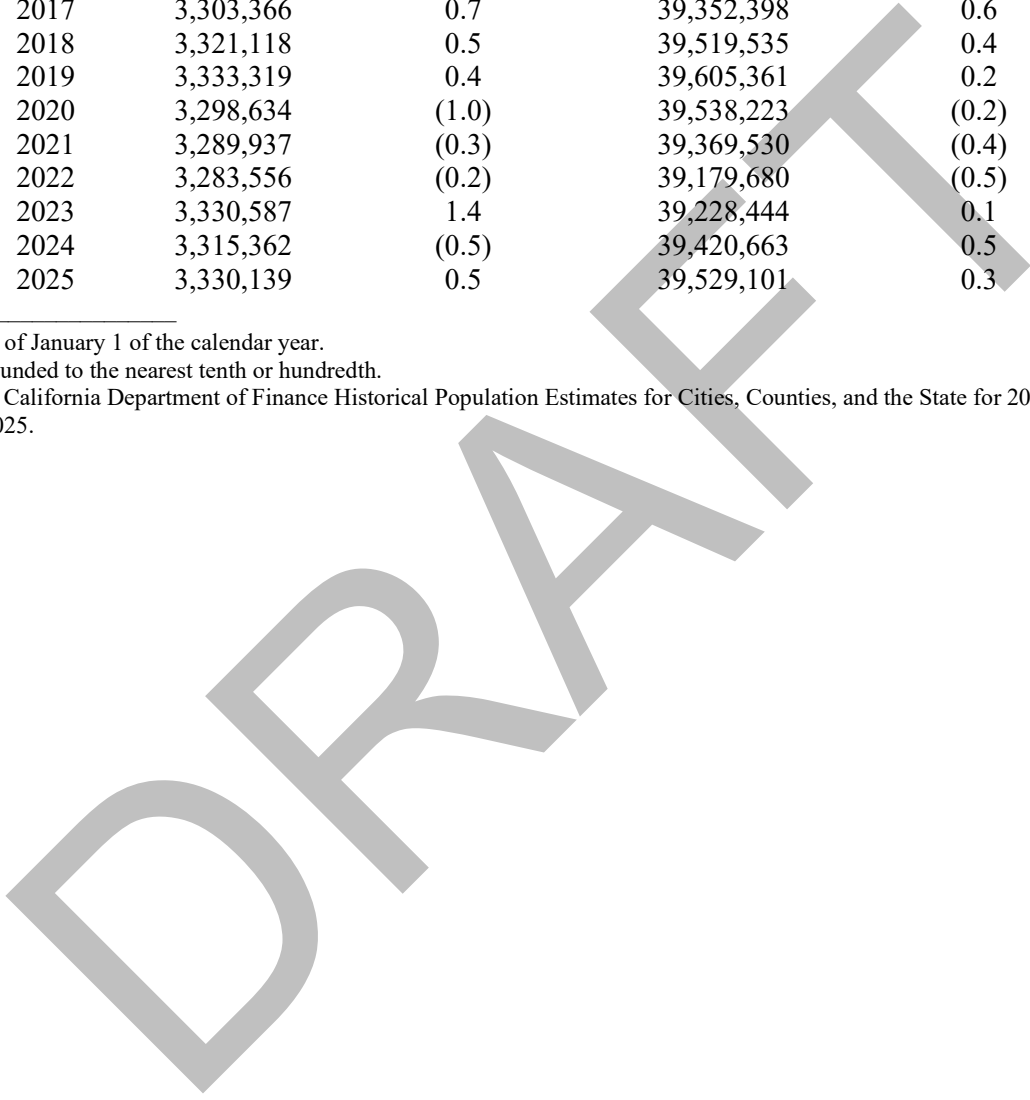
**POPULATION
COUNTY OF SAN DIEGO AND STATE OF CALIFORNIA⁽¹⁾**

| Year | San Diego County | Annual Growth Rate⁽²⁾ | State of California | Annual Growth Rate⁽²⁾ |
|-------------|-----------------------------|---|--------------------------------|---|
| 2016 | 3,283,009 | 0.6% | 39,103,587 | 0.6% |
| 2017 | 3,303,366 | 0.7 | 39,352,398 | 0.6 |
| 2018 | 3,321,118 | 0.5 | 39,519,535 | 0.4 |
| 2019 | 3,333,319 | 0.4 | 39,605,361 | 0.2 |
| 2020 | 3,298,634 | (1.0) | 39,538,223 | (0.2) |
| 2021 | 3,289,937 | (0.3) | 39,369,530 | (0.4) |
| 2022 | 3,283,556 | (0.2) | 39,179,680 | (0.5) |
| 2023 | 3,330,587 | 1.4 | 39,228,444 | 0.1 |
| 2024 | 3,315,362 | (0.5) | 39,420,663 | 0.5 |
| 2025 | 3,330,139 | 0.5 | 39,529,101 | 0.3 |

⁽¹⁾ As of January 1 of the calendar year.

⁽²⁾ Rounded to the nearest tenth or hundredth.

Source: California Department of Finance Historical Population Estimates for Cities, Counties, and the State for 2011-2020, and 2021-2025.



Employment

Employment in the County has fully recovered from the COVID-19 related recession. The Pandemic caused a sharp increase in unemployment that peaked at 16.1% in April 2020. Job losses were concentrated in high-contact sectors such as tourism, retail and education, which are estimated to account for 80% of the job losses in the region. Traditional sectors, such as professional services, construction and finance, fared much better than in past recessions, and the military has proven to be an essential buffer to the unemployment numbers in the County.

The following table sets forth information regarding the size of the civilian labor force, employment and unemployment rates for the County, the State and the United States for the years 2021 through 2024, and preliminary information for 2025 (as of March 2025).

