ATTACHMENT D

PRELIMINARY OFFICIAL STATEMENT DATED [_____], 2023

NEW ISSUE—BOOK-ENTRY ONLY

Ratings: Fitch: "[___]"
Moody's: "[___]"
S&P: "[___]"
See "RATINGS" herein.

In the opinion of Nossaman LLP, Los Angeles, California, Bond Counsel, based on existing statutes, regulations, rulings and court decisions and assuming, among other matters, compliance with certain covenants, interest on the Series 2023 Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the opinion of Bond Counsel, interest on the Series 2023 Bonds is not a specific preference item for purposes of the federal individual alternative minimum taxes, although Bond Counsel observes that interest on the Series 2023 Bonds may affect the federal alternative minimum tax on applicable corporations. Bond Counsel expresses no opinion regarding other federal or state tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2023 Bonds. See "TAX EXEMPTION."

$[PAR]*
ORANGE COUNTY TRANSPORTATION AUTHORITY
(ORANGE COUNTY, CALIFORNIA)
SENIOR LIEN TOLL ROAD REVENUE REFUNDING BONDS (91 EXPRESS LANES), SERIES 2023

Dated: Date of Delivery **Due: As shown herein**

This cover page is not a summary of this issue; it is only a reference to the information contained in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Orange County Transportation Authority ("OCTA") will issue the Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2023 (the "Series 2023 Bonds"). Proceeds of the Series 2023 Bonds, together with other funds, will be applied to (a) refund, on a current basis, all of the outstanding Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2013 (the "Series 2013 Bonds") and (b) pay costs of issuance of the Series 2023 Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS."

The Series 2023 Bonds are being issued pursuant to a Master Indenture of Trust, dated as of August 1, 2013, as supplemented and amended from time to time pursuant to its terms, including as supplemented and amended by a Second Supplemental Indenture, dated as of [CLOSING MONTH] 1, 2023 (collectively, the "Indenture"), between OCTA and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee"). The Series 2023 Bonds are limited obligations of OCTA payable solely from, and secured solely by, Pledged Funds (as defined in the Indenture), which consist primarily of Tolls (as defined in the Indenture) and amounts held on deposit in certain funds and accounts established under the Indenture and held by, or for the benefit of, the Trustee, all as more fully described herein under the caption "Security and Source of Payment for the Senior Lien Bonds." Pursuant to the Indenture, OCTA may issue additional bonds, including refunding bonds, and may secure certain other obligations on a parity basis with the Series 2023 Bonds. OCTA may also issue bonds or incur obligations payable from Pledged Funds on a subordinate basis. See "SECURITY AND SOURCE OF PAYMENT FOR THE SENIOR LIEN BONDS - Additional Senior Lien Bonds, Parity Obligations, Junior Lien Bonds, Subordinate Lien Bonds; TIFIA Obligations."

The Series 2023 Bonds are not secured by a legal or equitable pledge of, or a charge or lien upon, any property of OCTA or any income or revenues received by OCTA except Pledged Funds. Neither the faith and credit nor the taxing power of the County of Orange, the State of California or any political subdivision or public agency thereof, other than OCTA, to the extent of the pledge of Pledged Funds described herein, is pledged to the payment of the Series 2023 Bonds. OCTA has no taxing power.

The Series 2023 Bonds will be issued as current interest bonds, in denominations of $5,000 or integral multiples thereof, as set forth on the inside front cover page hereof. Interest on the Series 2023 Bonds is payable on each February 15 and August 15 to maturity, commencing [August 15, 2023]. Principal of the Series 2023 Bonds is payable on August 15 in each of the years and in the amounts set forth on the inside front cover page hereof.

The Series 2023 Bonds will be issued in book-entry form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Principal of and interest on the Series 2023 Bonds will be paid by the Trustee to DTC. DTC will then remit such payments to its participants, which will in turn remit such payments to the beneficial owners of such Series 2023 Bonds. See APPENDIX E – "BOOK-ENTRY ONLY SYSTEM." Purchasers will not receive physical delivery of the Series 2023 Bonds purchased by them.

The Series 2023 Bonds are not subject to redemption prior to maturity as described herein.* See "THE SERIES 2023 BONDS – No Redemption" herein.

The Series 2023 Bonds are offered when, as and if issued and received by the Underwriters subject to the approval of validity by Nossaman LLP, Los Angeles, California, as bond counsel to OCTA. Certain legal matters will be passed upon for OCTA by Woodruff & Smart, Costa Mesa, California, general counsel to OCTA. Certain legal matters will be passed upon for the Underwriters by Orrick, Herrington & Sutcliffe LLP, Irvine, California, counsel to the Underwriters. It is anticipated that the Series 2023 Bonds will be available for delivery through the book entry facilities of DTC on or about [______], 2023.

Wells Fargo Securities **J.P. Morgan Securities LLC**

Dated: __________, 2023

* *Preliminary; subject to change.*

MATURITY SCHEDULE*

$[PAR]*
ORANGE COUNTY TRANSPORTATION AUTHORITY
(ORANGE COUNTY, CALIFORNIA)
SENIOR LIEN TOLL ROAD REVENUE REFUNDING BONDS (91 EXPRESS LANES), SERIES 2023

$__________ Serial Series 2023 Bonds

Maturity (August 15,)	Principal Amount	Interest Rate	Yield	CUSIP†
	$	%	%	

* *Preliminary; subject to change.*

† CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2023 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CGS database. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of OCTA, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers.

91 EXPRESS LANES

[OCTA TO PROVIDE UPDATED MAP]

ORANGE COUNTY TRANSPORTATION AUTHORITY

BOARD OF DIRECTORS

STAFF

Chief Executive Officer
Darrell E. Johnson

Deputy Chief Executive Officer
Jennifer L. Bergener

Chief Operating Officer
Johnny Dunning Jr.

Chief Financial Officer
Andrew Oftelie

General Manager, Express Lanes Programs
Kirk Avila

Director, Finance and Administration
Sean Murdock

Treasury and Public Finance Manager
Robert Davis

SPECIAL SERVICES

General Counsel
Woodruff & Smart
Costa Mesa, California

Municipal Advisor
Sperry Capital Inc.
Mill Valley, California

Traffic and Revenue Consultant
Stantec Consulting Services Inc.
New York, New York

Bond Counsel
Nossaman LLP
Los Angeles, California

Trustee
U.S. Bank Trust Company, National Association
Los Angeles, California

This Official Statement does not constitute an offering of any security other than the original offering of the Series 2023 Bonds by OCTA. No dealer, broker, salesperson or other person has been authorized by OCTA to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by OCTA.

The Series 2023 Bonds are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(2) thereof. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy Series 2023 Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein other than that furnished by OCTA, although obtained from sources which are believed by OCTA to be reliable, is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by OCTA. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of OCTA since the date hereof. This Official Statement is submitted in connection with the sale of the Series 2023 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

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 a part of, its 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.

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 Official Statement for purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule").

For purposes of compliance with the Rule in effect on the date hereof, this Preliminary Official Statement constitutes an official statement of OCTA that has been deemed final by OCTA as of its date except for the omission of no more than the information permitted by the Rule.

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," "budget," "intend" 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. OCTA does not plan to issue any updates or revisions to those forward-looking statements if or when their expectations, or events, conditions or circumstances on which such statements are based, occur.

OCTA maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2023 Bonds.

In connection with this offering, the Underwriters may overallot or effect transactions which stabilize or maintain the market prices of the Series 2023 Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Series 2023 Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside front cover page hereof and said public offering prices may be changed from time to time by the Underwriters.

TABLE OF CONTENTS

Page

TABLE OF CONTENTS

Page

OFFICIAL STATEMENT

$[PAR][*]
ORANGE COUNTY TRANSPORTATION AUTHORITY
(ORANGE COUNTY, CALIFORNIA)
SENIOR LIEN TOLL ROAD REVENUE REFUNDING BONDS (91 EXPRESS LANES),
SERIES 2023

INTRODUCTION

General

This Official Statement sets forth certain information in connection with the offering of the Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2023 (the "Series 2023 Bonds") to be issued by the Orange County Transportation Authority ("OCTA"), a public agency created in 1991 to serve as an umbrella agency responsible for transportation matters within the County of Orange, California (the "County" or "Orange County"). See "THE ORANGE COUNTY TRANSPORTATION AUTHORITY" herein. This introduction is not a summary of the Official Statement. It is only a brief description of and guide to, and is qualified by, the more complete and detailed information contained in the entire Official Statement and the documents summarized or described herein. The offering of the Series 2023 Bonds to potential investors is made only by means of the entire Official Statement and, therefore, potential investors should carefully review the entire Official Statement. All capitalized terms used herein and not otherwise defined shall have the meaning assigned to such terms in Appendix C - "Summary of Certain Provisions of the Master Indenture of Trust - Definitions; Interpretations" or in the Master Indenture of Trust, dated as of August 1, 2013, as supplemented and amended from time to time pursuant to its terms, including as supplemented and amended by the First Supplemental Indenture, dated as of August 1, 2013 (the "First Supplemental Indenture"), and the Second Supplemental Indenture, dated as of [CLOSING MONTH] 1, 2023 (the "Second Supplemental Indenture" and together with the Master Indenture of Trust and the First Supplemental Indenture, the "Indenture"), each between OCTA and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee").

OCTA

OCTA was created pursuant to California State Senate Bill 838 (the "Consolidation Legislation") enacted by the California State Legislature in the fall of 1990. The Consolidation Legislation required the functional consolidation of the transportation agencies within Orange County. Included in this consolidation were the Orange County Local Transportation Authority (the "Local Transportation Authority"), the Orange County Transportation Commission, the Orange County Transit District, the Orange County Congestion Management Agency, the Orange County Service Authority for Freeway Emergencies and the Orange County Consolidated Transportation Service Agency. On June 20, 1991, the consolidated umbrella agency, known as the Orange County Transportation Authority or OCTA, assumed the combined duties of the transportation entities noted above. The purpose of this consolidation was to create a single Board of Directors accountable for transportation decision-making in the County. See "THE ORANGE COUNTY TRANSPORTATION AUTHORITY" herein.

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[*] *Preliminary; subject to change.*

4161-9485-3702.5

Authorization for Issuance of the Series 2023 Bonds

The Series 2023 Bonds are being issued pursuant to authority granted under Section 130240 of the Public Utilities Code of the State of California (as more fully defined in the Indenture, the "Act"), a resolution adopted by the Board of Directors of OCTA on June 12, 2023 (the "Resolution"), and the Indenture.

Purpose and Application of Proceeds and Certain Other Amounts

Proceeds of the Series 2023 Bonds, together with other funds, will be applied to (a) refund, on a current basis, all of the outstanding Orange County Transportation Authority Senior Lien Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2013 (the "Series 2013 Bonds") and (b) pay costs of issuance of the Series 2023 Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS."

The Toll Road

OCTA operates a four lane, ten mile toll road located in the median strip of State Route 91 ("SR 91"), which also includes general purpose lanes (four or five depending on location) and auxiliary lanes in each direction, between the boundary line separating Orange County and Riverside County on the east and the interchange of SR 91 and California State Route 55 on the west (collectively, the "Toll Road"). Two lanes of the Toll Road run in each direction and tolls are collected electronically. Toll prices vary from hour to hour and day to day based on a predetermined toll schedule established to optimize throughput at free flow speeds. The Toll Road, originally developed and operated by California Private Transportation Company, L.P., opened to traffic on December 27, 1995 and was the first toll road in the world to employ a fully electronic toll collection system and the first toll road in the United States to employ variable pricing. See "THE TOLL ROAD."

In March 2017, the Riverside County Transportation Commission ("RCTC") extended the Toll Road an additional eight miles into Riverside County (such additional portion of the SR 91 express lanes operated by RCTC, is referred to herein as the "RCTC Toll Road"). The RCTC Toll Road extends from the boundary line separating Orange County and Riverside County on the west and the interchange of SR 91 and the Interstate 15 on the east. RCTC is responsible for operations, toll policy and toll rate setting for the RCTC Toll Road. The revenues derived from the RCTC Toll Road are not pledged to secure the Series 2023 Bonds or any other Bonds issued under the Indenture.

Security and Source of Payment

The Series 2023 Bonds are limited obligations of OCTA payable solely from, and secured solely by, the Pledged Funds, consisting primarily of income derived by OCTA from vehicular usage of the Toll Road (as more fully defined in the Indenture, the "Tolls"), and moneys held on deposit in certain funds and accounts established under the Indenture, including the hereinafter defined Reserve Fund, which will be established with the Trustee, the Operating Reserve Fund and the Major Maintenance Reserve Fund. See "SECURITY AND SOURCE OF PAYMENT FOR THE SENIOR LIEN BONDS."

The Senior Lien Bonds (as defined herein) are not secured by a legal or equitable pledge of, or a charge or lien upon, any property of OCTA or any income or revenues received by OCTA except the Pledged Funds. Neither the faith and credit nor the taxing power of the County of Orange, the State of California or any political subdivision or public agency thereof, other than OCTA, to the extent of the pledge of the Pledged Funds described herein, is pledged to secure the Senior Lien Bonds. OCTA has no taxing power.

Additional Bonds and Obligations

Pursuant to the Indenture, OCTA may issue additional bonds secured by a pledge and lien on Pledged Funds on a parity basis with the Series 2023 Bonds for any lawful purpose of OCTA, as authorized under the Act, including for purposes of (i) paying for improvements or betterments to the Toll Road, rail and transit improvements or connectivity projects relating to the Toll Road, and any phase of project delivery to make capital improvements to onramps, connector roads, roadways, bridges, or other structures that are related to the tolled and nontolled facilities on SR 91 between State Highway Route 57 to the west and the Orange and Riverside county line to the east, and (ii) refunding any existing bonds, in each instance provided that the requirements set forth in the Indenture are met. The Series 2023 Bonds and any additional bonds issued pursuant to the provisions of the Indenture on a parity with the Series 2023 Bonds are hereinafter collectively referred to as the "Senior Lien Bonds." In addition, pursuant to the provisions of the Indenture, OCTA (i) may incur debt or issue obligations secured by a pledge and lien on Pledged Funds on a parity basis with the Senior Lien Bonds, such debt or obligations being hereinafter referred to as "Parity Obligations," (ii) may incur debt or issue other obligations secured by a pledge and lien on Pledged Funds on a subordinate basis to the Senior Lien Bonds and Parity Obligations (hereinafter referred to as "Junior Lien Bonds") and (iii) may incur debt or issue other obligations (hereinafter referred to as "Subordinate Lien Bonds") payable from Pledged Funds on a basis subordinate in all respects to Bonds, Parity Obligations and Junior Lien Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE SENIOR LIEN BONDS." See also APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Definitions; Interpretations." OCTA may also issue TIFIA Bonds (hereinafter referred to as "TIFIA Obligations"), provided that the requirements set forth in the Indenture are met.

As of the date of this Official Statement, OCTA does not currently have plans to issue any additional Senior Lien Bonds, Parity Obligations, Junior Lien Bonds, Subordinate Lien Bonds, or any TIFIA Obligations while the Series 2023 Bonds remain Outstanding.

References; Availability of Documents

Brief descriptions of the Series 2023 Bonds, the Indenture, the security and source of payment for the Senior Lien Bonds, certain agreements assumed or entered into by OCTA in connection with the acquisition of the Toll Road, certain agreements entered into or to be entered into by OCTA in connection with the operation of the Toll Road, and certain information about OCTA are presented herein. Such references and descriptions do not purport to be comprehensive or definitive. All references herein to various agreements which have been entered into in connection with the issuance of the Series 2023 Bonds are qualified in their entirety by reference to the forms thereof, all of which are available at the offices of OCTA.

THE SERIES 2023 BONDS

General

The Series 2023 Bonds will be issued as Current Interest Bonds in denominations of $5,000 or any integral multiple thereof (each, an "Authorized Denomination"), will be dated their date of delivery and will bear interest from such date. Interest with respect to the Series 2023 Bonds will be computed on the basis of a 360-day year comprised of twelve 30-day months and will be payable on February 15 and August 15 of each year, commencing [August 15, 2023]. The Series 2023 Bonds will mature on the dates and in the principal amounts and bear interest at the rates, all as set forth on the inside front cover page of this Official Statement.

