



Measure M2 Sales Tax Revenue Refunding Bonds (Limited Tax Bonds), Series 2025 Pricing Summary

Transaction Timeline

Date	Event
October 14, 2024	Board Direction to Pursue Refunding of Outstanding Measure M (M2) Sales Tax Revenue Bonds, Series 2010A BABs
November – December 2024	Assembled Financing Team
February 12, 2025	F&A Committee Approval of Financing & Financing Documents
February 13-14, 2025	Rating Agency Meetings <ul style="list-style-type: none"> • Fitch • S&P
February 24, 2025	Board Approval of Financing & Financing Documents
February 25-26, 2025	Ratings Received <ul style="list-style-type: none"> • S&P: AAA (Upgrade) • Fitch: AA+
February 27, 2025	Distributed POS to Investors & Market Series 2025 Bonds
March 4, 2025	Series 2025 Bond Pricing
March 26, 2025	Series 2025 Bond Closing Redeemed Series 2010A Bonds

Board – Board of Directors
 BABs – Build America Bonds
 F&A – Finance & Administration Committee
 Fitch - Fitch Ratings
 S&P - S&P Global Ratings
 POS - Preliminary Official Statement

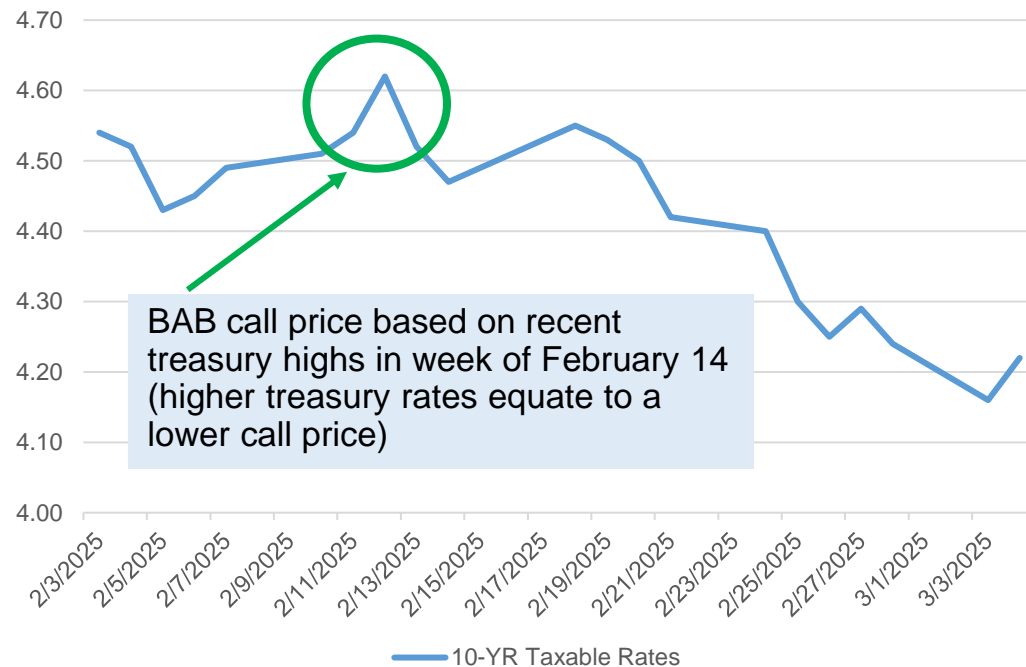
Credit Ratings

- **S&P:** Upgraded M2 Sales Tax Bonds from AA+ to AAA
- Rationale
 - Enhanced financial covenants through amended Additional Bonds Test and expectations for strong debt service coverage ratios over life of bonds
 - Healthy Orange County economic fundamentals
- **Fitch:** Maintained M2 Sales Tax Bonds at AA+
- Rationale
 - Fitch rating criteria limits rating on sales tax bonds to OCTA's assigned "Issuer" rating
 - Fitch analyzes the entirety of OCTA financial operations and not just the "Local Transportation Authority" component unit