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT ANNUAL AVERAGES 2021-2025⁽¹⁾ By Place of Residence (In Thousands)

| | 2021 | 2022 | 2023 | 2024 | 2025 ⁽²⁾ |
|----------------------------------|---------|---------|---------|---------|---------------------|
| County of San Diego | | | | | |
| Labor Force | 1,548 | 1,590 | 1,596 | 1,649 | 1,686 |
| Employment | 1,448 | 1,535 | 1,534 | 1,577 | 1,615 |
| Unemployment | 100 | 55 | 62 | 71 | 71 |
| Unemployment Rate ⁽³⁾ | 6.5% | 3.4% | 3.9% | 4.3% | 4.2% |
| State of California | | | | | |
| Labor Force | 18,973 | 19,252 | 19,308 | 19,644 | 19,841 |
| Employment | 17,586 | 18,441 | 18,388 | 18,601 | 18,789 |
| Unemployment | 1,387 | 811 | 920 | 1,043 | 1,053 |
| Unemployment Rate ⁽³⁾ | 7.3% | 4.2% | 4.8% | 5.3% | 5.3% |
| United States of America | | | | | |
| Labor Force | 161,204 | 164,287 | 167,123 | 168,110 | 170,591 |
| Employment | 152,581 | 158,291 | 161,044 | 161,349 | 163,508 |
| Unemployment | 8,623 | 5,996 | 6,079 | 6,761 | 7,083 |
| Unemployment Rate | 5.3% | 3.6% | 3.6% | 4.0% | 4.2% |

(1) Data not seasonally adjusted.

(2) Preliminary data as of March 2025.

Source: California State Employment Development Department; U.S. Department of Labor, Bureau of Labor Statistics.

The following table sets forth the average annual civilian employment within the County by employment sector, other than farm industries, for 2021 through 2024, and preliminary information for 2025 (as of March 2025).

**SAN DIEGO COUNTY
NON-AGRICULTURAL LABOR FORCE AND INDUSTRY EMPLOYMENT
ANNUAL AVERAGES 2021-2025
(In Thousands)**

| Employment Sector | 2021 | 2022 | 2023 | 2024 | 2025⁽²⁾ |
|-------------------------------------|----------------|----------------|----------------|----------------|---------------------------|
| Mining and Logging | 0.3 | 0.4 | 0.3 | 0.3 | 0.3 |
| Construction | 83.8 | 87.4 | 89.8 | 90.6 | 87.5 |
| Manufacturing | 114.4 | 117.4 | 115.1 | 111.2 | 109.5 |
| Trade, Transportation and Utilities | 216.8 | 222.4 | 223.1 | 231.2 | 219.2 |
| Information | 21.5 | 22.0 | 21.9 | 20.8 | 20.4 |
| Financial Activities | 76.2 | 77.0 | 72.7 | 71.8 | 69.5 |
| Professional and Business Services | 265.3 | 285.2 | 276.0 | 267.7 | 265.4 |
| Educational and Health Services | 216.7 | 227.6 | 243.2 | 261.8 | 265.4 |
| Leisure and Hospitality | 161.6 | 193.4 | 201.6 | 203.4 | 201.8 |
| Other Services | 47.5 | 54.5 | 57.1 | 57.0 | 57.0 |
| Government | 237.9 | 246.8 | 251.3 | 262.8 | 264.2 |
| Non-Farm Total ⁽¹⁾ | <u>1,451.1</u> | <u>1,543.7</u> | <u>1,561.5</u> | <u>1,578.6</u> | <u>1,560.2</u> |

⁽¹⁾ Data not seasonally adjusted.

⁽²⁾ Preliminary data as of March 2025.

Source: State of California Employment Development Department, 2021 Benchmark.

Principal Employers

The County is host to a diverse mix of major employers representing industries ranging from education and health services, to diversified manufacturing, military, financial services, retail trade and amusement and recreation. The following table lists the County's principal employers.

**COUNTY OF SAN DIEGO
2024 PRINCIPAL EMPLOYERS**

| Employer | Employees |
|---|------------------|
| 1. U.C. San Diego | 35,802 |
| 2. Sharp HealthCare | 19,468 |
| 3. County of San Diego | 17,954 |
| 4. City of San Diego | 11,820 |
| 5. General Atomics Aeronautical Systems, Inc. | 6,745 |
| 6. San Diego State University | 6,454 |
| 7. Rady Children's Hospital-San Diego | 5,711 |
| 8. San Diego Community College District | 5,400 |
| 9. Sempra Energy | 5,063 |
| 10. YMCA of San Diego County | 5,057 |

Source: County of San Diego, Annual Comprehensive Financial Report for year ended June 30, 2024.

Regional Economy

Economic activity and population growth in the local economy are closely related. Helping to sustain the County's economy is the performance of many industries, including Biotechnology, Wireless Communications, Defense Manufacturing and Uniformed Personnel, and Leisure and Hospitality. The table below sets forth the County's Gross Domestic Product, which is an estimate of the value for all goods and services produced in the region, from 2019 through 2023. Annual figures for 2024 are not yet available.

SAN DIEGO COUNTY GROSS DOMESTIC PRODUCT 2019-2023

| Year | Gross Domestic Product (In Billions) | Annual Percent Change (year over year) |
|------|---|---|
| 2019 | \$213.9 | 2.0% |
| 2020 | 233.3 | 9.1 |
| 2021 | 250.4 | 7.3 |
| 2022 | 258.0 | 3.0 |
| 2023 | 261.7 | 1.4 |

Sources: U.S. Bureau of Economic Analysis.

The table below sets forth the secured assessed valuation of property within the County subject to taxation for Fiscal Years 2015-16 through 2024-25.