Form and Registration

The Series 2023 Bonds will be issued only as fully registered bonds, without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2023 Bonds. Individual purchases will be made in book-entry only form. Purchasers will not receive a certificate representing their beneficial ownership interest in the Series 2023 Bonds. So long as Cede & Co. is the registered owner of the Series 2023 Bonds, as nominee of DTC, references herein to Bondholders, Bond Owners, holders, Owners, Registered Owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the beneficial owners of the Series 2023 Bonds. So long as Cede & Co. is the registered owner of Series 2023 Bonds, all payments due with respect to the Series 2023 Bonds, including principal and interest, will be made to Cede & Co., as nominee of DTC. See APPENDIX E – "BOOK-ENTRY ONLY SYSTEM."

No Redemption*

The Series 2023 Bonds are not subject to redemption prior to their stated maturities.

SECURITY AND SOURCE OF PAYMENT FOR THE SENIOR LIEN BONDS

The Senior Lien Bonds are limited obligations of OCTA, payable solely from, and secured solely by, Pledged Funds, consisting primarily of Tolls, and moneys held on deposit in certain funds and accounts established under the Indenture, including the Revenue Fund, the Operating Reserve Fund, the Major Maintenance Reserve Fund and the hereinafter defined Reserve Fund.

Pledged Funds; Revenues; Tolls

Pledged Funds include: (i) Revenues, which are comprised primarily of Tolls, and (ii) moneys on deposit in the Revenue Fund, the Operating Reserve Fund, the Major Maintenance Reserve Fund, the Reserve Fund and any other fund or account held by or for the benefit of the Trustee under the Indenture, excluding amounts on deposit in the Rebate Fund, any Series Credit Facility Fund and amounts on deposit in such other funds or accounts as may be established and excluded from Pledged Funds pursuant to a Supplemental Indenture establishing the terms and provisions of an additional Series of Bonds, including, without limitation, in the case of TIFIA Obligations, such further exceptions as may be provided in the Supplemental Indenture pursuant to which such TIFIA Obligations are issued.

Revenues are comprised of (a) the Tolls, (b) earnings derived from the investment of moneys in the funds and accounts established under the Indenture (whether held by the Trustee or by OCTA) excluding the Rebate Fund and any Series Credit Facility Fund, (c) liquidated damages or similar payments (net of offsets required or permitted by the applicable agreement) payable under any toll collection or revenue management contract or any operating or maintenance contract relating to the Pledged Facilities, (d) proceeds of revenue interruption insurance maintained by or for the benefit of OCTA to the extent such proceeds relate to the damage, destruction or condemnation of a Pledged Facility, (e) net proceeds of eminent domain proceedings and casualty insurance maintained by or for the benefit of OCTA to the extent such proceeds relate to damage, destruction or condemnation of a Pledged Facility and are not promptly applied by OCTA either to the replacement or restoration of the Pledged Facility taken or damaged or to the redemption of Bonds, (f) any moneys received by OCTA pursuant to the Cooperative Agreement, and (g) such other sources of funds as may be identified as Revenues in a Supplemental Indenture. As defined in the Indenture, Revenues do not include rebates of premiums received by OCTA or by the Trustee in connection with insurance policies maintained by or for either of

* *Preliminary; subject to change.*

them or, except as specifically provided by the Indenture, the proceeds of any Bonds or other indebtedness issued or incurred by OCTA. For additional detail concerning Revenues, see "HISTORICAL AND PROJECTED DEBT SERVICE COVERAGE."

Tolls are comprised of all rates, rents, fees, charges, fines, or other income derived by, or allocated to, OCTA, directly or indirectly, from or related to vehicular usage of the Toll Road, including, but not limited to, fees paid for the vehicular usage of the Toll Road, fines and penalties collected by OCTA with respect to usage of the Toll Road, and fees for the use of transponders or other devices for the electronic payment of tolls, but excluding any portion of Tolls derived from the vehicular usage of a Special Project which is required to be paid to a contractor pursuant to a contract for the acquisition or construction of such Special Project as a result of the early completion of such Special Project or any segment of such Special Project.

Neither the faith and credit nor the taxing power of the County of Orange, the State of California or any political subdivision or public agency thereof, other than OCTA, to the extent of the pledge described herein, is pledged to the payment of principal of, premium, if any, or interest on the Senior Lien Bonds. OCTA has no taxing power.

Funds and Accounts Established Pursuant to the Indenture; Investment of Funds and Accounts

Revenue Fund. A special fund designated the "Orange County Transportation Authority Toll Road Revenue Bonds Revenue Fund" (the "Revenue Fund") is created pursuant to the Indenture and shall be held by OCTA. Pursuant to the provisions of the Indenture, OCTA will covenant that OCTA will deposit or cause to be deposited all Revenues when and as received by, or allocated to, OCTA into the Revenue Fund. All moneys in the Revenue Fund shall be held by OCTA in trust for the benefit of the Senior Lien Bonds and obligations secured on a parity basis with the Senior Lien Bonds ("Parity Obligations"), including, without limitation, reimbursement obligations to each Bank providing a Credit Facility for a Series of Bonds (such obligations being hereinafter referred to as "Reimbursement Obligations"), and shall be applied as provided in the Indenture and, pending such application, shall be subject to a lien and charge in favor of the registered owners of the Senior Lien Bonds, each Bank providing a Credit Facility for a Series of Bonds and the holders of any other Parity Obligations (each, a "Secured Owner," and, hereinafter collectively referred to as the "Secured Owners") until paid out or transferred as in the Indenture provided. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Definitions; Interpretations" and "Revenues and Funds – Revenue Fund."

Operating Reserve Fund. A special fund designated the "Orange County Transportation Authority Toll Road Revenue Bonds Operating Reserve Fund" (the "Operating Reserve Fund") is created pursuant to the Indenture and shall be held by OCTA. Amounts on deposit in the Operating Reserve Fund are Pledged Funds. Pursuant to the provisions of the Indenture, amounts on deposit in the Operating Reserve Fund shall be applied to the payment of Current Expenses. In the event that OCTA withdraws funds from the Operating Reserve Fund to pay Current Expenses, OCTA shall deposit to the credit of the Operating Reserve Fund, on the first day of each month, following the month of a withdrawal, an amount equal to 1/12th of the amount of the withdrawal, until such time as the amount on deposit in the Operating Reserve Fund is equal to the Operating Reserve Requirement of $3,000,000. Earnings on amounts on deposit in the Operating Reserve Fund shall be retained therein until such time as the amount on deposit in the Operating Reserve Fund shall equal the Operating Reserve Requirement and thereafter shall be transferred to the Revenue Fund. The Indenture requires that all Investment Securities on deposit in the Operating Reserve Fund be valued annually as of August 15 of each year (or the next succeeding Business Day if such day is not a Business Day). If on any date of valuation, the amount on deposit in the Operating Reserve Fund exceeds the amount of the Operating Reserve Requirement, OCTA shall transfer such amounts in excess of the Operating Reserve Requirement to the Revenue Fund. In the event that on any date of valuation, the amount on deposit in the Operating Reserve Fund is less than the Operating Reserve Requirement, OCTA shall deposit to the credit of the Operating Reserve Fund an amount equal to 1/12th of the amount necessary to cause the balance on deposit therein to equal the Operating Reserve Requirement, such transfers to continue to be made on a monthly basis until the amount on deposit in the Operating Reserve Fund is equal to the Operating Reserve Requirement. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST - Definitions; Interpretations" and "Revenues and Funds – Operating Reserve Fund."

Debt Service Fund. A special fund designated the "Orange County Transportation Authority Senior Lien Toll Road Revenue Bonds Debt Service Fund" (the "Debt Service Fund") is created pursuant to the Indenture and shall be held by the Trustee. Amounts on deposit in the Debt Service Fund are Pledged Funds. Pursuant to the provisions of the Indenture, three separate accounts are created within the Debt Service Fund, such accounts to be designated as the "Senior Lien Bonds Interest Account" (the "Interest Account"), the "Senior Lien Bonds Principal Account" (the "Principal Account") and the "Senior Lien Bonds Prepayment Account" (the "Prepayment Account"). The moneys in each of such accounts shall be held by the Trustee in trust for the benefit of the Senior Lien Bonds and Parity Obligations to the extent the foregoing are payable from such accounts, shall be applied as provided in the Indenture with regard to each such account and, to said extent and pending such application, shall be subject to a lien and charge in favor of the Secured Owners until paid out or transferred as provided in the Indenture. There shall be withdrawn from the Interest Account and the Principal Account from time to time and set aside or deposited with the Trustee sufficient money for paying the interest on and the principal of and premium, if any, on the Senior Lien Bonds and the amounts, if any, owed in respect of such Parity Obligations as the same shall fall due, except to the extent such interest, principal or other amounts are payable from a fund or account other than the Debt Service Fund as provided in any Supplemental Indenture. Moneys in the Prepayment Account shall be withdrawn therefrom and applied to the redemption of Bonds, or the purchase thereof in lieu of redemption, from time to time as specified in a certificate of an Authorized OCTA Representative. Earnings on amounts on deposit in the Debt Service Fund shall be retained therein. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Definitions; Interpretations" and "Revenues and Funds – Senior Lien Bonds Debt Service Fund and Certain Accounts."

Reserve Fund. A special fund designated the "Orange County Transportation Authority Senior Lien Toll Road Revenue Bonds Reserve Fund" (the "Senior Lien Bonds Reserve Fund") is created pursuant to the Indenture and shall be held by the Trustee. Amounts on deposit in the Senior Lien Bonds Reserve Fund are Pledged Funds. Pursuant to the provisions of the Indenture, the balance in the Senior Lien Bonds Reserve Fund is the amount, if any, set forth in the supplemental indenture relating to a Series of Bonds. For purposes of the Series 2023 Bonds, the Second Supplemental Indenture provides that the Senior Lien Bonds Reserve Fund Requirement is, as of any date of calculation, an amount equal to the least of (i) Maximum Annual Debt Service on all Series 2023 Bonds Outstanding, (ii) one hundred twenty-five percent (125%) of average annual debt service on all Series 2023 Bonds Outstanding and (iii) ten percent (10%) of the initial proceeds of Series 2023 Bonds then Outstanding (the "Senior Lien Bonds Reserve Fund Requirement"). As of the date of issuance of the Series 2023 Bonds, the Senior Lien Reserve Fund Requirement shall equal $[______], which amount will be on deposit in the Senior Lien Bonds Reserve Fund on the date of issuance of the Series 2023 Bonds. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Definitions; Interpretations" and "Revenues and Funds – Senior Lien Bonds Reserve Fund."

In the event that the moneys on deposit in the Debt Service Fund are insufficient to pay the interest or principal coming due on the Senior Lien Bonds (other than TIFIA Obligations) on any Interest Payment Date or the moneys on deposit in the applicable Series Credit Facility Fund are insufficient to pay, as it becomes due, any Reimbursement Obligation resulting from a draw on a Credit Facility to pay principal of or interest on Bonds (other than TIFIA Obligations), to the extent such interest or principal is payable from such account or such Reimbursement Obligation is payable from a Series Credit Facility Fund, the Trustee shall withdraw from the Senior Lien Bonds Reserve Fund and shall deposit to the credit of such account and/or each such Series Credit Facility Fund, as the case may be, an amount sufficient to remedy said deficiency (and if the amount available is insufficient for such purposes, to the credit of each such account or fund in proportion to the respective amount of its deficiency). In the event that the Trustee withdraws funds from the Senior Lien Bonds Reserve Fund pursuant to the provisions of the Indenture described above, upon notification of such withdrawal, OCTA shall deposit to the credit of the Senior Lien Bonds Reserve Fund, on the first day of each month, following the month of a withdrawal, an amount equal to 1/12th of the amount of the withdrawal, until such time as the amount on deposit in the Senior Lien Bonds Reserve Fund is equal to the Senior Lien Bonds Reserve Fund Requirement.

The Indenture requires that all Investment Securities on deposit in the Senior Lien Bonds Reserve Fund be valued annually as of August 15 of each year (or the next succeeding Business Day if such day is not a Business Day). See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Revenues and Funds – Senior Lien Bonds Reserve Fund." Amounts on deposit in the Senior Lien Bonds Reserve Fund in excess of the Senior Lien Bonds Reserve Fund Requirement on any date of valuation shall be deemed to have been transferred to OCTA for deposit in the Revenue Fund and shall be deemed to have been further transferred by OCTA to the Trustee for deposit in the Debt Service Fund. In the event that on any date of valuation, the amount on deposit in the Senior Lien Bonds Reserve Fund is less than the Senior Lien Bonds Reserve Fund Requirement, the Trustee shall notify OCTA and upon receipt of such notification, OCTA shall deposit to the credit of the Senior Lien Bonds Reserve Fund an amount equal to 1/12th of the amount necessary to cause the balance on deposit therein to equal the Senior Lien Bonds Reserve Fund Requirement, such transfers to continue to be made on a monthly basis until the amount on deposit in the Senior Lien Bonds Reserve Fund is equal to the Senior Lien Bonds Reserve Fund Requirement.

Major Maintenance Reserve Fund. A special fund designated the "Orange County Transportation Authority Toll Road Revenue Bonds Major Maintenance Reserve Fund" (the "Major Maintenance Reserve Fund") is created pursuant to the Indenture and shall be held by OCTA. Amounts on deposit in the Major Maintenance Reserve Fund are Pledged Funds. Pursuant to the provisions of the Indenture, amounts on deposit in the Major Maintenance Reserve Fund shall be applied to the payment of Major Maintenance Expenses. In the event that OCTA withdraws funds from the Major Maintenance Reserve Fund to pay Major Maintenance Expenses or the amount on deposit therein is less than the Major Maintenance Reserve Requirement of $5,000,000, OCTA shall deposit to the credit of the Major Maintenance Reserve Fund, on the first day of each month, following the month of a withdrawal, an amount equal to 1/12th of the amount of the Major Maintenance Reserve Requirement, until such time as the amount on deposit in the Major Maintenance Reserve Fund is equal to the Major Maintenance Reserve Requirement. Earnings on amounts on deposit in the Major Maintenance Reserve Fund shall be retained therein until such time as the amount on deposit in the Major Maintenance Reserve Fund shall equal the Major Maintenance Reserve Requirement and thereafter shall be transferred to the Revenue Fund. The Indenture requires that all Investment Securities on deposit in the Major Maintenance Reserve Fund be valued annually as of August 15 of each year (or the next succeeding Business Day if such day is not a Business Day). If on any date of valuation, the amount on deposit in the Major Maintenance Reserve Fund exceeds the amount of the Major Maintenance Reserve Requirement, OCTA shall transfer such amounts in excess of the Major Maintenance Reserve Requirement to the Revenue Fund. In the event that on any date of valuation, the amount on deposit in the Major Maintenance Reserve Fund is less than the Major Maintenance Reserve Requirement, OCTA shall deposit to the credit of the Major Maintenance Reserve Fund an amount equal to 1/12th of the amount necessary to cause the balance on deposit therein to equal the Major Maintenance Reserve Requirement, such transfers to continue to be made on a monthly basis until the amount on deposit in the Major Maintenance Reserve Fund is equal to the Major Maintenance Reserve Requirement. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Definitions; Interpretations" and "Revenues and Funds – Major Maintenance Reserve Fund." The Indenture also requires that an Authorized OCTA Representative annually certify that the Major Maintenance Reserve Requirement, together with the projected Net Toll Revenues after payment of Annual Debt Service, debt service on Junior Lien Bonds and Subordinate Lien Bonds and payments to the Operating Reserve Fund as estimated by OCTA in the OCTA budget for the next Fiscal Year, are sufficient to pay for Major Maintenance Expenses for the next Fiscal Year, such certificate to be dated no later than June 30 of each Fiscal Year.