Captured Favorable Market Conditions for Refinancing

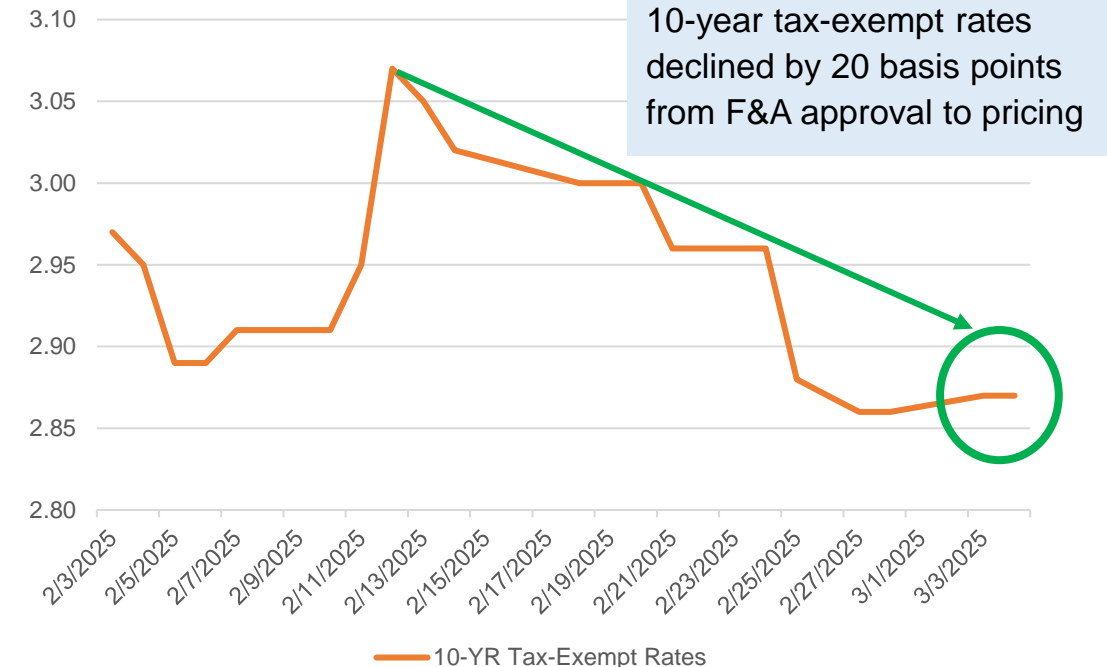
- Cost of the BAB call price is driven by taxable treasury rates over a “lookback” period from early February 2025

10-YR Taxable Rates Since February 2025



- Cost of the refunding Series 2025 Bonds is driven by tax-exempt rates on the March 4 pricing date

10-YR Tax-Exempt Rates Since February 2025



Series 2025 Bonds: Financing Objectives Achieved

❑ Refinance the Series 2010A Bonds (BABs)

- ✓ Exercised extraordinary optional redemption provision
- ✓ Outstanding Series 2010A par of \$245,480,000 will be redeemed at financial close (March 26)

❑ Achieve at least present value neutral debt service costs

- ✓ All-in borrowing cost: 3.04 percent
- ✓ Total cashflow gross savings: over \$13.0 million
- ✓ Net present value savings: over \$10.5 million, or 4.3 percent of the refunded bonds (above OCTA's Debt Policy threshold)

❑ Maintain and enhance prudent debt portfolio characteristics

- ✓ Tax-exempt, fixed-rate bonds with February 2041 final maturity
- ✓ Debt portfolio optionality enhanced with standard tax-exempt ten-year call feature
- ✓ Federal sequestration risk eliminated

Investor Demand for OCTA Bonds

- Underwriting syndicate led by Bank of America Securities
- Investors submitted \$625 million of total orders
 - \$228 million of Series 2025 Bonds offered
 - Approximately 2.75x oversubscribed
- The strong investor demand allowed OCTA to lower the final yields on the Series 2025 Bonds by up to 6 basis points at the end of the order period
- OCTA secured final yields lower than other highly-rated transportation agencies that have entered the market in recent weeks

Top Investors for the Series 2025 Bonds

1. Goldman Sachs Asset Management	\$ 143,315
2. Nuveen Asset Management, LLC	101,280
3. Blackrock SMA	65,725
4. Parametric Portfolio Associates, Inc.	51,000
5. UBS Global Asset Management	33,410
6. Lord Abbett	32,310
7. Bessemer Trust Company N.A.	30,745
8. PIMCO Advisors L.P.	29,350
9. J.P. Morgan Asset Management	23,690
10. Rockefeller Financial	20,470