ASSESSED VALUATION OF PROPERTY SUBJECT TO AD VALOREM TAXATION Fiscal Years 2015-16 through 2024-25 (In Thousands)

| Fiscal Year | Land | Improvements | Personal Property | Gross Assessed Valuation | Exemption | Net Assessed Valuation for Tax Purposes |
|-------------|---------------|---------------|-------------------|--------------------------|--------------|---|
| 2015-16 | \$203,701,281 | \$249,298,560 | \$15,491,395 | \$468,491,236 | \$15,175,726 | \$453,315,510 |
| 2016-17 | 215,835,633 | 261,594,164 | 16,324,650 | 493,754,447 | 16,103,351 | 477,651,096 |
| 2017-18 | 230,572,975 | 276,262,039 | 16,807,985 | 523,642,999 | 16,816,816 | 506,826,183 |
| 2018-19 | 246,455,471 | 291,085,650 | 17,764,620 | 555,305,741 | 18,416,932 | 536,888,809 |
| 2019-20 | 261,664,752 | 306,648,456 | 18,474,208 | 586,787,416 | 19,591,977 | 567,195,439 |
| 2020-21 | 276,732,392 | 322,427,706 | 18,938,815 | 618,098,913 | 19,843,441 | 598,255,472 |
| 2021-22 | 290,490,223 | 332,642,655 | 17,304,321 | 640,437,199 | 21,890,732 | 618,546,468 |
| 2022-23 | 318,629,850 | 354,024,970 | 20,487,316 | 693,142,136 | 22,902,428 | 670,239,709 |
| 2023-24 | 345,552,666 | 373,816,784 | 22,924,478 | 742,293,928 | 24,634,134 | 717,659,795 |
| 2024-25 | 367,270,870 | 391,811,798 | 24,192,377 | 783,275,045 | 26,863,568 | 756,411,477 |

Source: County of San Diego, Auditor and Controller.

Building Activity

Annual total building permit valuation and the annual unit total of new residential permits from 2020 through May 31, 2024 are shown in the following table.

COUNTY OF SAN DIEGO BUILDING PERMIT ACTIVITY 2020 – 2024 (In Thousands)

| | 2020 | 2021 | 2022 | 2023 | 2024 ⁽¹⁾ |
|---------------------|------------------|------------------|------------------|------------------|---------------------|
| Valuation (in 000s) | | | | | |
| Residential | \$1,163,579 | \$2,610,755 | \$2,519,824 | \$1,971,202 | \$274,927 |
| Non-Residential | <u>1,355,945</u> | <u>2,505,397</u> | <u>1,970,011</u> | <u>1,387,000</u> | <u>104,303</u> |
| Total | \$2,519,523 | \$5,116,152 | \$4,489,835 | \$3,358,202 | \$379,230 |
| New Housing Units: | | | | | |
| Single Family | 2,042 | 3,546 | 3,477 | 2,573 | 614 |
| Multiple Family | 2,696 | 6,646 | 6,169 | 9,100 | 659 |
| Total | 4,738 | 10,192 | 9,646 | 11,673 | 1,273 |

⁽¹⁾ Reflects data from January 1, 2024 through May 31, 2024.

Source: Construction Industry Research Board and California Homebuilding Foundation.

Commercial Activity

The following table sets forth information regarding taxable sales in the County for the years 2020 through 2024.

COUNTY OF SAN DIEGO TAXABLE SALES 2020 through 2024 (In Thousands)

| Type of Business | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Retail and Food Services: | | | | | |
| Motor Vehicle and Parts Dealers | \$ 7,450,634 | \$ 9,194,355 | \$ 9,467,167 | \$ 8,953,318 | \$ 8,888,049 |
| Home Furnishings and Appliance Stores | 2,238,860 | 2,742,913 | 2,982,330 | 2,265,338 | 2,553,923 |
| Building Materials and Garden Equipment and Supplies | 3,459,022 | 3,820,295 | 3,983,725 | 3,786,943 | 3,829,844 |
| Food and Beverage Stores | 2,746,730 | 2,837,140 | 2,947,059 | 2,952,056 | 2,899,577 |
| Gasoline Stations | 2,990,248 | 4,400,424 | 5,274,438 | 4,838,560 | 4,614,929 |
| Clothing and Clothing Accessories Stores | 2,806,706 | 4,216,341 | 4,558,367 | 4,551,206 | 4,661,874 |
| General Merchandise Stores | 4,985,846 | 5,784,812 | 6,282,266 | 6,064,807 | 6,009,850 |
| Food Services and Drinking Places | 5,700,204 | 8,356,541 | 10,066,218 | 10,612,679 | 10,878,919 |
| Other Retail Group | <u>8,515,671</u> | <u>8,464,314</u> | <u>9,372,734</u> | <u>10,415,061</u> | <u>10,753,252</u> |
| Total Retail and Food Services | \$40,893,921 | \$49,817,135 | \$54,934,304 | \$54,839,969 | \$55,090,217 |
| All Other Outlets | <u>17,289,146</u> | <u>21,771,606</u> | <u>25,060,426</u> | <u>25,468,680</u> | <u>25,353,330</u> |
| Totals All Outlets | \$58,183,067 | \$71,588,741 | \$79,994,729 | \$80,308,649 | \$80,443,547 |

Source: California Department of Tax and Fee Administration.

Personal Income

The following table summarizes the median household income for the County, the State, and the United States between 2020 and 2024. County annual figures for 2024 are not yet available.

MEDIAN HOUSEHOLD INCOME 2020 through 2024

| Year | San Diego County | California | United States |
|------|------------------|------------|---------------|
| 2020 | 87,126 | \$ 77,650 | \$68,010 |
| 2021 | 90,756 | 81,580 | 70,780 |
| 2022 | 98,365 | 85,300 | 74,580 |
| 2023 | 103,476 | 89,870 | 80,610 |
| 2024 | -- | 100,600 | 83,730 |

Source: U.S. Census Bureau – retrieved from FRED, Federal Reserve Bank of St. Louis. California and United States data updated September 9, 2025.