Construction Fund. A special fund designated the "Orange County Transportation Authority Toll Road Revenue Bonds Construction Fund" (the "Construction Fund") is created pursuant to the Indenture and shall be held by OCTA. Such amounts as may be specified by OCTA from time to time in a Supplemental Indenture providing for the issuance of a Series of Bonds shall be deposited in the Construction Fund. In addition, the proceeds of physical loss insurance or condemnation awards or such other amounts as may be received by OCTA from time to time with respect to damage, destruction or condemnation of the Pledged Facilities shall be deposited in the Construction Fund to the extent such amounts are determined by OCTA to be appropriate for deposit into the Construction Fund. The Construction Fund shall include an account to be designated the "Orange County Transportation Authority Toll Road Revenue Bonds Costs of Issuance Account" (the "Costs of Issuance Account") and such other accounts as may be provided for from time to time by a Supplemental Indenture providing for the issuance of an additional Series of Bonds. Amounts on deposit in the Costs of Issuance Account shall be applied by OCTA to pay Costs of Issuance. See "ESTIMATED USES AND SOURCES OF FUNDS." Amounts held on deposit in the Construction Fund are Pledged Funds. Upon issuance of the Series 2023 Bonds, funds will be deposited in the Costs of Issuance Account to pay costs of issuance of the Series 2023 Bonds. No other funds will be deposited in the Construction Fund in connection with the issuance of the Series 2023 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS." See also APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Definitions; Interpretations" and "Revenues and Funds – Construction Fund and Certain Accounts."

Rebate Fund. A special fund designated the "Orange County Transportation Authority Toll Road Revenue Bonds Rebate Fund" (the "Rebate Fund") is created pursuant to the Indenture and shall be held by the Trustee. All money at any time deposited in the Rebate Fund or at the direction of OCTA shall be held by the Trustee in trust, for payment to the United States Treasury. Amounts held on deposit in the Rebate Fund are not subject to the lien and pledge of the Indenture in favor of the Secured Owners. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Definitions; Interpretations" and "Revenues and Funds – Rebate Fund."

Investment of Funds and Accounts. Moneys held on deposit in the funds and accounts established under the Indenture shall be invested in Permitted Investments. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Definitions; Interpretations" and "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Investments."

Application of Revenues

Prior to any other transfer from the Revenue Fund, OCTA shall withdraw from the Revenue Fund such amounts as it shall from time to time determine necessary to pay (i) the current expenses of the Pledged Facilities (the "Current Expenses") that are then due and payable and (ii) the Current Expenses that OCTA expects to become due and payable in the next succeeding calendar month. Amounts so withdrawn from the Revenue Fund shall be applied to the payment of Current Expenses. Amounts withdrawn from the Revenue Fund to pay Current Expenses are not subject to the lien and pledge of the Indenture in favor of the Secured Owners.

After making the withdrawals to pay Current Expenses as described in the preceding paragraph, the withdrawals and transfers from the Revenue Fund described below shall be made by OCTA and/or the Trustee, as applicable, in each case in accordance with the provisions of the Indenture:

(a) On any date when the balance on deposit in the Operating Reserve Fund is less than the Operating Reserve Requirement, OCTA shall withdraw from the Revenue Fund and transfer to the credit of the Operating Reserve Fund an amount equal to $1/12^{th}$ of the amount of the Operating Reserve Requirement, such transfers to continue to be made on a monthly basis until the amount on deposit in the Operating Reserve Fund is equal to the Operating Reserve Requirement;

(b) On or before the fifth Business Day preceding the date when payment of principal of and/or interest on Senior Lien Bonds or Parity Obligations is due, as the case may be, OCTA shall withdraw from the Revenue Fund and transfer to the Trustee for deposit to the credit of the Interest Account established within the Debt Service Fund and the Principal Account established within the Debt Service Fund (or to a Series Credit Facility Fund in lieu of either of the foregoing, to the extent set forth below):

> 1. to the credit of the Interest Account, an amount equal to (a) the unpaid Aggregate Accrued Interest due on the Senior Lien Bonds or Parity Obligations on the next succeeding Interest Payment Date; provided that any amount remaining in the Interest Account following the payment of interest on Bonds or Parity Obligations on each Interest Payment Date that is in excess of the interest, if any, then accrued on Bonds or Parity Obligations shall be withdrawn therefrom and applied in the manner set forth below; and provided further that if, pursuant to the provisions of any Supplemental Indenture, money has been deposited to the credit of the Interest Account to pay such Aggregate Accrued Interest from drawings pursuant to one or more Credit Facilities, then if and to the extent required pursuant to the Supplemental Indenture applicable to such Series of Bonds or Parity Obligations, Revenues shall be deposited to the applicable Series Credit Facility Fund in an amount sufficient to reimburse the applicable Bank for such drawing and (but without duplication) to pay any applicable Bank Fees then payable to such Bank; and provided further that if the Revenues transferred to the Trustee as provided for hereinabove are at any time insufficient to make the deposits required to be made pursuant to the provisions of this subparagraph, upon receipt of the written instruction of an Authorized OCTA Representative to do so, the Trustee shall withdraw from the Principal Account and credit to the Interest Account the amount of such insufficiency; and
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> 2. to the credit of the Principal Account, the Aggregate Accrued Principal of Bonds or Parity Obligations which will be due and payable on the next succeeding August 15, provided that if, pursuant to the provisions of any Supplemental Indenture, money has been deposited to the credit of the Principal Account to pay such Aggregate Accrued Principal or Accrued Premium from drawings pursuant to one or more Credit Facilities, then if and to the extent required pursuant to the Supplemental Indenture applicable to such Series of Bonds or Parity Obligations, Revenues shall be deposited to the applicable Series Credit Facility Fund in an amount sufficient to reimburse the applicable Bank for such drawing.

(c) On any date when the balance on deposit in the Reserve Fund is less than the Senior Lien Reserve Fund Requirement, OCTA shall withdraw from the Revenue Fund and transfer to the Trustee for deposit in the Reserve Fund, the amount equal to $1/12^{th}$ of the amount necessary to cause the balance on deposit therein to equal the Senior Lien Reserve Fund Requirement, such transfers to continue to be made on a monthly basis until the amount on deposit in the Reserve Fund is equal to the Senior Lien Reserve Fund Requirement.

(d) OCTA shall withdraw from the Revenue Fund such amounts as are necessary to make such other transfers, deposits and payments as may be required in connection with Junior Lien Bonds issued or incurred by OCTA in accordance with the provisions of the Indenture, such transfers, deposits and payments to be made by OCTA on the date required pursuant to the provisions of the documents entered into to issue or incur such Junior Lien Bonds;

(e) OCTA shall withdraw from the Revenue Fund such amounts as are necessary to make such other transfers, deposits and payments as may be required in connection with Subordinate Lien Bonds issued or incurred by OCTA in accordance with the provisions of the Indenture, such transfers, deposits and payments to be made by OCTA on the date required pursuant to the provisions of the documents entered into to issue or incur such Subordinate Lien Bonds;

(f) On any date when the balance on deposit in the Major Maintenance Reserve Fund is less than the Major Maintenance Reserve Requirement, OCTA shall withdraw from the Revenue Fund and transfer to the credit of the Major Maintenance Reserve Fund an amount equal to 1/12th of the amount necessary to cause the balance on deposit therein to equal Major Maintenance Reserve Requirement, such transfers to continue to be made on a monthly basis until the amount on deposit in the Major Maintenance Reserve Fund is equal to the Major Maintenance Reserve Requirement; and

On the 16th day of each month, provided that the deposits described in clauses (a) through (f) above, inclusive, have been made, OCTA may withdraw all Revenues from the Revenue Fund and may use such Revenues for any other purpose authorized under the Act. Upon withdrawal from the Revenue Fund, such funds shall cease to be Pledged Funds and shall be free and clear of the lien of the Indenture.

If the Revenues transferred to the Trustee pursuant to the provisions of the Indenture described above are at any time insufficient to make the deposits required, OCTA may, at its election, deposit with the Trustee funds from any available sources with the direction that such funds be deposited into the funds and accounts or specified funds and accounts held by the Trustee.

Rate Covenant

Pursuant to the Indenture, OCTA will covenant to fix and prescribe toll rates for each type of vehicle and each time of day sufficient to produce Adjusted Net Toll Revenues for each Fiscal Year at least equal to 1.3 times Annual Debt Service on Senior Lien Bonds and Parity Obligations and at least equal to 1.0 times Annual Debt Service on all Bonds. Adjusted Net Toll Revenues means for any period, the remainder of (i) the Tolls for such period and the earnings derived in such period from the investment of moneys on deposit in the Debt Service Fund, the Reserve Fund, the TIFIA Reserve Fund and any other fund or account established in a Supplemental Indenture as a Pledged Fund, excluding the earnings on such other funds and accounts established pursuant to a Supplemental Indenture which do not constitute Pledged Funds, minus (ii) the Current Expenses for such period paid from Revenues for such period. However, the failure of toll rates to yield the amount described in this paragraph shall not be deemed to constitute an Event of Default under the Indenture so long as OCTA complies with the requirements of the Indenture described below and is not otherwise in default under the Indenture.

Within sixty (60) days after the end of each Fiscal Year, OCTA will file with the Trustee a report setting forth the Adjusted Net Toll Revenues for such Fiscal Year. If any such report indicates that the Adjusted Net Toll Revenues for such Fiscal Year were less than the amount required pursuant to the provisions of the Indenture described above, then as soon as practicable after delivering such report to the Trustee, management of OCTA (i) shall notify each Bank and each Rating Agency which has assigned a rating to the Senior Lien Bonds at the request of OCTA of that fact and (ii) shall employ a Traffic Consultant to review and analyze the operations of the Pledged Facilities and (iii) shall submit to the governing body of OCTA (the "Board"), as soon as practicable (but not later than such date as will enable the Board to act upon it within one hundred eighty (180) days after the end of the Fiscal Year in question), a written report which shall include the actions that the Traffic Consultant recommends should be taken by OCTA with respect to revising the toll rates, altering its methods of operation or taking other action projected to produce the amount so required in the following twelve (12) month period (or, if less, the maximum amount deemed feasible by the Traffic Consultant) and that the Traffic Consultant estimates will not adversely affect the amount of Adjusted Net Toll Revenues. Promptly upon its receipt of such written report (and, in any case, within one hundred eighty (180) days after the end of the Fiscal Year in question), after giving due consideration thereto, OCTA will revise the toll rates, as permitted by law, alter its methods of operation or take such other action as it deems appropriate. Such revisions, alterations or actions need not comply with the recommendations of the Traffic Consultant so long as Adjusted Net Toll Revenues projected by the Traffic Consultant to be produced by the revisions, alterations or actions then taken by OCTA are at least equal to the amount required pursuant to the provisions of the Indenture described above.

Pursuant to the provisions of the Indenture, OCTA will further covenant to establish and maintain toll rates for traffic using the Pledged Facilities in a reasonable way applicable to all traffic (other than vehicles used for maintaining the Pledged Facilities; police, fire, and other public emergency vehicles; buses owned and operated by OCTA; vehicles with three or more passengers; motorcycles; zero emission vehicles; vehicles with handicapped or disabled veterans plates; vehicles which are otherwise exempt from payment of Tolls under California State law; and vehicles in a public emergency declared by OCTA's Chief Executive Officer) consistent with the requirements of the Indenture, but with such classifications as OCTA may deem appropriate; provided that nothing in the Indenture shall be deemed to require OCTA to collect Tolls during a period of less than eight consecutive hours in any twenty-four hour period with respect to which the Board has determined, based upon a report from a Traffic Consultant, the costs of such collection would exceed the amount of Tolls expected to be collected; and provided further that nothing contained in the Indenture shall prevent OCTA from temporarily reducing or eliminating Tolls in connection with programs which it intends to use to increase Adjusted Net Toll Revenues.

Notwithstanding any provision of the Indenture to the contrary, nothing in the provisions of the Indenture described under this caption shall be deemed to require OCTA to collect tolls and other fees with respect to which OCTA has determined, based upon a report from a Traffic Consultant, that the costs of collection would exceed the amount of tolls and other fees expected to be collected; and provided further that nothing in the provisions of the Indenture described under this caption shall prevent OCTA from temporarily reducing or eliminating tolls and other fees in connection with programs which OCTA intends to use to increase Adjusted Net Revenue.

Certain Other Covenants of OCTA

Pursuant to the Indenture, OCTA will also covenant that: (i) it will punctually pay or cause to be paid from Pledged Funds the principal of, premium, if any, and interest on all Bonds; (ii) to the maximum extent permitted by law to do so, it will establish and enforce reasonable rules and regulations governing the use of the Pledged Facilities and the operation thereof, will operate the Pledged Facilities in an efficient and economical manner, will promptly notify Caltrans of any damage to or destruction of any of the Pledged Facilities of which the governing body of OCTA has actual knowledge, will observe and perform all of the terms of the Facility Agreements required to be performed by OCTA and will enforce each of the Facility Agreements, will take no action with respect to any of the Pledged Facilities that would materially impair its ability to meet the requirements of the rate covenant described above under the caption "Rate Covenant," will observe and perform all of the terms and conditions contained in the Act, will maintain, preserve and operate in conformity with all Facility Agreements, prudent industry standards and all governmental approvals, all material elements of the Toll Road that are used or necessary in the conduct of its business with respect to the Pledged Facilities in good working order and condition, ordinary wear and tear excepted, and will not fail to take any action required under the Facility Agreements or the Control Agreement that will adversely affect the security for the Senior Lien Bonds, or the rights of the Secured Owners and that it will not consent to any amendments of any of the Facility Agreements or the Control Agreement which would adversely affect the security for the Senior Lien Bonds or the rights of the Secured Owners; (iii) in the event of damage to or destruction of all or any part of any Pledged Facilities, it will use its best efforts to cause the Pledged Facilities or such part thereof to be repaired, restored or replaced so that the efficiency and value of the Pledged Facilities as a revenue producing toll road will not be materially impaired or in the alternative it will redeem all or a portion of the Senior Lien Bonds then Outstanding if the failure to repair, restore or replace the Pledged Facilities would adversely affect its ability to meet the requirements of the rate covenant described under the caption "Rate Covenant;" and (iv) it will maintain or cause to be maintained a practical insurance program, with such reasonable terms, conditions, provisions and costs, as in its sole discretion it determines will afford adequate insurance protection, such program to include insurance against loss caused by damage to or destruction of all or any part of any of the Pledged Facilities owned by it, comprehensive public liability insurance for bodily injury and property damage relating to any part of the Pledged Facilities owned by it and such other insurance as it in its sole discretion may determine. Also see APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – Covenants of OCTA."

Additional Senior Lien Bonds; Refunding Bonds; Parity Obligations; Junior Lien Bonds; Subordinate Lien Bonds; TIFIA Obligations

General. Subsequent to the issuance of the Series 2023 Bonds, additional Senior Lien Bonds, including additional Senior Lien Bonds issued to refund outstanding Senior Lien Bonds (hereinafter referred to as "Refunding Bonds") may be issued by OCTA and debt or other obligations may be incurred by OCTA secured by a lien on Pledged Funds on a parity with the Senior Lien Bonds (such debt or other obligations being hereinafter referred to as "Parity Obligations") upon satisfactions of the provisions of the Indenture. In addition, OCTA may incur debt or issue other obligations secured by a pledge and lien on Pledged Funds on a subordinate basis to the Senior Lien Bonds and Parity Obligations (hereinafter referred to as "Junior Lien Bonds") and may incur debt or issue other obligations payable from Pledged Funds on a basis subordinate in all respects to Bonds, Parity Obligations and Junior Lien Bonds (such obligations being hereinafter referred to as "Subordinate Lien Bonds"). See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST – "Definitions; Interpretations." OCTA may also issue or incur TIFIA Obligations, provided that the requirements set forth in the Indenture are met. TIFIA Obligations may be issued or incurred as Parity Obligations, Junior Lien Bonds, or Subordinate Lien Bonds. However, in the event that TIFIA Obligations are issued as Junior Lien Bonds or Subordinate Lien Bonds, upon the occurrence of a Bankruptcy Related Event, TIFIA Obligations will be secured by a pledge and lien on Pledged Funds on a parity with the Series 2023 Bonds.

In estimating the amount of future Tolls for purposes of the provisions of the Indenture described under this caption, including each subcaption under this caption, the Traffic Consultant may take into account any revisions of the Tolls which the Traffic Consultant reasonably determines to be appropriate under the circumstances, and any additional Tolls which the Traffic Consultant reasonably estimates will be received by OCTA following the completion of any Pledged Facility then being constructed, or proposed to be constructed by or on behalf of OCTA, provided that an Authorized OCTA Representative shall have certified in writing as to the estimated completion date of such Pledged Facility and an Authorized OCTA Representative shall have certified in writing as to the sufficiency of funds available with which to complete the same.