Transportation

Surface, sea and air transportation facilities serve County residents and businesses. Interstate 5 parallels the coast from Mexico to the Los Angeles area and beyond. Interstate 15 runs inland, leading to Riverside and San Bernardino Counties, Las Vegas, and Salt Lake City. Interstate 8 runs eastward through the southern United States.

The San Diego International Airport (Lindbergh Field) is located approximately three miles northwest of the downtown area and sits on 614 acres. The facilities are owned and maintained by the San Diego County Regional Airport Authority and are leased to commercial airlines and other tenants. The airport is California’s third most active commercial airport, served by 18 passenger carriers and six cargo carriers. In addition to San Diego International Airport, there are two naval air stations and seven general aviation airports located in the County.

Public transportation in the County is provided by two transit operators, the San Diego Metropolitan Transit System (“MTS”) and North County Transit District (“NCTD”). MTS operates the light rail system that provides transportation for commuters and tourists from Downtown San Diego to San Ysidro (adjacent to Tijuana), and from Downtown San Diego to the southern part of the County and East County and includes the newest connection at San Diego State University. MTS also provides fixed route and paratransit services. NCTD operates the 43-mile Coaster Commuter rail line from Oceanside to downtown San Diego as well as the Sprinter light rail that runs from Oceanside to Escondido. Like MTS, NCTD also provides fixed route and paratransit bus services.

The City is the terminus of the Santa Fe Railway’s main line from Los Angeles. Amtrak passenger service is available within the County, with stops at Solana Beach and Oceanside in the North County. San Diego rail corridor is part of the Los Angeles-San Luis Obispo-San Diego Corridor which is the second busiest rail corridor in the nation. The County’s harbor is one of the world’s largest natural harbors. The Port of San Diego is administered by the San Diego Unified Port District, which includes the City and the cities of National City, Chula Vista, Imperial Beach, and Coronado.

Visitor and Convention Activity

An excellent climate, proximity to Mexico, extensive maritime facilities, and various attractions allow the County to attract visitor and convention business each year. The development of the 4,600-acre Mission Bay Park within the County and the construction of meeting and convention facilities at the San Diego community concourse have contributed to the growth in tourism. The visitor business is expected to continue to increase steadily.

The visitor industry is one of the City's main sources of income generation, along with manufacturing and the military. The following table depicts total visitor spending in the County for the past ten years.

SAN DIEGO COUNTY Total Visitor Spending 2015 – 2024 (In Billions)

| <u>Year</u> | <u>Amount</u> |
|-------------|---------------|
| 2015 | \$ 9.92 |
| 2016 | 10.40 |
| 2017 | 10.83 |
| 2018 | 11.49 |
| 2019 | 11.64 |
| 2020 | 5.16 |
| 2021 | 7.45 |
| 2022 | 13.62 |
| 2023 | 14.28 |
| 2024 | 14.60 |

Source: San Diego Tourism Authority.

Major attractions located in the County include the world-renowned San Diego Zoo, the San Diego Zoo Safari Park (previously known as Wild Animal Park), Legoland California and Sea World. The San Diego Padres play home games at PETCO Park, located on 18 acres, with a capacity of 42,000. Other attractions include the Palomar Observatory, the Cabrillo National Monument on Point Loma, Balboa Park, home to the San Diego Zoo and a host of other cultural and recreational activities, downtown's historic Gaslamp Quarter, and the Old Town State Park. The cruise ship industry is another important sector of the local visitor industry.

There are over 90 golf courses in the County, including the La Costa Golf Course, scene of the Tournament of Champions in 2006 and the championship Torrey Pines Golf Course, home to an annual PGA men's professional golf tournament and site of the U.S. Open golf tournament in 2008 and in 2021.

The County benefits from its proximity to Mexico, with its sporting attractions such as Jai Alai, thoroughbred racing and ocean fishing, as well as the shopping and entertainment venues of Tijuana. Tijuana may be reached from downtown San Diego by the Red Trolley, and within a short drive from the center of the City, visitors may take in the many beaches, mountains and desert areas within the County.

Contributing to the growth in total visitor spending has been an increase in convention activity, as displayed in the table below. The convention center has hosted the annual Comic-Con International Convention, the 1996 Republican National Convention and the 2007 California Democratic Party Convention.

**SAN DIEGO CONVENTION CENTER
2015 – 2024⁽¹⁾**

| <u>Calendar Year</u> | <u>Estimated Spending</u> | <u>Number of Conventions</u> | <u>Total Delegate Attendance</u> |
|----------------------|---------------------------|------------------------------|----------------------------------|
| 2015 | \$620,092,228 | 71 | 553,283 |
| 2016 | 721,047,316 | 67 | 697,518 |
| 2017 | 650,818,239 | 61 | 545,366 |
| 2018 | 733,357,461 | 59 | 601,240 |
| 2019 | 697,000,000 | 71 | 621,820 |
| 2020 ⁽²⁾ | 127,100,000 | 16 | 72,706 |
| 2021 ⁽²⁾ | 209,600,000 | 19 | 94,946 |
| 2022 | 692,300,000 | 57 | 452,205 |
| 2023 | 790,700,000 | 61 | 557,256 |
| 2024 | 924,700,000 | 55 | 558,522 |

⁽¹⁾ Table includes only primary events held at the San Diego Convention Center; does not include other sources of convention activity in the San Diego region.

⁽²⁾ Reduced number of events held in 2020 and 2021 due to COVID-19 pandemic.

Source: San Diego Tourism Authority.

The tourism sector has been one of the hardest hit by the COVID-19 related recession as a result of the high-contact business closures like restaurants and bars, the sharp declines in international and business travel, and the closure of many local tourist attractions. The recovery is expected to take a number of years, though some metrics of tourism, such as total visitor spending in the County, are already tracking above 2019 levels.

Education

Forty-two independent school districts provide educational programs for the elementary and secondary public school children in the County. Each school system is governed by a locally elected board of education and administered by a superintendent or other chief administrative officer appointed by the board. In the County there are three types of school districts: elementary, union high and unified. Elementary districts educate elementary students, union high districts for the most part educate secondary students, and unified districts educate both elementary and secondary students. There are currently 13 unified, 23 elementary and 6 union high school districts in the County.

Additionally, there are five community college districts in the County that are locally operated and administered two-year institutions of higher education. They offer Associates in Arts and Associates in Science degrees and have extensive vocational curricula. These community college districts have students at numerous campuses, adult and community centers.

Among the institutions of higher education offering bachelors and graduate programs in metropolitan San Diego are: San Diego State University; the University of California, San Diego; the University of San Diego; Point Loma Nazarene University; California State University – San Marcos; Alliant International University; the University of Phoenix; National University; Thomas Jefferson School of Law, and California Western School of Law.

Military

Military and related defense spending are significant factors in the County economy. Military installations include Marine Corps Base Camp Joseph H. Pendleton; the Marine Corps Recruit Depot; Marine Corps Air Station at Miramar; Naval Air Station North Island; Naval Station San Diego; and Naval Submarine Base, San Diego.

The San Diego Military Economic Impact Study released by the San Diego Military Advisory Council in 2024 estimated that defense-related activities and spending directly generated an estimated \$40.485 billion of gross regional product (“GRP”) for the County in Fiscal Year 2023-24 with a total GRP impact of \$63.237 billion and reported that the military sector was responsible for approximately 369,600 of the region’s total jobs in Fiscal Year 2023-24. The level of economic activity generated by this factor is expected to be affected by various federal consolidation and budget activities.

Research and Development

Research and development activity plays an important role in the area’s economy. Construction of a major campus of the University of California at San Diego (“UCSD”) in 1964 gave significant impetus to this development.

The County is a leading health sciences and biomedical center. The life sciences sector represents a substantial source of employment and economic activity in the metropolitan area, supported by a concentration of academic institutions, research organizations, and healthcare providers.. In addition to UCSD, other established research institutions in the La Jolla area of the City include the Salk Institute for Biological Studies, the Scripps Clinic and Research Foundation, and the Scripps Institution of Oceanography.

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APPENDIX B

**SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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APPENDIX C-1

DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

[TO BE PROVIDED BY BOND COUNSEL PRIOR TO POSTING OF THE PRELIMINARY
OFFICIAL STATEMENT]

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APPENDIX C-2

**DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE
INDENTURE**

[TO BE PROVIDED BY BOND COUNSEL PRIOR TO POSTING OF THE PRELIMINARY
OFFICIAL STATEMENT]

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APPENDIX C-3

SUMMARY OF CERTAIN PROVISIONS OF THE TIFIA LOAN AGREEMENT

Disbursement. The proceeds of the Junior Subordinate TIFIA Loan have been fully drawn by the Commission.

Events of Default and Remedies.

Certain Definitions used under this Caption.

“Pledged Revenues” means (a) all Sales Tax Revenues, (b) all regularly-scheduled amounts (but not termination payments) owed or paid to the Commission by any Qualified Counterparty under any Interest Rate Swap Agreement after offset for the regularly-scheduled amounts (but not termination payments) owed or paid by the Commission to such Qualified Counterparty under such Interest Rate Swap Agreement, (c) any additional revenues or assets of the Commission to be included in the definition of Pledged Revenues pursuant to a Supplemental Indenture; provided, however, that after making the required monthly deposits of Pledged Revenues from the Revenue Fund pursuant to Section 5.02 of the Indenture and Section 8(d) (Security and Priority; Flow of Funds), any remaining amounts transferred to the Commission pursuant to Section 5.02(B) of the Indenture, shall continue to be subject to the lien of the Indenture as Revenues.

“Indenture Documents” means the Indenture, the Seventh Supplemental Indenture, each Supplemental Indenture executed on or after the effective date of the TIFIA Loan Agreement, the Subordinate Indenture, each Interest Rate Swap Agreement, each Credit Enhancement, and each other agreement, instrument and document executed and delivered pursuant to or in connection with any of the foregoing.

“MTS” means the San Diego Metropolitan Transit System, a public agency in the State.

“MTS Direct Agreement” means the Direct Agreement, dated January 14, 2023, by and among the TIFIA Lender, the Borrower and MTS.

“SANDAG Direct Agreement” means the Direct Agreement, dated January 14, 2023, by and among the TIFIA Lender, the Commission and SANDAG.

“TIFIA Loan Documents” means the TIFIA Loan Agreement, the TIFIA Bond, each Direct Agreement, the Tenth Supplemental Indenture and the other Indenture Documents.

Events of Default. The following events constitute events of default under the TIFIA Loan Agreement:

(i) **Payment Default.** The Commission shall fail to pay any of the principal amount of or interest on the TIFIA Loan, when and as the payment thereof shall be required under the TIFIA Loan Agreement or the TIFIA Bond (as defined herein) or on October 1, 2045, the final maturity date (each such failure, a “Payment Default”).

(ii) **Covenant Default.** (A) The Commission shall fail to observe or perform any covenant, agreement or obligation of the Commission under the TIFIA Loan Agreement, the TIFIA Bond or any other TIFIA Loan Document (other than in the case of any Payment Default or any Development Default), (B) SANDAG shall fail to observe or perform any covenant, agreement

or obligation of SANDAG under the SANDAG Direct Agreement or (C) MTS shall fail to observe or perform any covenant, agreement or obligation of MTS under the MTS Direct Agreement, and any such failure described in clauses (A), (B) or (C) shall not be cured within thirty (30) days after receipt by the applicable Commission Related Party from the TIFIA Lender of written notice thereof; provided, however, that if such failure is capable of cure but cannot reasonably be cured within such thirty (30) day cure period, then no Event of Default shall be deemed to have occurred or be continuing under Section 20(a)(ii) of the TIFIA Loan Agreement (*Covenant Default*), and such thirty (30) day cure period shall be extended by up to one hundred fifty (150) additional days, if and so long as (x) within such thirty (30) day cure period the Commission, SANDAG or MTS, as applicable, shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured, and (y) such failure is cured within one hundred eighty (180) days of the date of the notice of default from the TIFIA Lender.