Additional Senior Lien Bonds. OCTA may by Supplemental Indenture issue one or more Series of additional Senior Lien Bonds (hereinafter referred to as "Additional Senior Lien Bonds") payable from and secured by the Pledged Funds on a parity with the Series 2023 Bonds for any lawful purpose of OCTA as authorized under the Act, including, without limitation, for the purpose of (i) paying for improvements or betterments to the Toll Road, rail and transit improvements or connectivity projects relating to the Toll Road, and any phase of project delivery to make capital improvements to onramps, connector roads, roadways, bridges, or other structures that are related to the tolled and nontolled facilities on SR 91 between State Highway Route 57 to the west and the Orange and Riverside county line to the east, and (ii) refunding any Bond in accordance with the provisions of the Indenture applicable to the issuance of Refunding Bonds. Proceeds of Additional Senior Lien Bonds may also be applied to increase the amount on deposit in the Reserve Fund if required in connection with the issuance of such Additional Senior Lien Bonds, to pay capitalized interest related to such Additional Senior Lien Bonds and to pay costs of issuance related to the issuance of such Additional Senior Lien Bonds.

In order to issue Additional Senior Lien Bonds, OCTA shall cause to be filed with the Trustee:

(a) an original executed counterpart or a copy of the Indenture, together with all prior Supplemental Indentures;

(b) an original executed counterpart or a copy, certified by an Authorized OCTA Representative, of the Supplemental Indenture providing for the issuance of such Series of Refunding Bonds and setting forth the terms of such Series of Bonds;

(c) if bond insurance, credit enhancement or liquidity support is to be provided at the time of issuance of such Series of Refunding Bonds, the executed Credit Facility relating to such Series of Bonds;

(d) in the event one or more Credit Facilities are then in effect in connection with any Outstanding Series of Bonds, a certificate of OCTA executed by an Authorized OCTA Representative to the effect that all conditions precedent to the issuance of the proposed Series of Bonds established by each of the applicable Reimbursement Agreements and other similar agreements have been fulfilled;

(e) a certificate of OCTA, executed by an Authorized OCTA Representative, showing that (a) the aggregate amount of the Adjusted Net Toll Revenues received for twelve (12) consecutive months of the fifteen (15) months immediately prior to the date of issuance of the Senior Lien Bonds proposed to be issued was not less than 1.5 times Annual Debt Service on Outstanding Bonds and Parity Obligations, and (ii) the aggregate amount of the Adjusted Net Toll Revenues (determined based upon the Tolls estimated (x) by a Traffic Consultant with respect to Tolls relating to vehicular usage of the Toll Road, which shall be set forth in a certificate of the Traffic Consultant, and (y) by an Authorized OCTA Representative with respect to Tolls not relating to vehicular usage of the Toll Road, which shall be set forth in a certificate of such Authorized OCTA Representative) to be received in each Fiscal Year after the date of issuance of the Additional Senior Lien Bonds is not less than 1.5 times Annual Debt Service on Outstanding Bonds and Parity Obligations, taking into account the Senior Lien Bonds proposed to be issued, for each such Fiscal Year;

(f) written instructions from OCTA, executed by an Authorized OCTA Representative, to the Trustee setting forth the respective portions of the proceeds from the sale of such Series of Bonds to be deposited in the various funds and accounts established under the Indenture which are held by the Trustee; and

(g) written instructions from OCTA, executed by an Authorized OCTA Representative, to authenticate such Series of Bonds and, upon receipt of the purchase price, to deliver such Series of Bonds to or upon the order of the purchasers named in such instructions.

As a condition to the issuance of any Additional Senior Lien Bonds, there shall also be delivered to the Trustee a certificate of OCTA, executed by an Authorized OCTA Representative, to the effect that (i) concurrently with the issuance of such Additional Senior Lien Bonds, the amount on deposit in the Reserve Fund will be an amount not less than the Senior Lien Reserve Fund Requirement and (ii) OCTA shall have made all monthly deposits to the Major Maintenance Reserve Fund and the Operating Reserve Fund required to be made as of the date of issuance of such additional Bonds, in each case taking into account the Senior Lien Bonds proposed to be issued and the application of the proceeds to be derived from the sale thereof.

Refunding Bonds. Refunding Bonds may be issued as Senior Lien Bonds without satisfying the provisions of the Indenture described under clause (e) under the caption "Additional Senior Lien Bonds" if all of the outstanding principal amount of the Senior Lien Bonds is to be defeased and/or redeemed with the proceeds of the Refunding Bonds or there is delivered to the Trustee a certificate of an Authorized OCTA Representative showing that either (a) the governing body of OCTA determined by resolution that such refunding is in the best interests of OCTA, which resolution shall also state the reasons for such determination, (b) Annual Debt Service on all Outstanding Bonds after the issuance of the Refunding Bonds will not exceed Annual Debt Service on all Outstanding Bonds prior to the issuance of such Refunding Bonds in each Fiscal Year, or (c) (i) the aggregate amount of the Adjusted Net Toll Revenues received for twelve (12) consecutive months of the fifteen (15) months immediately prior to the date of issuance of the Refunding Bonds was not less than 1.5 times Annual Debt Service, and (ii) the aggregate amount of the Adjusted Net Toll Revenues (determined based upon the Tolls estimated by a Traffic Consultant with regard to Tolls relating to vehicular usage of the Toll Road and as set forth in a certificate of an Authorized OCTA Representative as to Tolls that are not related to vehicular usage of the Toll Road) in each Fiscal Year after the date of the issuance of such Refunding Bonds is not less than 1.5 times Annual Debt Service, taking into account the Refunding Bonds proposed to be issued, for each such Fiscal Year.

Parity Obligations. OCTA may issue obligations payable from Pledged Funds on a parity basis with the Senior Lien Bonds upon filing with the Trustee a certificate of OCTA, executed by an Authorized OCTA Representative, showing that (a) the aggregate amount of the Adjusted Net Toll Revenues received for twelve (12) consecutive months of the fifteen (15) months immediately prior to the date of issuance of the Senior Lien Bonds proposed to be issued was not less than 1.5 times Annual Debt Service on Outstanding Bonds and Parity Obligations, and (ii) the aggregate amount of the Adjusted Net Toll Revenues (determined based upon the Tolls estimated (x) by a Traffic Consultant with respect to Tolls relating to vehicular usage of the Toll Road, which shall be set forth in a certificate of the Traffic Consultant, and (y) by an Authorized OCTA Representative with respect to Tolls not relating to vehicular usage of the Toll Road, which shall be set forth in a certificate of such Authorized OCTA Representative) to be received in each Fiscal Year after the date of issuance of the Parity Obligations is not less than 1.5 times Annual Debt Service on Outstanding Bonds and Parity Obligations, taking into account the Parity Obligations proposed to be incurred, for each such Fiscal Year;

Junior Lien Bonds and Subordinate Lien Bonds. OCTA may also issue obligations payable from Pledged Funds, the payment of which is junior and subordinate to the prior payment of all amounts then required to be paid with respect to the Senior Lien Bonds and Parity Obligations.

TIFIA Obligations. If TIFIA Obligations are proposed to be issued as Parity Obligations, prior to or simultaneously with the issuance of any such TIFIA Obligations, OCTA will file with the Trustee an opinion of Bond Counsel to the effect that under no circumstances (including, but not limited to, the occurrence of a Bankruptcy Related Event) will such TIFIA Obligations be secured on basis senior to the Senior Lien Bonds. If TIFIA Obligations are proposed to be issued as Junior Lien Bonds or Subordinate Lien Bonds, OCTA will file with the Trustee written confirmation from each Rating Agency then maintaining a rating on any Outstanding Bonds at the request of OCTA to the effect that the issuance of such TIFIA Obligations will not cause a withdrawal of or a reduction in such Rating Agency's then current rating on any Outstanding Bonds. In connection with the issuance of TIFIA Obligations, OCTA may establish a TIFIA Obligations Reserve Fund.

Following the issuance of the Series 2023 Bonds, OCTA does not currently intend to issue any Senior Lien Bonds, Parity Obligations, Junior Lien Bonds, Subordinate Lien Bonds, or any TIFIA Obligations.

PLAN OF FINANCE

Proceeds of the Series 2023 Bonds, together with certain other funds, will be applied to (a) refund, on a current basis, all of the outstanding Series 2013 Bonds (as set forth in the table below) and (b) pay costs of issuance of the Series 2023 Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS." A portion of the proceeds of the Series 2023 Bonds and certain other available funds will be deposited into an escrow fund (the "Escrow Fund") established to defease the Series 2013 Bonds pursuant to Escrow Instructions, dated as of [CLOSING MONTH] 1, 2023, from OCTA to U.S. Bank Trust Company, National Association, as escrow agent, substantially all of which will be invested in Defeasance Securities, until applied to pay and redeem the Series 2013 Bonds. The amount deposited in the Escrow Fund will be sufficient to pay the Series 2013 Bonds maturing on August 15, 2023 and pay the redemption price of the Series 2013 Bonds on [August 15, 2023] (the "Redemption Date"). The mathematical computations used to determine the sufficiency of the escrow deposit will be verified by the Verification Agent (defined herein). See "VERIFICATION OF MATHEMATICAL ACCURACY."

SERIES 2013 BONDS TO BE REFUNDED*

Maturity Date	Principal Amount	Interest Rate	CUSIP Number†	Redemption Date
August 15, 2023	$7,460,000	5.00%	68441M AS4	N/A
August 15, 2024	7,845,000	5.00	68441M AT2	[August 15, 2023]
August 15, 2025	8,245,000	5.00	68441M AU9	[August 15, 2023]
August 15, 2026	8,670,000	5.00	68441M AV7	[August 15, 2023]
August 15, 2027	9,115,000	5.00	68441M AW5	[August 15, 2023]
August 15, 2028	3,000,000	4.25	68441M BB0	[August 15, 2023]
August 15, 2028	6,570,000	5.00	68441M AX3	[August 15, 2023]
August 15, 2029	10,045,000	5.00	68441M AY1	[August 15, 2023]
August 15, 2030	5,235,000	5.00	68441MJ BA2	[August 15, 2023]
December 15, 2030	5,235,000	4.50	68441M AZ8	[August 15, 2023]

Following the issuance of the Series 2023 Bonds, the Series 2023 Bonds will be the only Outstanding bonds under the Indenture. As of the date of this Official Statement, OCTA does not

* *Preliminary; subject to change.*
† CUSIP numbers are provided for convenience of reference only. None of the District, the Underwriters or their agents or counsel assumes responsibility for the accuracy of such CUSIP numbers.

currently have plans to issue any additional Senior Lien Bonds, Parity Obligations, Junior Lien Bonds, Subordinate Lien Bonds, or any TIFIA Obligations while the Series 2023 Bonds remain Outstanding.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Series 2023 Bonds are expected to be applied as follows:

Sources of Funds:	
Aggregate Principal Amount	$
[Plus/Less] [Net] Original Issue [Premium/Discount]	
Amounts transferred from funds under the Indenture, relating to the Series 2013 Bonds[1]	
Total Sources of Funds	$
Uses of Funds:	
Refunding of Series 2013 Bonds	$
Senior Lien Bonds Reserve Fund	
Costs of Issuance[2]	
Total Uses of Funds	$

(1) Includes amounts transferred from the Series 2013 Account of the Senior Lien Bonds Reserve Fund, the Major Maintenance Reserve Fund, and the Debt Service Fund.
(2) Costs of Issuance include underwriters' discount, consultant fees, legal fees, rating agency fees and other miscellaneous expenses.

DEBT SERVICE

The table below sets forth annual principal and interest payments for the Series 2023 Bonds.

Fiscal Year Ending June 30	Principal	Interest	Total Debt Service[1]
2024	$	$	$
2025			
2026			
2027			
2028			
2029			
2030			
2031			
Total	$	$	$

(1) All amounts are rounded.
Source: Wells Fargo Bank, N.A.

THE ORANGE COUNTY TRANSPORTATION AUTHORITY

Formation and Governance

Pursuant to the Consolidation Legislation which created a single Board of Directors accountable for transportation decision-making in the County, on June 20, 1991, OCTA assumed the combined duties of the Local Transportation Authority, the Orange County Transportation Commission, the Orange County Transit District, the Orange County Congestion Management Agency, the Orange County Service Authority for Freeway Emergencies and the Orange County Consolidated Transportation Service Agency.

The Board of Directors of OCTA is currently made up of eighteen members. The Board of Directors is comprised of (i) five members of the Orange County Board of Supervisors, (ii) ten city members elected by the Orange County City Selection Committee (one per supervisorial district selected by population weighted voting and one per supervisorial district selected on a one-city one vote basis, (iii) two public members appointed by the other fifteen members of the Board of Directors of OCTA, each of which shall be a resident of Orange County who is not then serving, and has not, within the previous four years, served as an elected official within Orange County or as an elected official of Orange County; and (iv) a non-voting ex-officio member appointed by the Governor of the State of California.

Executive Staff

The following are key staff members of OCTA:

Darrell E. Johnson, Chief Executive Officer. Darrell E. Johnson was appointed as Chief Executive Officer of OCTA in March 2013. Under the policy direction of the Board of Directors, Mr. Johnson is responsible for implementing the planning, financing and coordinating of Orange County's freeway, street and rail development, as well as managing countywide transit services, commuter-rail services, paratransit service, the Toll Road and environmental programs. Since becoming CEO in 2013, Mr. Johnson has focused on utilizing innovative financing methods to maximize Measure M, Orange County's voter-approved half-cent sales tax for transportation improvements. He also has led efforts to develop a more sustainable and equitable transportation network through innovative environmental mitigation and water-quality programs, and an initiative to transition to a zero-emission bus fleet. Prior to his appointment as Chief Executive Officer, Mr. Johnson served in various management positions at OCTA, most recently as Deputy Chief Executive Officer. Prior to joining OCTA in July 2003, Mr. Johnson served in various operations and planning positions at Amtrak. Mr. Johnson holds a Bachelor of Arts Degree in Political Science and Administrative Studies from the University of California, Riverside, and completed the Senior Executives in State and Local Government Program, Harvard Kennedy School, Harvard University.

Jennifer L. Bergener, Deputy Chief Executive Officer. Jennifer L. Bergener was appointed Deputy Chief Executive Officer in January 2020. Ms. Bergener works directly with the Chief Executive Officer in advancing efforts to fulfill OCTA's mission of keeping the County moving with an innovative, balanced and sustainable transportation system. Ms. Bergener is a transportation industry veteran with diversified experience in programming, finance, project development and delivery, as well as government affairs. She began her career at Amtrak where she provided project development and cost controls and she also worked at the San Mateo County Transit District as a grant and program writer. For over 20 years, Ms. Bergener has been at OCTA serving in roles with increasing responsibility, primarily in rail planning, project and program delivery and new transit services development. She also served as the Managing Director for LOSSAN, which is the managing agency for the state-supported, Amtrak-operated Pacific Surfliner intercity passenger rail service. Ms. Bergener holds a Bachelor of Science Degree in Accounting and Economics from the University of San Diego.

Johnny Dunning Jr., Chief Operating Officer. Johnny Dunning, Jr is a career transit professional with 25 years of experience in transit system planning and operations at small and large multimodal properties. He joined OCTA team in February 2017. As the Chief Operating Officer and a bus rider, Mr. Dunning is responsible for leading OCTA's operations teams, including bus, rail (commuter and streetcar), paratransit, microtransit, mobility management and vehicle and facilities maintenance. Prior to arriving at OCTA, he served as the Manager of Service Implementation with the North County Transit District (NCTD) and as the Senior Director of Transit System Planning with the Metropolitan Atlanta Rapid Transit Authority (MARTA). Mr. Dunning's experience includes overseeing expansion plans, service planning and scheduling for bus and rail services, policy development, community outreach/engagement, special projects, and contract oversight of ADA paratransit service. He holds advanced degrees in Civil Engineering and City Planning from the Georgia Institute of Technology.