(iii) Development Default. A Development Default shall occur, in which case the TIFIA Lender may (A) suspend the disbursement of TIFIA Loan proceeds under the TIFIA Loan Agreement and (B) pursue such other remedies as provided in Section 20 of the TIFIA Loan Agreement (*Events of Default and Remedies*). If so requested by the TIFIA Lender in connection with a Development Default, the Commission shall immediately repay any unexpended TIFIA Loan proceeds previously disbursed to the Commission.

(iv) Misrepresentation Default. Any of the representations, warranties or certifications of (A) the Commission made in or delivered pursuant to the TIFIA Loan Documents (or in any certificates delivered by the Commission in connection with the TIFIA Loan Documents), (B) SANDAG made in or delivered pursuant to the SANDAG Direct Agreement (or in any certificates delivered by SANDAG in connection with the SANDAG Direct Agreement) or (C) MTS made in or delivered pursuant to the MTS Direct Agreement (or in any certificates delivered by MTS in connection with the MTS Direct Agreement), shall prove to have been false or misleading in any material respect when made or deemed made (or any representation and warranty that is subject to a materiality qualifier shall prove to have been false or misleading in any respect); provided that no Event of Default shall be deemed to have occurred under Section 20(a)(iv) of the TIFIA Loan Agreement (*Misrepresentation Default*) if and so long as:

- (1) such misrepresentation is not intentional;
- (2) in the case of the Commission, such misrepresentation is not a misrepresentation in respect of Section 14(h) (No Debarment), Section 14(j) (Compliance with Federal Requirements), Section 14(k) (Transportation Improvement Program), Section 14(p) (Information), Section 14(q) (OFAC; Anti-Corruption Laws), Section 14(x) (Financial Statements) or Section 14(cc) (Patriot Act);
- (3) in the case of SANDAG, such misrepresentation is not a misrepresentation in respect of Sections 5(g), 5(i), 5(m) or 5(n) of the SANDAG Direct Agreement;
- (4) in the case of MTS, such misrepresentation is not a misrepresentation in respect of Sections 4(g), 4(i), 4(m) or 4(n) of the MTS Direct Agreement;
- (5) in the reasonable determination of the TIFIA Lender, such misrepresentation has not had, and would not reasonably be expected to result in, a material adverse effect;

- (6) in the reasonable determination of the TIFIA Lender, the underlying issue giving rise to the misrepresentation is capable of being cured;
- (7) the underlying issue giving rise to the misrepresentation is cured by the applicable Commission Related Party within thirty (30) days from the date on which such Commission Related Party first became aware (or reasonably should have become aware) of such misrepresentation; and
- (8) the applicable Commission Related Party diligently pursues such cure during such thirty (30) day period.

(v) Acceleration of Secured Obligations or Other Material Indebtedness. Any acceleration shall occur of the maturity of any (A) Secured Obligations or (B) any indebtedness or other payment obligations of the Commission secured by Pledged Revenues in an aggregate principal amount equal to or greater than \$1,000,000 that is senior to, or in parity with, the TIFIA Loan in right of payment or in right of security (“Other Material Indebtedness”), or any other indebtedness shall not be paid in full upon the final maturity thereof. For the avoidance of doubt, swap termination payments and term-outs of Secured Obligations that occur in accordance with the terms of such Secured Obligations shall not be considered acceleration.

(vi) Cross Default. (A) Any of the representations, warranties or certifications of the Commission made in or delivered pursuant to the Indenture Documents, or made in or delivered pursuant to the documents (the “Other Loan Documents”) under which any Secured Obligations is created or incurred, shall prove to be false or misleading in any material respect (each an “Other Indebtedness Misrepresentation Default”), or any default shall occur in respect of the performance of any covenant, agreement or obligation of the Commission under the Indenture Documents or the Other Loan Documents, and such default shall be continuing after the giving of any applicable notice and the expiration of any applicable grace period specified in the Indenture Documents or the Other Loan Documents (as the case may be) with respect to such default (each an “Other Indebtedness Covenant Default”), if the effect of such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default shall be to permit the immediate acceleration of the maturity of any or all of the Secured Obligations, and, in the case of any such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default, the Commission shall have failed to cure such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default or to obtain an effective written waiver thereof in accordance with the terms of such Secured Obligations. For the avoidance of doubt, swap termination payments and term-outs of Secured Obligations that occur in accordance with the terms of such Secured Obligations shall not be considered acceleration.

(B) A Commission Related Party shall default in the timely performance of any covenant, agreement or obligation under any Related Document to which it is party or any Related Document shall be terminated prior to its scheduled expiration (unless in any case such default or termination could not reasonably be expected to have a material adverse effect), and the applicable Commission Related Party shall have failed to cure such default or to obtain an effective written waiver or revocation thereof prior to the expiration of the applicable grace period specified in any such Related Document, or to obtain an effective revocation of such termination (as the case may be); provided, however, that no Event of Default shall be deemed to have occurred or be continuing under Section 20(a)(vi)(B) of the TIFIA Loan Agreement (*Cross Default*) if, in the case of any termination of a Principal Project Contract, the applicable Commission Related Party replaces such Principal Project Contract with a replacement agreement (1) entered into with another counterparty that (x) is of similar or greater creditworthiness and experience as the counterparty being replaced

was at the time the applicable Principal Project Contract was originally executed (or otherwise reasonably acceptable to the TIFIA Lender) and (y) is not, at the time of such replacement, suspended or debarred or subject to a proceeding to suspend or debar from bidding, proposing or contracting with any federal or state department or agency, (2) on substantially the same terms and conditions as the Principal Project Contract being replaced (or otherwise reasonably acceptable to the TIFIA Lender) and (3) effective as of the date of termination of the Principal Project Contract being replaced. For the avoidance of doubt, swap termination payments and term-outs of Secured Obligations that occur in accordance with the terms of such Secured Obligations shall not be considered acceleration.