Andrew Oftelie, Chief Financial Officer. Andrew Oftelie is the Chief Financial Officer of OCTA, serving in this position since June 2013. Reporting directly to the Chief Executive Officer, Mr. Oftelie oversees a staff of 165 employees and directs and manages all financial and administrative functions for the organization including public finance, investor relations, treasury, financial planning, budgeting, accounting, financial reporting, revenue and grants administration, information technology, contracts administration and general administration. Mr. Oftelie also serves as the appointed Treasurer of the organization. Mr. Oftelie joined OCTA in 1999 and has served in various positions at OCTA since 1999. Immediately prior to being promoted to the position of CFO, Mr. Oftelie served as the Director of Finance and Administration since 2010. Mr. Oftelie holds a Master of Science degree in Public Administration from California State University, Long Beach, and a Bachelor of Science Degree in Finance from the University of Southern California. Mr. Oftelie is also a graduate of the Executive Development Program offered by the Eno Center for Transit Leadership.

Kirk Avila, General Manager Express Lanes Program. Kirk Avila serves as OCTA's General Manager of Express Lanes Programs. In this capacity, Mr. Avila is responsible for the operations of the Toll Road and the future 405 Express Lanes. Mr. Avila has been involved with the Toll Road since OCTA's acquisition in 2003 and has also served as OCTA's Board appointed Treasurer from 2004 to 2018 whereby he oversaw the issuance of sales tax revenue bonds, toll road revenue bonds, and a TIFIA loan for the Interstate 405 Improvement Project. Mr. Avila earned a Master of Science degree in Finance from Purdue University and a Bachelor of Science degree in Mathematics and Economics from the University of California at Los Angeles.

THE TOLL ROAD

General Description

SR 91 is a major east-west highway extending from Interstate 405 in southern Los Angeles through northern Orange County and into Riverside County, which also includes general purpose lanes (four or five depending on location) and auxiliary lanes in each direction. The Toll Road, constituting median improvements, is located along an approximate ten mile stretch of SR 91 from the Riverside/Orange County Line westward to the California State Route 55 interchange. The Toll Road consists of two lanes in each direction and ancillary facilities, including an electronic toll collection system. Toll prices vary from hour to hour and day to day based on a predetermined toll schedule established to optimize throughput at free flow speeds. All vehicles traveling on the Toll Road must possess an automatic vehicle identification transponder, which identifies the vehicle and enables the electronic toll collection system to debit a prepaid account.

In March 2017, the RCTC extended the Toll Road an additional eight miles into Riverside County to create the RCTC Toll Road. The RCTC Toll Road extends from the boundary line separating Orange County and Riverside County on the west and the interchange of SR 91 and the Interstate 15 on the east. RCTC is responsible for operations, toll policy and toll rate setting for the RCTC Toll Road. The revenues derived from the RCTC Toll Road are not pledged to secure the Series 2023 Bonds or any other Bonds issued under the Indenture.

All vehicles with a valid account and displaying a transponder have the opportunity to enter the Toll Road in extended transition zones located at the eastern and western termini of the Toll Road. There is no intermediate ingress or egress between the Toll Road and any other roadway. The lanes of the Toll Road are separated from the existing mixed flow non-tolled lanes by a series of channelizers. The eastbound and westbound lanes of the Toll Road are separated by concrete “New Jersey” barriers. Heavy commercial vehicles (over 10,000 pounds, gross vehicle weight) are prohibited from using the Toll Road.

Toll fees are collected along the Toll Road at specific points of entry and departure, termed toll portals. At the toll portal, an overhead antenna reads the transponder ID, encrypting the number for security causing a charge to be levied to the customer’s account for the toll fee amount. The toll portal is also the point at which cameras record images of the vehicle’s license plate for violation enforcement purposes.

History of the Toll Road

State Assembly Bill No. 680 & Toll Road. In 1989, the California State Legislature enacted State Assembly Bill No. 680 (“AB 680”), which authorized the State of California Department of Transportation (“Caltrans”) to enter into franchise agreements with private companies to develop and operate four privately financed demonstration transportation projects. On December 31, 1990, Caltrans entered into a Development Franchise Agreement (the “Original Franchise Agreement”) with the California Private Transportation Corporation, to provide for the development, construction, lease and operation of the Toll Road. Subsequently, the Original Franchise Agreement was amended and restated pursuant to that certain Amended and Restated Franchise Agreement, entered into and effective as of June 30, 1993, as amended and supplemented from time to time (hereinafter collectively referred to as the “Franchise Agreement”), between Caltrans and CPTC, as assignee of the California Private Transportation Corporation. The Toll Road, which opened to traffic December 27, 1995, was the first demonstration project completed pursuant to AB 680.

The Toll Road was constructed by CPTC pursuant to the Franchise Agreement, and a Lease Agreement, entered into as of June 30, 1993 (as amended and supplemented, the “Lease”), by and between CPTC and Caltrans. Upon expiration of the term of the Franchise Agreement and the Lease, the Toll Road reverts to the State of California (the “State”). See “FACILITY AGREEMENTS.”

State Assembly Bill No. 1010 & Acquisition of Toll Road by OCTA. In 2002, in order to relieve traffic congestion and improve the commute on SR 91 and the Toll Road, the California State Legislature enacted California State Assembly Bill No. 1010 (“AB 1010”), which AB 1010 authorized OCTA to acquire the Toll Road. AB 1010 further authorized OCTA (i) to impose tolls for the use of the Toll Road as authorized by the Franchise Agreement and (ii) to incur indebtedness, issue bonds, refund bonds, and assume existing bonds for the purposes authorized by AB 1010.

Asset Purchase Agreement. Effective January 3, 2003, as authorized by AB 1010 and pursuant to the Asset Purchase Agreement, OCTA acquired the Toll Road and other assets held by CPTC and CPTC, LLC and used in connection with the operation of the Toll Road (hereinafter collectively referred to as the “Acquired Assets”) and assumed certain obligations and liabilities of CPTC and CPTC, LLC related to the Toll Road (hereinafter collectively referred to as the “Assumed Liabilities”). In addition to the Toll Road, Acquired Assets included the Franchise Agreement, the Lease, the Maintenance Services Agreement and the Police Services Agreement (hereinafter collectively referred to as the “Facility Agreements”). Assumed Liabilities include, among other liabilities, all liabilities relating to the Toll Road and the other Acquired Assets, liabilities and obligations under the Facility Agreements, liabilities under environmental laws related to the Toll Road and the other Acquired Assets and liabilities under any employee benefit plan related to the Toll Road and the other Acquired Assets.

State Senate Bill No. 1316, Extension of Toll Lanes into Riverside County, and Amendments to Term of Franchise Agreement. In 2008, in order to further ease congestion and improve the commute on SR 91 and the Toll Road, the California State Legislature enacted California State Senate Bill No. 1316

("SB 1316"), which authorized OCTA to eliminate its rights, interests, and obligations in the Riverside County portion of the SR 91 toll lane and provided a framework for the extension of the SR 91 toll lanes into Riverside County by RCTC. In addition, SB 1316 authorized (i) certain amendments to the Franchise Agreement, including an amendment to extend the term of the Franchise Agreement to December 31, 2065, and (ii) the use of toll revenues for the toll lane and for other related transportation purposes in the SR 91 corridor, including transportation alternatives and other improvements that are necessary for, or related to, the construction or operation of SR 91, including tolled and non-tolled facilities, connector roads, bridges, roadways, and onramps, in each case designed to further ease congestion. In March 2017, RCTC opened the RCTC Toll Road.

FACILITY AGREEMENTS

The Franchise Agreement

Under the Franchise Agreement, CPTC was responsible for designing and constructing the Toll Road in accordance with Caltrans' design and construction standards. Caltrans approved the design of the Toll Road, provided certain oversight services during the construction of the Toll Road in order to assure compliance with its design and construction standards and is required to review and approve any material changes, alterations, modifications or improvements to the Toll Road. In addition, Caltrans is entitled to direct modifications to the Toll Road in order to meet certain safety standards.

During the construction period for the Toll Road, CPTC leased the right-of-way from Caltrans, but retained title to the improvements constructed on the right-of-way. Caltrans issued a notice of acceptance for the Toll Road on December 27, 1995 and CPTC transferred title to the improvements to Caltrans. As assignee of CPTC, OCTA leases the right-of-way and improvements from Caltrans during the remainder of the operating term of the Franchise Agreement, which operating term was extended pursuant to Amendment No. 3 to the Franchise Agreement, effective as of December 12, 2011, and the remainder of the term of the Lease, which term was extended pursuant to Amendment to Lease Agreement Regarding State Route 91 Median Improvements, effective December 12, 2011. The operating term of the Franchise Agreement and the term of the Lease as extended pursuant to the amendments described herein expire December 31, 2065. Upon expiration of the term of the Franchise Agreement and the Lease, the Toll Road reverts to the State.

Under the Franchise Agreement, OCTA bears all risk of injury, loss or damage to the Toll Road and agrees to rebuild or repair the Toll Road as a result of any such damage, injury or loss. Caltrans agrees, however, to indemnify OCTA for losses arising from third party claims to the extent that such losses are the fault of Caltrans, errors or defects in design which fail to conform to Caltrans' standards or of which Caltrans was aware, or acts or omissions of Caltrans in connection with traffic management or maintenance activities performed by Caltrans. OCTA agrees to indemnify Caltrans from third party claims arising out of any other matters.

Caltrans may terminate the Franchise Agreement upon a default by OCTA which is not cured within certain cure periods set forth in the Franchise Agreement. Events of default under the Franchise Agreement with respect to OCTA include a failure by OCTA to perform any material covenant, agreement or obligation set forth in the Franchise Agreement and certain bankruptcy events of OCTA. Upon any default by Caltrans under the Franchise Agreement, OCTA may pursue any and all remedies available to it at law or in equity. Events of default under the Franchise Agreement with respect to Caltrans include termination of the Franchise Agreement in the absence of a default by OCTA and a failure by Caltrans to perform any material covenant, agreement or obligation set forth in the Franchise Agreement.

The Lease

OCTA, as assignee of CPTC, and Caltrans are parties to the Lease pursuant to which Caltrans leases to OCTA the right of way upon which the Toll Road is located during the entire Franchise Period. The Lease provides for a nominal annual rent payment. Under the Lease, OCTA is responsible for the maintenance of, and for all costs associated with, the Toll Road and the right-of-way, including utility costs and real property taxes. The Lease provides that Caltrans is responsible for hazardous materials present on the right-of-way prior to the effective date of the Lease, hazardous materials that migrate into the right-of-way during the Lease term, and hazardous materials that are dumped or discharged into the right-of-way by Caltrans or by persons other than OCTA or its contractors. OCTA retains responsibility for hazardous materials dumped or discharged into the right-of-way by OCTA or its contractors (subject to the indemnity and other provisions of the Asset Purchase Agreement). OCTA has not obtained a title insurance policy with respect to the right-of-way. However, under the Lease and related agreements, including a Letter in Lieu of Title Insurance delivered by Caltrans on June 30, 1993, Caltrans has represented and warranted that it has title to the right-of-way sufficient to permit construction and operation of the Toll Road in accordance with the Lease and the Franchise Agreement. The Lease is scheduled to expire on December 31, 2065. The Lease may generally be terminated by OCTA or Caltrans under the same circumstances as those under which OCTA or Caltrans may terminate the Franchise Agreement.

Upon expiration of the Lease, OCTA shall have no further authority to impose or collect Tolls on the Toll Road. Moreover, at the end of the term of the Lease, all property of OCTA related to the Toll Road, including signs, gantries and other tolling equipment, shall automatically become the property of Caltrans. The Lease further provides that the term of the Lease shall not be extended, unless authorized by the State Legislature.

The Maintenance Services Agreement

OCTA, as assignee of CPTC, is party to the Maintenance Services Agreement with Caltrans pursuant to which Caltrans has agreed to provide specified routine maintenance services to the Toll Road during the entire Franchise Period. These services include all maintenance services required to maintain the Toll Road in accordance with Caltrans' then published maintenance standards for comparable State highways.

The types of maintenance services provided by Caltrans include the following: (1) maintenance and repair of pavement surface, base and paved shoulder, including repair of potholes; (2) maintenance, repair and/or replacement of all types of fences; (3) elimination of obstructions from ditches, curbs and drains; (4) sweeping and litter removal; (5) removal of graffiti; (6) maintenance and repair of bridge structures; (7) maintenance, troubleshooting and repair of highway lighting, ramp metering controllers, traffic counters/speed monitors; (8) maintenance, cleaning and repair of painted or plastic lane lines and/or edge lines; and (9) repair and/or replacement of signs, guardrails and median barriers.

Pursuant to the Maintenance Services Agreement, OCTA is required to reimburse Caltrans for the cost to Caltrans of the actual services provided to OCTA, provided, however, that Caltrans' charges for such services may not exceed the charges levied by Caltrans for similar services provided to third parties. OCTA staff establish an annual budget for the services provided pursuant to the Maintenance Services Agreement based upon an internal analysis of expenses and projected expenses. This budget comprises a portion of the total OCTA budget which is approved by the Board of Directors in June of each year.

The Police Services Agreement

Under the Franchise Agreement, OCTA is required to retain the California Highway Patrol ("CHP") to provide police services for the Toll Road. OCTA and CHP have entered into a Police Services Agreement, dated and approved on June 19, 2019, pursuant to which CHP has agreed to provide police services with respect to the Toll Road, during the Franchise Period. Those services include both "routine services," which are-those services provided by CHP on comparable State highways, such as traffic law enforcement, incident response, accident investigation and motorist assistance services, and "supplemental services," which are primarily toll enforcement activities. The Police Services Agreement provides that CHP has both overall and day-to-day direction, supervision and control of officers providing routine and supplemental services, subject to certain limited obligations to coordinate police service activity with OCTA. Pursuant to the Police Services Agreement, OCTA is required to reimburse CHP for the cost to CHP of the police services actually provided to OCTA. OCTA staff establish an annual budget for the services provided pursuant to the Police Services Agreement based upon an internal analysis of expenses and projected expenses. This budget comprises a portion of the total OCTA budget which is approved by the Board of Directors in June of each year.

The Police Services Agreement provides that OCTA may make temporary arrangements for alternative traffic law enforcement services with any law enforcement agent with the legal power to provide such services if CHP fails to provide at least 50% of the police services required under the Police Services Agreement for a continuous period of 24 hours or more.

OPERATIONAL AGREEMENTS

Historical Operating Agreement

To provide for operation of the Toll Road upon its acquisition, OCTA initially entered into a three-year operating and management agreement with Cofiroute Global Mobility, LLC (subsequently Cofiroute USA, LLC ("Cofiroute") and recently rebranded as ViaPlus by VINCI Highways). Subsequently, OCTA conducted a competitive procurement process and awarded a five-year operating agreement (the "2006 Operating Agreement") to Cofiroute, the term of which commenced in January 2006 and included two renewal options, each twenty-four months in length.

After receiving a Cofiroute proposal to develop and install a new back-office software system, the Board of Directors approved an amendment in 2009 to the 2006 Operating Agreement which authorized (a) a software maintenance agreement, (b) a software licensing agreement, and (c) a ten-year extension to the 2006 Operating Agreement with Cofiroute, comprised of two five-year periods, provided that Cofiroute performs its obligations as set forth in the 2006 Operating Agreement, as amended (hereinafter referred to as the "Operating Agreement") and is not in default, which amendment was scheduled to take effect when Cofiroute achieved substantial completion of development of the back-office software. Cofiroute provided such notice to the Board of Directors and on June 27, 2011, the Board of Directors extended the term of the 2006 Operating Agreement with Cofiroute for an additional term of ten years to June 2021. Management services provided pursuant to the Operating Agreement included revenue collection, customer accounts, violation enforcement, violation processing, incident management and response, and first line maintenance of tolling and traffic equipment.

Cooperative Agreement

To provide for interoperability of the Toll Road and the RCTC Toll Road, OCTA entered into a Cooperative Agreement with RCTC on December 16, 2011. Pursuant to the Cooperative Agreement, OCTA and RCTC have agreed to cost and revenue sharing provisions, business rules, interoperability of technology, and shared marketing activities; they have also agreed on the use of the same toll operator. The Cooperative Agreement specifies a fifty-fifty percentage split of certain non-toll revenues (the "Percentage Revenue Split") and a fifty-fifty percentage split of certain costs (the "Percentage Cost Split"). The Cooperative Agreement expressly provides for a re-evaluation of the Percentage Revenue Split and/or the Percentage Cost Split on or before ten years from the opening date of the RCTC Toll Road and every ten years thereafter. Thus, OCTA and RCTC plan to re-evaluate the Percentage Revenue Split and Percentage Cost Split in 2027.

Pursuant to the Cooperative Agreement, OCTA and RCTC do not have the right to terminate the Cooperative Agreement for convenience during the first 10 years following the opening date of the RCTC Toll Road. Accordingly, beginning in 2027, either OCTA or RCTC may terminate the Cooperative Agreement, in whole or in part, after providing two years prior written notice of termination. Either OCTA or RCTC may terminate the Cooperative Agreement for cause if a default has occurred by one party and such party fails to commence to cure, correct or remedy such default in 30 calendar days. In the event of a default, the non-defaulting party may exercise all rights and remedies available at law or in equity, including the right to terminate the Cooperative Agreement with at least 90 days' notice. However, if the Cooperative Agreement is terminated (except if such termination is pursuant to a final trial court determination of default by RCTC for nonpayment), RCTC has the right to continue joint use of shared tolling related equipment and infrastructure for two years following such termination. After such two year period, RCTC is required to relocate its portion of the tolling equipment and infrastructure to another location, and OCTA and RCTC are required to determine an equitable means of distributing jointly procured equipment and infrastructure.

Joint Operating Agreement

The RCTC Toll Road opened in March 2017 and as a result, OCTA and RCTC began sharing operating costs pursuant to an agreement entered into on May 24, 2013 (the "Joint Operating Agreement") by OCTA, RCTC and Cofiroute. With the opening of the RCTC Toll Road, the Joint Operating Agreement superseded OCTA and Cofiroute's Operating Agreement and that Operating Agreement was terminated.

Pursuant to the Joint Operating Agreement, Cofiroute assumed the same responsibilities for operation of the RCTC Toll Road as Cofiroute currently has for the Toll Road. The Joint Operating Agreement resulted in a single operator providing all operation and first-level maintenance services for a single SR 91 tolled express lane system in Orange and Riverside Counties with such services payable by each of OCTA and RCTC from the revenues generated by its respective segment. Tolls on each of the Toll Road and the RCTC Toll Road are charged independently. When travelling along SR 91, vehicles are able to use either or both of such tolled express lanes or may use the general purpose lanes (which are free of charge).

In fiscal year 2018-2019, OCTA and RCTC began procurement for a new Joint Operating Agreement, which included the development of a new back-office software system for both the Toll Road and the RCTC Toll Road. The Board of Directors and the RCTC Commission subsequently approved the re-selection of Cofiroute as the joint operator (the "Operator"), executing the agreement in January 2020 (the "2020 Joint Operating Agreement"), which expires on January 31, 2027, and provides for two three-year extension options. The new back-office software system was deployed after execution of the 2020 Joint Operating Agreement. Subsequent to the execution of the 2020 Joint Operating Agreement, Cofiroute rebranded as ViaPlus by VINCI Highways, though Cofiroute will remain the contacting party under the 2020 Joint Operating Agreement.

Cofiroute is required to perform all aspects of the core services in the three functional areas as outlined below:

- Program Management and Administration, Information Systems Technology and Telecommunications

- Customer Service, Violations Enforcement and Processing

- Traffic Operations Center

Cofiroute monitors the daily operations of the communications network, internet, and phone system to ensure that all system components are fully functional. Categories of services include:

- Customer service

- Violations processing and collections

- Back-office software system

- Customer account management

- Payments and other mail processing

- Revenue collections and transaction processing

- Traffic operations center staffing and incident management

- Emergency services coordination

- Hardware and software maintenance

- Transponder inventory management

Cofiroute actively monitors the volume and traffic flow to ensure proper congestion management toll pricing and display. It ensures that the toll rates, set quarterly, are an accurate reflection of actual conditions, and that the correct toll rates are posted on the changeable message signs. Cofiroute's back-office responsibilities include toll collection system applications software, system servers, system administration, and related peripheral equipment.

Cofiroute is required under the 2020 Joint Operating Agreement to provide the following insurance coverage:

- Commercial General Liability with a minimum limit of $5,000,000 per occurrence and $10,000,000 general aggregate;

- Automobile Liability with a combined single limit of not less than $5,000,000 per occurrence;

- Workers' Compensation with a minimum limit of $1,000,000 each accident;

- Commercial Crime (Blanket Fidelity) with limits of not less than $5,000,000 covering employee dishonesty, forgery and alteration, monies and securities, and computer crime; and
- Technology Errors and Omissions Including Privacy and Network Security-covering liability for errors or omissions in rendering computer or information technology services, with limits of not less than $15,000,000 per incident and in the annual aggregate.

Pursuant to the 2020 Joint Operating Agreement, an Operations and Maintenance Bond (the "O&M Bond") is required. The initial bonding level for the O&M Bond is provided at one hundred percent of years one to three of total operations and maintenance costs. The value of the O&M Bonds for year two equals the estimated total combined cost of operations and maintenance for years two and three. The value of the O&M Bonds for each of years three through five are estimated at the cost of the upcoming operations and maintenance total costs for the upcoming year. The O&M Bonds serve as security for the performance of Cofiroute's obligations under the 2020 Joint Operating Agreement.

OCTA or RCTC may terminate the 2020 Joint Operating Agreement for cause if the Operator materially breaches the 2020 Joint Operating Agreement. OCTA or RCTC may also terminate the 2020 Joint Operating Agreement at their convenience at any time in whole or in part, by providing the Operator with written notice of termination 90 calendar days before the effective date of termination. OCTA and RCTC exercise their right to terminate by delivering to Cofiroute a written Notice of Termination for Convenience specifying the extent of termination and its effective date. The Cooperative Agreement provides for joint procurement of a new operator in the event both OCTA and RCTC choose to terminate the 2020 Joint Operating Agreement either for cause or convenience. In the case of termination of the 2020 Joint Operating Agreement by either OCTA or RCTC but not both parties, the Cooperative Agreement provides a procedure to resolve disputes and ultimately allows for continued joint use of shared tolling related equipment and infrastructure for two years following termination of the 2020 Joint Operating Agreement by either party. After such two year period, RCTC is required to relocate its portion of the tolling equipment and infrastructure to another location, and OCTA and RCTC are required to determine an equitable means of distributing jointly procured equipment and infrastructure.

Master Custodial Account Agreement

Since the opening date of the RCTC Toll Road, Cofiroute has been responsible for the collection, counting, handling, storage, transferring to an armored car service, and verification of the disposition of all collected funds on the Toll Road and the RCTC Toll Road. Collected funds include cash payments, payments by credit card, check, or other sources associated with both Toll Road and RCTC Toll Road, accounts and collections from violations and/or fines.

Under the Cooperative Agreement and the 2020 Joint Operating Agreement, OCTA, RCTC and Cofiroute have generally agreed on the parameters of a custodial account agreement (the "Master Custodial Account Agreement") to be entered into by OCTA, RCTC and a financial institution acceptable to both parties (the "Custodian"), which agreement governs the custody and processing of all toll revenues generated on the Toll Road and the RCTC Toll Road. The Custodian will hold all prepaid funds of customers in a single master account in trust for such customers until such time as the customers utilize either the Toll Road or the RCTC Toll Road, and will transfer funds either to OCTA's bank account or as directed by RCTC to its bond trustee as the Custodian receives toll transaction information from Cofiroute.

Toll Lanes System Integrator Services Agreement

On June 14, 2018, OCTA entered into an agreement with Kapsch TrafficCom USA, Inc. to serve as a toll lanes system integrator provider for the Toll Road. The provider is responsible for maintenance of all elements of the toll collection system. It provides 24/7 coverage for all maintenance-related activities for the toll collection system, providing customer assistance as needed relating to hardware, equipment, software, firmware maintenance for the toll points, changeable message signs, cameras, communications network hardware, and connections from the network hub to the toll operator's central toll collection system. Kapsch TrafficCom USA, Inc. currently provides similar services to RCTC for the RCTC Toll Road under a separate agreement.

TOLL SCHEDULE AND TOLL POLICY

History

Prior to and subsequent to acquisition of the Toll Road by OCTA, toll rates on the Toll Road have been set as a function of traffic demand in the SR 91 corridor. Toll prices vary from hour to hour and day to day based on a predetermined toll schedule and may be adjusted on a quarterly basis to reflect travel demand in the SR 91 corridor. The current toll schedule and toll policy was adopted by OCTA on July 14, 2003.

Current Toll Policy

On July 14, 2003, the Board of Directors of OCTA adopted a toll policy designated as the 91 Express Lanes Toll Policy (the "Toll Policy").

The goals of the Toll Policy are as follows:

- Provide a safe, reliable, predictable commute for Toll Road customers.
- Optimize vehicle throughput at free flow speeds.
- Pay debt service and maintain debt service coverage.
- Increase average vehicle occupancy.
- Balance capacity and demand to serve customers who pay tolls as well as carpoolers with three or more persons who are offered discounted tolls.
- Generate sufficient revenue to sustain the financial viability of the Toll Road.
- Ensure that all bond covenants are met.
- In accordance with AB 1010, reimburse OCTA for costs incurred in connection with the acquisition of the Toll Road and provide revenues for SR 91 and Toll Road corridor improvements.

In order to keep traffic flowing, eliminate stop-and-go driving and encourage ride sharing, the Toll Policy continues to employ variable pricing.

Super Peak Hours. With respect to Super Peak Hours ("Super Peak" or "Super Peak Hours"), defined in the Toll Policy as those hourly periods, per day and per direction with traffic volume use which meets or exceeds the trigger point of 3,128+ vehicles per hour, per day and per direction (the "Trigger Point"), the Super Peak Hours toll adjustment goals are to: (i) reduce the likelihood of congestion by diverting traffic to other hours with available capacity; (ii) maintain free flow travel speed on the Toll Road; (iii) maintain travel time savings, (iv) accommodate projected growth in travel demand; and (v) ensure that the Toll Road generates sufficient revenue to effectively operate the toll land and maintain a strong debt service position.

The toll during a Super Peak Hour is determined as follows:

1. Hourly, day, and directional traffic volumes will be continually monitored on a rolling 12 consecutive week period basis.

2. Hourly, day, and directional traffic volumes of 3,128 or more will be flagged for further review.

3. If the hourly, day, and directional traffic volume is at a level of Super Peak for any six (6) weeks of twelve (12) consecutive weeks, then the toll rate for that hour, day and direction may be increased.

4. The toll for that hour, day, and direction shall be increased, based on the average vehicle volume of the flagged hour, day, and direction identified per numbered item 2 above, as follows:

    (a) if the average flagged vehicle volume is 3,300 or more, then the toll shall be increased by $1.00.

    (b) if the average flagged vehicle volume is between 3,200 and 3,299, then the toll shall be increased by $0.75.

    (c) if the average flagged vehicle volume is less than 3,200, then the toll shall not be changed.

Six months after a toll increase, the most recent twelve (12) consecutive weeks (excluding weeks with a Holiday as such term is defined in the Toll Policy or a major traffic anomaly caused by an accident or incident) shall be reviewed for the hour, day and direction that the toll was increased. If the traffic volume is less than 2,720 vehicles per hour, day, and direction in six (6) or more of the weeks, then the traffic volumes for that hour, day and direction for the twelve (12) consecutive weeks shall be averaged. If the average traffic volume is less than 2,720, then the toll shall be reduced by $0.50 to stimulate demand and encourage Toll Road use.

Notice of Toll Adjustment. Pursuant to the Toll Policy, the Board of Directors of OCTA and Toll Road customers will be informed of a toll adjustment ten (10) or more days prior to such adjustment becoming effective.

Non-Super Peak Hours. Tolls for all Non-Super Peak Hours, defined in the Toll Policy as an hourly period that is not a Super Peak Hour, remain fixed at November 2001 levels, subject to an annual adjustment for inflation. The Inflation Factor, as such term is defined in the Toll Policy (the "Inflation Factor"), is identified and applied at the beginning of each fiscal year to all Non-Super Peak and Super

Peak Hours that were not adjusted in the previous twelve (12) months. All tolls shall be rounded up or down to the nearest 5-cent increment.

Discounts. HOV-3+ vehicles, zero-emission vehicles, vehicles bearing a disabled veteran or disabled person license plate issued by the California Department of Motor Vehicles and motorcycles (hereinafter collectively referred to as the "Discount Vehicles") are permitted to ride free in the Toll Road during most hours. Such vehicles pay fifty percent (50%) of the toll Monday through Friday 4:00 p.m. to 6:00 p.m. in the eastbound direction. Pursuant to the Toll Policy, this exception will remain in effect until such time as the Debt Service Coverage Ratio as such term is defined in the Toll Policy (the "Toll Policy Debt Service Coverage Ratio"), inclusive of senior and subordinated debt, is projected to be 1.2 or greater for a six month period. At that time, Discount Vehicles will ride free all day, every day.

Effective January 1, 2023, veterans with designated plates issued by the California Department of Motor Vehicles are permitted to travel for free at all times of the day on high occupancy tolled facilities.

Discounted Vehicles have ranged between 21-25% of vehicle trips on the Toll Road over the past three fiscal years.

Financing Requirements. OCTA shall charge and collect tolls that generate enough revenue to maintain a Toll Policy Debt Service Coverage Ratio of at least 1.30 to 1.00, which is consistent with the covenant of OCTA to fix and prescribe toll rates sufficient to produce Adjusted Net Toll Revenues for each Fiscal Year at least equal to 1.30 times Annual Debt Service on Outstanding Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – Rate Covenant."

Holiday Toll Schedules. Holiday toll schedules in effect prior to July 14, 2003 continue to apply, subject to adjustment by the Inflation Factor at the beginning of each fiscal year, such Inflation Factor to be applied in the same manner as applied to the adjustment of Non-Super Peak Hours tolls.

A complete copy of the Toll Policy is attached hereto as Appendix G.

Current Toll Schedule

Effective April 1, 2023, the minimum toll charged is $1.80 and the maximum toll charged is $8.60. Pursuant to the Toll Policy, the toll schedule is subject to change based on traffic patterns and congestions-based pricing adjustments. A complete copy of the current toll schedule is attached hereto as Appendix H.

HISTORICAL OPERATING EXPERIENCE

The Toll Road became operational on December 27, 1995. The tables set forth below show total vehicle trips and total Tolls, as such term is defined in the Indenture, for the fifteen (15) Fiscal Years ended June 30, 2009 through June 30, 2023. For a discussion of the impact of the COVID-19 pandemic on Toll Road traffic and revenues, see the Traffic and Revenue Update (defined herein), included as Appendix A-1 and Appendix A-2.

VEHICLE TRIPS

Fiscal Year Ended June 30,	Total Vehicle Trips	Percent Change
2009	12,036,831	-10.7%
2010	12,659,051	5.2
2011	11,998,827	-5.2
2012	11,944,555	-0.5
2013	12,085,548	1.2
2014	12,326,874	2.0
2015	13,106,882	6.3
2016	13,772,971	5.1
2017	14,384,133	4.4
2018	16,719,371	16.2
2019	17,546,304	4.9
2020	14,990,602	-14.6
2021	15,359,785	2.5
2022	19,810,256	29.0
2023(1)	19,199,000	(3.1)

(1) Projected; based on actual data as of March 31, 2023 and projected data through June 30, 2023.
Source: OCTA.

TOTAL ANNUAL TOLLS

Fiscal Year Ended June 30,	Total Revenues	Percent Change
2009	46,889,354	-8.1%
2010	44,676,197	-4.7
2011	42,950,230	-3.9
2012	38,427,852	-10.5
2013	39,539,978	2.9
2014	43,705,725	10.5
2015	47,361,521	8.4
2016	54,247,570	14.5
2017	57,828,684	6.6
2018	58,789,693	1.7
2019	65,194,507	10.9
2020	52,503,285	-19.5
2021	46,510,953	-11.4
2022	57,654,191	24.0
2023(1)	65,303,000	13.3

(1) Projected; based on actual data as of March 31, 2023 and projected data through June 30, 2023.
Source: OCTA.