(vii) Judgments. One or more judgments (A) for the payment of money that are payable from Sales Tax Revenues and the aggregate amount not otherwise fully covered by insurance (for which the insurer has acknowledged and not disputed coverage) is in excess of \$1,000,000 (inflated annually by CPI) or (B) that would reasonably be expected to result in a material adverse effect shall, in either case, be rendered against a Commission Related Party, and the same shall remain undischarged for a period of thirty (30) consecutive days during which time period execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon all or any portion of the Trust Estate to enforce any such judgment.

(viii) Failure to Maintain Existence. The Commission shall fail to maintain its existence as a public entity, unless at or prior to the time the Commission ceases to exist in such form a successor public agency or governing body has been created by the State pursuant to a valid and unchallenged State law and has succeeded to the assets of the Commission and has assumed all of the obligations of the Commission under the TIFIA Loan Documents and the Indenture Documents, including the payment of all secured obligations.

(ix) Occurrence of a Bankruptcy Related Event. (A) A bankruptcy related event shall occur with respect to the Commission or (B) a bankruptcy related event shall occur with respect to any Commission Related Party (other than the Commission) or any Principal Project Party; provided, that: (1) a bankruptcy related event in connection with a Principal Project Party shall not constitute an Event of Default if the relevant Commission Related Party shall have promptly provided evidence satisfactory to the TIFIA Lender demonstrating that any substitute Principal Project Party has sufficient financial resources and operating expertise to complete the Principal Project Contract to which such principal project party was a party; and (2) after the substantial completion date, the occurrence of a bankruptcy related event in connection with any Principal Project Party shall not constitute an Event of Default if at the time of such occurrence, (x) each applicable warranty period shall have ended and no claim against any warranty under the applicable principal project contract shall exist or remain outstanding, or (y) if any applicable warranty period has not yet ended or any claim against any warranty remains outstanding, the Commission promptly provides evidence satisfactory to the TIFIA Lender showing that SANDAG or MTS has (I) sufficient moneys to correct any defect or nonconforming work of such principal project party, and (II) a plan to carry out such works referred to in clause (I) hereof.

(x) Project Abandonment. Any Commission Related Party shall abandon the Project.

(xi) Invalidity of TIFIA Loan Documents. (A) Any TIFIA Loan Document ceases to be in full force and effect (other than as a result of the termination thereof in accordance with its terms) or becomes void, voidable, illegal or unenforceable, or any Commission Related Party contests in any manner the validity or enforceability of any TIFIA Loan Document to which it is a party or denies it has any further liability under any TIFIA Loan Document to which it is a

party, or purports to revoke, terminate or rescind any TIFIA Loan Document to which it is a party; or (B) any Indenture Document ceases (other than as expressly permitted thereunder) to be effective to grant a valid and binding security interest on any material portion of the Trust Estate other than as a result of actions or a failure to act by, and within the control of, the Subordinate Trustee or any Secured Party, and with the priority purported to be created thereby.

(xii) Cessation of Operations. Operation of the Project shall cease for a continuous period of not less than one hundred eighty (180) days unless such cessation of operations shall occur by reason of an Uncontrollable Force that is not due to the fault of any Commission Related Party (and which none of the Commission Related Parties could reasonably have avoided or mitigated).

Remedies. Upon the occurrence of an Event of Default described in Section 20(a)(iii) of the TIFIA Loan Agreement (Development Default), all obligations of the TIFIA Lender thereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loan shall immediately be deemed terminated.

Upon the occurrence of any bankruptcy related event with respect to the Commission, all obligations of the TIFIA Lender thereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loan shall automatically be deemed terminated, and, if an Event of Default described in the TIFIA Loan Agreement (Acceleration of Secured Obligations or Other Material Indebtedness) shall occur or if the TIFIA Lender has a right to accelerate the TIFIA Loan pursuant to the TIFIA Loan Agreement (Additional Rights), the Outstanding TIFIA Loan Balance, together with all interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under the TIFIA Loan Agreement, the TIFIA Bond or the other TIFIA Loan Documents, shall automatically become immediately due and payable, without presentment, demand, notice, declaration, protest or other requirements of any kind, all of which are hereby expressly waived. Upon the occurrence of any other Event of Default, the TIFIA Lender, by written notice to the Commission, may (i) suspend or terminate all of its obligations thereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loan and (ii) if an Event of Default described in Section 20(a)(v) of the TIFIA Loan Agreement (Acceleration of Secured Obligations or Other Material Indebtedness) shall occur or if the TIFIA Lender has a right to accelerate the TIFIA Loan pursuant to Section 17(n) of the TIFIA Loan Agreement (Additional Rights), declare the unpaid principal amount of the TIFIA Bond to be, and the same shall thereupon forthwith become, immediately due and payable, together with the interest accrued thereon and all fees, costs, expenses, indemnities and other amounts payable under the TIFIA Loan Agreement, the TIFIA Bond or the other TIFIA Loan Documents, all without presentment, demand, notice, protest or other requirements of any kind, all of which are hereby expressly waived.