TOLL ROAD TRAFFIC AND REVENUE UPDATES

OCTA engaged Stantec Consulting Services Inc. (the "Traffic and Revenue Consultant") to prepare the OCTA 91 Express Lanes Traffic and Revenue Update, dated August 4, 2022, as supplemented by the OCTA 91 Express Lanes Traffic and Revenue Bringdown Letter, dated May 9, 2023 (collectively, the "Traffic and Revenue Update"), which are included as Appendix A-1 and Appendix A-2, respectively.

The Traffic and Revenue Update presents historical traffic and revenue data, forecasts future traffic volume on SR 91 and the Toll Road, projects future revenues and presents a summary of the methodology used by the Traffic and Revenue Consultant in developing the forecasts set forth in the Traffic and Revenue Update. All projected future revenues set forth in the Traffic and Revenue Update are gross potential revenues. Gross potential revenues assume that each vehicle that passes the toll point on the Toll Road pays the toll rate to be charged pursuant to the toll schedule.

Reference is made to the Traffic and Revenue Update for a discussion of the principal assumptions made in such Traffic and Revenue Update. The forecasts contained in the Traffic and Revenue Update are based on what the Traffic and Revenue Consultant believes to be reasonable evaluations of current conditions and assumptions regarding future conditions. Achievement of any forecast is dependent upon future events that cannot be assured. Therefore, actual results may vary, perhaps significantly, from the forecasts contained in such report. There can be no assurances that these forecasts will be realized.

Reference is made to the Traffic and Revenue Update, which investors are advised to review carefully in its entirety, for additional material information concerning the Toll Road contained therein, including the information, findings, assumptions and conclusions which represent the basis for the Traffic and Revenue Consultant's forecasts of future traffic volume and revenues. The assumptions and estimates underlying the projected financial and operating information are inherently uncertain and, though considered reasonable by management of OCTA as of the date hereof, as further described under the caption "Investment Considerations" herein, are, subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the projected financial and operating information. Accordingly, there can be no assurance that the projected results are indicative of the future performance of the Toll Road or that actual results will not be materially higher or lower than those contained in the projected financial and operating information.

Inclusion of projected financial and operating information in this Official Statement should not be regarded as a representation by OCTA, the Underwriters, nor any person that the assumptions and estimates are reasonable or that the results contained in the projected financial and operating information will be achieved.

MANAGEMENT DISCUSSION OF RECENT OPERATING RESULTS

Since the issuance of the Series 2013 Bonds, traffic volumes and Tolls have increased significantly despite the COVID-19 pandemic. Traffic volumes grew from 12.1 million vehicle trips during Fiscal Year 2013 to 19.8 million vehicle trips in Fiscal Year 2022, or a 63.6 percent increase in vehicle trips. Revenues (which includes Tolls, non-tolls, and interest earnings) grew from $32.6 million to $55.9 million, or a 71.3 percent growth in Revenues. Revenues have averaged approximately $52.2 million over the past three years. For Fiscal Year 2023 as of March 31, 2023, vehicle trips are approximately 2.1 percent lower than the same period in Fiscal Year 2022, but gross potential toll revenues have increased slightly by 0.7 percent revenues (gross potential toll revenues equals the toll rate times the number of vehicles traveling on the Toll Road). The high level of gas prices and inflation have slowed the local economy, which in turn has led to the decrease in traffic volume and flattening of Tolls.

In Fiscal Year 2020, the COVID-19 pandemic affected traffic volume and Revenues significantly. Vehicle trips decreased by 72 percent, and Tolls decreased 66 percent in April 2020 (when compared to April 2019). As a result, OCTA implemented various temporary measures during this period to assist users of the Toll Road. Collection efforts were halted, account maintenance fees were suspended, certain toll rates were decreased, and the annual cost of living adjustment was not implemented on July 1, 2020. By the end of calendar year 2020, all temporary measures stopped, and regular business operations resumed. During Fiscal Year 2022, traffic volume and Revenues reached all-time highs and exceeded levels prior to the COVID-19 pandemic. For more information on the COVID-19 pandemic, see "INVESTMENT CONSIDERATIONS – Infectious Disease, Pandemic and Public Health Considerations."

The OCTA Board of Directors annually reviews and approves the Toll Road fiscal year budget, which includes all anticipated Revenues, Current Expenses, and Major Maintenance Expenses. Current Expenses have ranged from $14.7 million to $20.5 million over the past five fiscal years. The largest annual expense is paid to Cofiroute for operating services and back-office software system. OCTA and RCTC split operating costs equally under the 2020 Joint Operating Agreement. Pursuant to the Cooperative Agreement, OCTA and RCTC split non-toll revenues (such as account maintenance fees) equally. Over the past five fiscal years, the operating cost-sharing and non-toll revenue sharing arrangement have benefited both OCTA and RCTC in their operation of the Toll Road and RCTC Toll Road, respectively.

OCTA has generated sufficient annual Adjusted Net Toll Revenues after Debt Service to meet all Major Maintenance Expenses since its purchase of the Toll Road in January 2003 and therefore has not any withdrawn funds from the Major Maintenance Reserve Fund. As of March 31, 2023, the Operating Reserve Fund and the Major Maintenance Reserve Fund were fully funded, as required by the Indenture.

OCTA and RCTC annually prepare a plan for potential improvements along the SR 91 corridor between SR-57 in Orange County and I-15 in Riverside County referred to as the SR 91 Implementation Plan (the "Plan"). The Plan includes a listing of proposed improvements, preliminary cost estimates, and potential implementation timeframes. This Plan is required under the provisions of SB 1316 (Chapter 714, Statutes of 2008). The Plan describes projects, transportation benefits, and anticipated costs and schedules to implement through the post-2035 timeframe. The intent of the Plan is to provide a compilation of information for projects along the SR 91 corridor. This Plan is prepared in consultation with the California Department of Transportation (Caltrans), the Transportation Corridor Agencies (TCA), and the cities of Anaheim, Corona, Orange, and Yorba Linda. The 2022 Plan was adopted by the OCTA Board of Directors in June 2022.

One capital improvement project included the Plan that may affect traffic volumes and Tolls on the Toll Road is the proposed 241/91 direct connector project (the "241/91 EC"). The 241/91 EC is currently expected to open in 2027. Recent traffic and revenue updates project that the 241/91 EC would decrease traffic volumes by 2.5% and gross potential toll revenues on the Toll Road by 2.1% in Fiscal Year 2027 if completed and opened.

HISTORICAL AND PROJECTED DEBT SERVICE COVERAGE

The table set forth on the following page presents information concerning historical and projected debt service coverage. Information relating to projected debt service coverage is based on projected gross potential revenues, adjusted as described in the table, set forth in the Traffic and Revenue Update. See APPENDIX A-1 – "OCTA 91 EXPRESS LANES TRAFFIC AND REVENUE UPDATE, DATED AUGUST 4, 2022" and APPENDIX A-2 – "OCTA 91 EXPRESS LANES TRAFFIC AND REVENUE BRINGDOWN LETTER, DATED MAY 9, 2023."

HISTORICAL AND PROJECTED DEBT SERVICE COVERAGE

Fiscal Year Ending June 30,	Tolls [1]	Non-Tolls [2]	Interest Earnings	Revenues	Current Expenses	Adjusted Net Toll Revenues Available for Debt Service [3]	Annual Debt Service	Net Toll Revenues After Debt Service	Debt Service Coverage Ratio
	A	B	C	D = A + B + C	E	F = D - E	G	H = F - G	I = F/G
2004	$24,610,057	$7,826,175	$646,433	$33,082,665	$12,702,688	$20,379,977	$7,335,531	$13,044,446	2.78
2005	30,411,879	9,320,349	1,406,466	41,138,694	14,505,407	26,633,286	11,970,445	14,662,841	2.22
2006	35,002,588	9,272,840	1,888,478	46,163,906	14,507,464	31,656,442	12,254,033	19,402,409	2.58
2007	38,352,897	11,536,471	3,495,763	53,385,132	14,481,941	38,903,191	12,257,389	26,645,802	3.17
2008	37,452,652	8,783,595	4,812,784	51,049,031	14,063,953	36,985,078	12,652,714	24,332,364	2.92
2009	34,202,880	9,502,008	3,184,466	46,889,354	15,807,219	31,082,135	15,504,345	15,577,790	2.00
2010	35,692,316	7,316,256	1,667,625	44,676,197	13,330,283	31,345,914	15,832,037	15,513,877	1.98
2011	33,668,023	8,523,756	758,451	42,950,230	13,650,059	29,300,171	14,672,870	14,627,301	2.00
2012	32,103,065	5,803,812	520,975	38,427,852	12,692,347	25,735,505	10,720,594	15,014,911	2.40
2013	32,653,154	6,688,733	198,090	39,539,978	13,111,562	26,428,416	10,226,714	16,201,702	2.58
2014	34,047,077	8,957,749	700,899	43,705,725	15,825,680	27,880,045	10,742,132	17,137,912	2.60
2015	36,651,721	10,007,305	702,495	47,361,521	16,525,738	30,835,783	10,796,475	20,039,308	2.86
2016	39,043,834	13,511,599	1,692,137	54,247,570	18,690,990	35,556,580	10,795,725	24,760,855	3.29
2017	41,400,975	15,994,127	433,583	57,828,684	31,833,298[6]	25,995,386	10,798,525	15,196,861	2.41
2018	45,332,918	12,556,973	899,802	58,789,693	16,402,520	42,387,173	10,794,700	31,592,473	3.93
2019	46,741,870	11,042,719	7,409,918	65,194,507	15,307,713	49,886,793	10,796,325	39,090,468	4.62
2020	43,113,100	831,380	8,558,805	52,503,285	15,045,080	37,458,205	10,798,325	26,659,880	3.47
2021	44,881,771	471,355	1,157,826	46,510,953	14,728,924	31,782,028	10,795,075	20,986,953	2.94
2022	55,931,629	8,916,444	(7,193,882)[5]	57,654,191	20,480,715	37,173,476	10,795,825	26,377,651	3.44
2023[4]									
2024									
2025									
2026									
2027									
2028									
2029									
2030									
2031									

Note: All amounts are rounded.

(1) Tolls as shown in this column include fees paid for the vehicular usage of the Toll Road, but Tolls do not include fines and penalties collected by OCTA with respect to usage of the Toll Road, fees for the use of transponders or other devices for the electronic payment of tolls, or account maintenance fees. This presentation of tolls differs from the definition of "Tolls" under the Indenture. For the definition of "Tolls" under the Indenture, see "SECURITY AND SOURCE OF PAYMENT FOR THE SENIOR LIEN BONDS – Pledged Funds; Revenues; Tolls" and APPENDIX C - "Summary of Certain Provisions of the Master Indenture of Trust - Definitions; Interpretations."

(2) Non-toll revenues as shown in this column primarily consist of fines and penalties collected by OCTA with respect to usage of the Toll Road, fees for the use of transponders or other devices for the electronic payment of tolls, account maintenance fees and any other moneys received by OCTA pursuant to the Cooperative Agreement.

(3) Adjusted Net Toll Revenues are available for the payment of Senior Lien Bonds and Junior Lien Bonds and Subordinate Lien Bonds (if such Junior Lien Bonds or Subordinate Lien Bonds are issued in the future).

(4) Fiscal Year 2023 projection (based on actual unaudited numbers through April 30, 2023).

(5) Interest Earnings are calculated based on generally accepted accounting principles, which utilize a mark to market method of measuring the fair value of investments based on current market conditions. As a result, in Fiscal Year 2022 the interest earnings include unrealized investment losses of $9.4 million primarily associated with the rapid increase in interest rates in Fiscal Year 2022. OCTA does not expect to realize such losses because it expects to hold such investments to maturity.

(6) Current expenses in Fiscal Year 2017 included $13.7 million for the payment rehabilitation project which was classified as an operating expense instead of a capital expense. The project was funded with Toll Road capital reserve funds.

Source: OCTA

INVESTMENT CONSIDERATIONS

A number of factors including changes in demographics, downturns in the State and local economies, declines in use caused by competing transportation improvements, damage and destruction caused by landslides, earthquakes or other acts of God or an increase in the price of gasoline could have an adverse effect on the ability of the Toll Road to generate sufficient revenues to pay debt service on the Series 2023 Bonds. Described below are certain of these and other specific factors that could affect use and operation of the Toll Road and the ability of OCTA to pay debt service on the Series 2023 Bonds. Also described below are certain other investment considerations which should be considered in evaluating an investment in the Series 2023 Bonds. This discussion does not purport to be either comprehensive or definitive.

Limited Obligations

The Series 2023 Bonds are special, limited obligations of OCTA payable solely from, and secured solely by a first lien on and pledge of the Pledged Funds, which consists primarily of Tolls. OCTA's ability to generate revenues from the use and operation of the Toll Road in amounts sufficient to pay debt service on the Series 2023 Bonds depends upon many factors, some of which are not within the control of OCTA. The projected levels of traffic and Tolls set forth in this Official Statement are based upon an analysis of historical information and upon estimates of future performance developed by OCTA and the Traffic and Revenue Consultant.

Other than the pledge of the Pledged Funds, OCTA has not mortgaged, assigned or pledged any interest in any real or personal property or improvements, including any interest in the Toll Road or any expansions or extensions thereto, as security for payment of the Series 2023 Bonds.

Current Expenses and Operating Expenses Payable Prior to Debt Service

Prior to any transfer of Revenues to the Trustee for deposit to the Debt Service Fund, pursuant to the Indenture, OCTA is permitted to withdraw from the Revenue Fund such amount as OCTA shall determine is necessary to pay Current Expenses, including operating expenses, then due and payable and Current Expenses that OCTA expects will become due and payable within the next succeeding calendar month. Such Current Expenses are payable prior to payment of debt service on the Series 2023 Bonds. In addition, OCTA is permitted to replenish the Operating Reserve Fund prior to transferring Revenues to the Trustee for deposit to the Debt Service Fund.

Rate Covenant Not a Guarantee

The ability of OCTA to pay the debt service with respect to the Series 2023 Bonds depends on the ability of OCTA to generate Tolls at the levels required by the Indenture, which in turn depends on the use of the Toll Road by a sufficient number of toll-paying vehicles. Although OCTA has covenanted in the Indenture to establish toll rates at specified levels as more particularly described herein, and expects that sufficient Tolls will be generated through the imposition and collection of such tolls, OCTA's covenant does not constitute a guarantee that sufficient Net Toll Revenues will be available to pay debt service with respect to the Series 2023 Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE SENIOR LIEN BONDS – Rate Covenant."

Limited Remedies Under the Indenture

The remedies available to owners of the Series 2023 Bonds upon an Event of Default under the Indenture are limited to the seeking of specific performance or a writ of mandamus or other suit, action or proceeding compelling and requiring OCTA and its officers to observe and perform any covenant, condition or obligation prescribed in the Indenture. **NO ACCELERATION REMEDY IS AVAILABLE TO OWNERS OF THE SERIES 2023 BONDS**. Therefore, owners of the Series 2023 Bonds will be able to collect principal and interest that become due after an Event of Default only from the Pledged Funds (after payment of Trustee and Current Expenses) included in the pledge under the Indenture and only when such principal and interest is scheduled to be paid. The remedies available under the Indenture depend in many respects upon regulatory and judicial actions that are often subject to discretion and delay. Under existing law, such remedies may not be readily available. In addition, enforcement of such remedies (i) may be subject to general principles of equity which may permit the exercise of judicial discretion, (ii) are subject to the exercise in the future by the State and its agencies and political subdivisions of the police power inherent in the sovereignty of the State, (iii) are subject, in part, to the provisions of the United States Bankruptcy Code (the "Bankruptcy Code") and other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, and (iv) are subject to the exercise by the United States of the powers delegated to it by the federal Constitution. The various legal opinions to be delivered concurrently with the delivery of the Series 2023 Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Series 2023 Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Operating Risks

The ability of OCTA to generate Tolls in amounts sufficient to pay debt service on the Series 2023 Bonds when due will be subject to and could be materially and adversely affected by the risks inherent in the operation of any toll facility. In addition, disruption of the Toll Road's automated toll systems may result in a decrease in Tolls, thereby adversely impacting OCTA's ability to pay debt service on the Series 2023 Bonds. The ability to repay the Series 2023 Bonds will be dependent on the volume of traffic that utilizes the Toll Road, as well as the ability of the Operator's computer systems to accurately process data. Revenues to be generated through such use will be influenced by numerous factors, including, among others, the ability to manage toll violations; the ability to control expenses; the availability of adequately trained personnel; population, employment and income trends within the region; the congestion on alternative freeways, highways, and streets; time savings experienced by utilizing the Toll Road; the toll rates; the availability and price of fuel; and the construction of new or improved competing roadways or other transit facilities.