Whenever any Event of Default thereunder shall have occurred and be continuing, the TIFIA Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid thereunder or under the TIFIA Bond or the other TIFIA Loan Documents, and may prosecute any such judgment or final decree against the Commission and collect in the manner provided by law out of the property of the Commission the moneys adjudged or decreed to be payable, and the TIFIA Lender shall have all of the rights and remedies of a creditor, including all rights and remedies, to the extent applicable to the Trust Estate, of a secured creditor under the Uniform Commercial Code and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by Commission under the TIFIA Loan Agreement, the TIFIA Bond or the other TIFIA Loan Documents then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Commission under the TIFIA Loan Agreement, the TIFIA Bond or the other TIFIA Loan Documents; provided, however, that any monetary judgment against the Commission shall be payable solely from the Trust Estate or from any other funds made available by the Commission, in its discretion. Whenever any Event of Default under the TIFIA Loan

Agreement shall have occurred and be continuing, the TIFIA Lender may suspend or debar the Commission from further participation in any Government program administered by the TIFIA Lender and to notify other departments and agencies of such default. No action taken pursuant to this Section of the TIFIA Loan Agreement (Events of Default and Remedies) shall relieve Commission from its obligations pursuant to the TIFIA Loan Agreement, the TIFIA Bond or the other TIFIA Loan Documents, all of which shall survive any such action. The parties to the TIFIA Loan Agreement acknowledge and agree that the rights and remedies of the TIFIA Lender as the Holder of the TIFIA Bond, including any rights and remedies with respect to the payment thereof, shall be governed exclusively by the Indenture.

In addition to the rights and remedies of Holders set forth in the Indenture, the parties further acknowledge and agree in the TIFIA Loan Agreement that the TIFIA Loan shall be made under and subject to, the terms and conditions set forth in the TIFIA Loan Agreement and the rights and remedies of the TIFIA Lender, including the right to enforce the representations, warranties and covenants made by the Commission exclusively for the benefit of the TIFIA Lender, shall be governed exclusively by those remedies set forth in TIFIA Loan Agreement. In the event of a conflict between the Indenture and the TIFIA Loan Agreement, the provisions of the TIFIA Loan Agreement shall be given precedence; provided, however, in the event there exists a conflict between the provisions of the TIFIA Loan Agreement and the Indenture and performance with the provisions of the TIFIA Loan Agreement is contrary to or inconsistent with the rights of the Holders of other secured obligations under the Indenture, then the provisions of the Indenture shall be given precedence and performance with the provisions thereof shall not constitute a violation of the TIFIA Loan Agreement. Subject to the immediately previous sentence, the Commission shall comply with all provisions of the Indenture and with all documents entered into or delivered in connection with this transaction.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

[TO BE INSERTED PRIOR TO POSTING. SEE ATTACHMENT 6 OF THE BOARD REPORT FOR
THE CURRENT DRAFT]

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APPENDIX E

BOOK-ENTRY ONLY SYSTEM

Introduction

Unless otherwise noted, the information contained under the subcaption “– General” below has been provided by DTC. The Commission makes no representations as to the accuracy or completeness of such information. Further, neither the Commission nor any of the Underwriters undertakes responsibility for and makes no representations as to the accuracy or the completeness of the content of such material contained on DTC’s websites as described under “– General,” including, but not limited to, updates of such information or links to other Internet sites accessed through the aforementioned websites. The Beneficial Owners of the 2026 Series A Bonds should confirm the following information with DTC, the Direct Participants or the Indirect Participants.

NONE OF THE COMMISSION, THE UNDERWRITERS OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE 2026 SERIES A BONDS UNDER THE RESOLUTIONS; (C) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE 2026 SERIES A BONDS, IF APPLICABLE; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT TO THE OWNERS OF THE 2026 SERIES A BONDS; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF 2026 SERIES A BONDS; OR (F) ANY OTHER MATTER REGARDING DTC.

General

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the 2026 Series A Bonds. The 2026 Series A 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 2026 Series A Bond certificate will be issued for each maturity of the 2026 Series A Bonds 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”). Standard & Poor’s has rated DTC “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information set forth on such website is not incorporated herein by reference.

Purchases of the 2026 Series A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2026 Series A Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2026 Series A Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2026 Series A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2026 Series A Bonds, except in the event that use of the book-entry system for the 2026 Series A Bonds is discontinued.

To facilitate subsequent transfers, all 2026 Series A 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 the 2026 Series A 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 2026 Series A Bonds. DTC’s records reflect only the identity of the Direct Participants to whose accounts such 2026 Series A 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 the 2026 Series A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2026 Series A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2026 Series A Bonds documents. For example, Beneficial Owners of the 2026 Series A Bonds may wish to ascertain that the nominee holding the 2026 Series A 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 2026 Series A Bonds of like maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2026 Series A 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 Commission 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 the 2026 Series A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of, premium, if any, and interest on the 2026 Series A 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 Commission or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect 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 Commission, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of, premium, if any, and interest on the 2026 Series A Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Commission 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.

NONE OF THE COMMISSION, THE UNDERWRITERS OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO THE PAYMENTS OR THE PROVIDING OF NOTICE TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

The Commission, the Trustee and the Underwriters cannot and do not give any assurances that DTC, the DTC Participants or others will distribute payments of principal or interest on the 2026 Series A Bonds paid to DTC or its nominee as the registered owner, or will distribute any notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The Commission, the Trustee and the Underwriters are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a Beneficial Owner with respect to the 2026 Series A Bonds or for an error or delay relating thereto.

DTC may discontinue providing its services as depository with respect to the 2026 Series A Bonds at any time by giving reasonable notice to the Commission or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2026 Series A Bond certificates are required to be printed and delivered.

The Commission may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, 2026 Series A Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Commission believes to be reliable, but the Commission takes no responsibility for the accuracy thereof.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF 2026 SERIES A BONDS AND WILL NOT BE RECOGNIZED BY THE TRUSTEE AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE DTC PARTICIPANTS.

APPENDIX F

PROPOSED FORM OF OPINION OF BOND COUNSEL

[TO COME FROM BOND COUNSEL]

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