Reliance on Performance of Operator, RCTC, and Other Service Providers. OCTA is in large part relying on the management of the Operator to manage and operate the Toll Road. The operation of the Toll Road by the Operator and other service providers like Kapsch TrafficCom USA, Inc. is subject to numerous risks, any of which could alter the performance of the Toll Road. Further, OCTA is relying on RCTC's cooperation and collaboration since the Toll Road and the RCTC Toll Road connect and each can impact the other's performance. Any issues with respect to the RCTC Toll Road could have an adverse effect on the Toll Road. The ability of OCTA to pay debt service on the Series 2023 Bonds is to a great extent dependent upon the successful management of the Toll Road, collaboration between OCTA and RCTC, and the ability to achieve the revenues set forth in the Traffic and Revenue Update.

Demographic and Economic Changes. As past recessions have shown, macro-economic and demographic conditions can have a dramatic impact on economic activity, including the willingness and ability of consumers to use the Toll Road. Adverse changes to population, household and employment levels and growth and income levels will directly affect the use of the Toll Road.

No Non-Compete Provisions. When travelling along SR 91, vehicles will be able to use either or both of the Toll Road or the RCTC Toll Road or may use the general purpose lanes (which do not require payment of a toll). Neither the Indenture nor any other agreement in effect with respect to the operation of the Toll Road contains restrictions on the ability of OCTA or Caltrans to construct new or improved roadways or other transit facilities that may compete with the Toll Road or the RCTC Toll Road nor is there any restriction on the ability of RCTC to construct additional or improved roadways or other transit facilities that may compete with the Toll Road or the RCTC Toll Road

Motor Fuel Prices and Taxes. There is no assurance that motor fuel will remain in adequate supply or that motor fuel prices and federal and State motor fuel taxes will not increase. Increases in motor fuel prices or motor fuel taxes could adversely affect the generation of Tolls. Additionally, if motor fuel prices increase, it could have a material adverse effect on the economy of the regions served by the Toll Road and the Tolls.

Competing Transportation Improvements. The 241/91 EC, which is currently scheduled to open in 2027, is expected to affect traffic volumes and Tolls on the Toll Road based on recent traffic and revenue updates. For more information, see "MANAGEMENT DISCUSSION OF RECENT OPERATING RESULTS." OCTA cannot provide any assurances that the 241/91 EC or other capital improvement projects in the region will not impact traffic and Tolls on the Toll Road.

Changes in Law. The operation of the Toll Road is subject to various laws, regulations and policies, including, among others, laws governing environmental protections and tax regulations. To the extent that OCTA or any other parties that are involved with the Toll Road are required to expend additional funds not budgeted in order to be in compliance with new or amended laws, regulations or policies, such unanticipated expenditures could have a negative impact on the Tolls generated by the Toll Road. Laws, regulations and policies governing, among other things, air pollution, noise abatement and control, hazardous waste, solid waste, water quality and endangered species may become more stringent in the future, possibly requiring additional compliance efforts and having a material adverse effect on the operation of the Toll Road.

Additionally, political pressure or legislative action could affect the ability of OCTA, Caltrans, the U.S. Department of Transportation or the Federal Highway Administration to budget for or tax or spend in respect of toll roads and other highway and transportation projects, or shift the focus of government spending to other modes of transportation, resulting in decreased use of the Toll Road. Further, action by the State Legislature to continue or expand the exemption enjoyed by electric vehicles or certain carpools from paying all or a portion of tolls on tolled express lanes in the State could have a material adverse effect on Tolls generated by the Toll Road.

Less Than Projected Use of Toll Road. The revenue forecasts in the Traffic and Revenue Update are based upon certain assumptions described in such reports and upon certain additional assumptions described therein. See APPENDIX A-1 – "OCTA 91 TRAFFIC AND REVENUE UPDATE, DATED AUGUST 4, 2022" and APPENDIX A-2 – "OCTA 91 EXPRESS LANES TRAFFIC AND REVENUE BRINGDOWN LETTER, DATED MAY 9, 2023." Based upon such assumptions, the Traffic and Revenue Consultant has expressed its opinion that such revenue forecasts are reasonable and have been prepared in accordance with accepted practice for such studies. As provided in therein, however, such reports are not a guarantee of any future events or trends and the forecasts therein are subject to future economic and social conditions and demographic developments that cannot be predicted with certainty. Further, any of the estimates and assumptions in such reports are inherently subject to significant economic and competitive uncertainties and contingencies, many of which are beyond the control of OCTA. Failure to achieve or realize any of the assumptions described above may have a material adverse effect upon the amount of Tolls actually generated.

The levels of traffic assumed and toll revenue projected as described in "HISTORICAL AND PROJECTED DEBT SERVICE COVERAGE" and elsewhere in this Official Statement are based solely upon estimates and assumptions made by OCTA. Actual levels of traffic and toll revenue will differ, and may differ materially, from the levels indicated. Historic information about the OCTA's finances and operations presented in this Official Statement should be considered in light of the effects of the COVID-19 pandemic. Actual interest earnings, debt service interest rates, and operations and maintenance expenses could also differ from those indicated. Inevitably, some assumptions will not be realized, and unanticipated events and circumstances may occur. The actual financial results achieved will vary from those described, and the variations may be material.

Higher Than Projected Maintenance Costs. Successful operation of the Toll Road will require timely and complete maintenance. OCTA budgets for maintenance costs based on its historical experience and internal projections. The actual costs of repairing and maintaining the Toll Road, however, may significantly exceed such projections. Although OCTA has covenanted in the Indenture to keep the Toll Road in good repair, no assurance can be given that sufficient funds will be available to adequately maintain the Toll Road. Any significant deterioration in the Toll Road may result in increased operating costs and in reduced usage (or temporary lane closures) and may adversely affect the amount of Net Toll Revenue available to pay debt service with respect to the Series 2023 Bonds.

Less Than Projected Non-Toll Revenue. Non-Toll revenue ("Non-Toll Revenue") consisting of fines and penalties collected by OCTA with respect to usage of the Toll Road and fees for the use of transponders or other devices for the electronic payment of tolls, comprises a portion of Tolls. There is no assurance that the actual amount of Non-Toll Revenue in the future will be consistent with amounts received in the past or with OCTA projections with respect to Non-Toll Revenue. OCTA could modify its customer convenience programs, or institute other pricing and promotion policies, that adversely affect Non-Toll Revenue. In addition, the generation of Non-Toll Revenue could be adversely affected by legislative or judicial action limiting toll violation penalties or FasTrak account fees. Weak economic conditions may decrease the number of customer accounts, or increase the number of uncollectible accounts, which also would adversely affect Non-Toll Revenue. The establishment of lower cost user programs by other toll agencies in the region could also decrease the number of customer accounts and adversely affect the generation of Non-Toll Revenue. In addition, ineffective enforcement mechanisms used against toll violators may adversely affect the generation of Non-Toll Revenue. That portion of Non-Toll Revenue consisting of interest income could be adversely affected by decreases (or less than projected increases) in short-term interest rates. Finally, projections of Non-Toll Revenue are based on the current provisions of the Cooperative Agreement specifying the Percentage Revenue Split. The Cooperative Agreement expressly provides for a re-evaluation of the Percentage Revenue Split on or before ten years from the opening date of the RCTC Toll Road and every ten years thereafter. There is no assurance that RCTC and OCTA will continue to agree on the same Percentage Revenue Split.

Technological and Societal Changes. Neither OCTA nor the Traffic and Revenue Consultant can predict the technological and societal changes that may affect the use of the Toll Road during the period that the Series 2023 Bonds remain outstanding. Societal changes, technological advances, and even infectious diseases like COVID-19 may result in the increase of telecommuting. Since the growth in traffic on the Toll Road can be expected to be sensitive to changes in overall SR 91 corridor usage, higher levels of telecommuting could have an adverse impact on usage of the Toll Road. Technological advancements may include broadening the use of electric vehicles or autonomous vehicles which, together with more stringent air quality standards, could change the characteristics of vehicles on the road. Existing State law and the Cooperative Agreement provide for free or discounted usage of the Toll Road by zero emission vehicles. Increased use of commercial ride-sharing services might decrease traffic congestion and, therefore, the use of the Toll Road as a result of reduced car ownership or surge pricing which possibly delays or diverts peak hour demands. Increased popularity of carpooling through organized services or companies that facilitate the matching of commuters in order to share rides during peak traffic times, either for free or for a fee (depending on the service provider), could also reduce the use of and revenues generated from the Toll Road as a result of fewer commuters traveling to work on an individual basis. The development of new types of switchable transponders and other technological advances may significantly change the way Tolls are collected. Other technologies or societal changes could have a similar detrimental effect on the Toll Road and the generation of Tolls.

Seismic or Other Casualty to the Toll Road. In the event of an earthquake, or other significant damage to the Toll Road, complete closure of the Toll Road might be required during the time needed for repair. Caltrans is obligated only to restore the load bearing capacity of the real estate to its initial condition. In the event the Toll Road is destroyed or damaged by earthquake or some cause other than ordinary and usual usage thereof, amounts, if any, received from the proceeds of insurance may be used to pay all or any part of the cost of reconstructing, restoring, repairing or rehabilitating the Toll Road (including the toll collection systems). There can be no assurance that such amounts will be received, or if received will be sufficient to fully restore, repair or rehabilitate the Toll Road.

Fires and Flood. In recent years, portions of California have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures, even in areas not previously thought to be prone to wildfires. Such areas affected by wildfires are more prone to flooding and mudslides that can further lead to the destruction of property and road and freeway closures. As with many properties in Orange County, the Toll Road has structures and buildings that are in areas susceptible to flooding. OCTA cannot predict the potential impact of a flood or fire incident on the Toll Road. OCTA currently insures the Toll Road in the event of damage resulting from fire and flood. See "– Insurance Coverage" below for more information.

Fuel Availability and Pricing. Another factor which may affect the traffic on the Toll Road is the cost of fuel and its availability. Over the past 25 years, the price and availability of crude oil has been negatively impacted from time to time to the point of disrupting normal travel patterns on the nation's highways and toll roads. Any serious supply disruption could be expected to result in fluctuations in forecasted Tolls.

Bankruptcy Risks

Described below are certain bankruptcy risks.

OCTA. OCTA is authorized to file for bankruptcy under Chapter 9 of the Bankruptcy Code under certain circumstances. An involuntary bankruptcy petition cannot be filed against OCTA. Should OCTA file for bankruptcy, there could be adverse effects on the holders of the Series 2023 Bonds. OCTA has pledged the Revenues to the Trustee.

If the portion of Tolls that consist of fees paid for the vehicular usage of the Toll Road (hereinafter, "toll fees") are "special revenues" under the Bankruptcy Code, then toll fees collected after the date of the bankruptcy filing should be subject to the lien of the Indenture. See also "–Commingling of Revenues." "Special revenues" are defined to include receipts derived from the ownership or operation of projects or systems that are primarily used to provide transportation services. While the portion of the Tolls comprised of toll fees appear to satisfy this definition and thus be "special revenues," no assurance can be given that a court would not hold that such toll fees are not special revenues. As indicated above, Revenues that are pledged by OCTA to the Trustee include other amounts besides toll fees. No assurance can be given that such other amounts will be determined to be "special revenues." In a case arising from the insolvency proceedings of Puerto Rico, the United States Court of Appeals for the First Circuit concluded that while a debtor has the right to voluntarily apply special revenues to the payment of debt service during the pendency of a bankruptcy case, the debtor is not obligated to do so, even though the special revenues are subject to the lien of the bond documents.

If any or all of the toll fees or the other amounts comprising Revenues are determined not to be special revenues, then any such amounts collected after the commencement of a bankruptcy case will likely not be subject to the lien of the Indenture. The holders of the Series 2023 Bonds may not be able to assert a claim against any property of OCTA other than the Revenues that are subject to the lien of the Indenture, and if any or all of the Revenues are no longer subject to the lien of the Indenture, then there may be limited, if any, funds from which the holders of the Series 2023 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, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, OCTA may be able to use Revenues to pay necessary operating expenses of the Toll Road that are greater or different than the Current Expenses and Major Maintenance Expenses as defined in the Indenture, before the remaining Revenues are made available to the Trustee to pay amounts owed to the holders of the Series 2023 Bonds. It is not clear precisely which expenses would constitute necessary operating expenses.

If OCTA is in bankruptcy, the parties (including the Trustee and the holders of the Series 2023 Bonds) may be prohibited from taking any action to collect any amount from OCTA or to enforce any obligation of OCTA, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the holders of the Series 2023 Bonds from funds in the Trustee's possession. The Rate Covenant (see "SECURITY AND SOURCE OF PAYMENT FOR THE SENIOR LIEN BONDS – Rate Covenant") may not be enforceable in bankruptcy by the Trustee or the holders of the Series 2023 Bonds.

If OCTA has any Revenues in its possession when it files for bankruptcy and such Revenues have been commingled with other moneys, then the Trustee and the holders of the Series 2023 Bonds may not have a lien on such moneys and OCTA may not be required to turn over such moneys to the Trustee. If OCTA has possession of Revenues (whether collected before or after commencement of the bankruptcy) and if OCTA does not voluntarily turn over such Revenues to the Trustee, it is not entirely clear what procedures the Trustee and the holders of the Series 2023 Bonds would have to follow to attempt to obtain possession of such Revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Under such circumstances, there may be delays or reductions in payments on the Series 2023 Bonds.

OCTA may be able to borrow additional money that is secured by a lien on any of its property (including the Revenues), which lien could have priority over the lien of the Indenture, as long as the bankruptcy court determines that the rights of the Trustee and the holders of the Series 2023 Bonds will be adequately protected. OCTA may be able to cause Revenues to be released to it, free and clear of the lien of the Indenture, as long as the bankruptcy court determines that the rights of the Trustee and the holders of the Series 2023 Bonds will be adequately protected.

OCTA may be able to reject the 2020 Joint Operating Agreement and enter into an agreement with a new operator, regardless of any restrictions in the transaction documents. Similarly, OCTA may be able to reject agreements with other service providers, including, without limitation, the Toll Lanes System Integrator Services Agreement, the Master Custodial Account Agreement, the Police Services Agreement, and the Maintenance Services Agreement, and enter into new agreements with new service providers, regardless of any restrictions in the transaction documents.

OCTA may also be able to reject the Cooperative Agreement. If such a rejection occurred, RCTC would no longer be obligated to perform under the Cooperative Agreement. Specifically, RCTC would likely no longer be obligated to make the payments to OCTA that are required by the Cooperative Agreement. OCTA may be able to reject the Franchise Agreement, the Lease, or any other agreement to which OCTA is a party relating to the Toll Road. Such a rejection could have material adverse effects on the holders of the Series 2023 Bonds.

OCTA may be able, without the consent and over the objection of the Trustee and the holders of the Series 2023 Bonds, to alter the priority, principal amount, interest rate, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Indenture and the Series 2023 Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable.

There may be delays in payments on the Series 2023 Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of OCTA that could result in delays or reductions in payments on the Series 2023 Bonds, or result in losses to the holders of the Series 2023 Bonds. Regardless of any specific adverse determinations in an OCTA bankruptcy proceeding, the fact of an OCTA bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2023 Bonds.

Commingling of Revenues. OCTA may commingle Revenues that it receives with other funds before delivering the Revenues to the Trustee. Holders of the Series 2023 Bonds may not have a perfected interest in or lien on such commingled Revenues and OCTA may fail or be unable to turn over to the Trustee any Revenues that are in its possession and have been commingled with other moneys. Under such circumstances, there could be delays or reductions in payments on the Series 2023 Bonds.

Effect of Losses in Investments. Pending delivery of Revenues to the Trustee, OCTA intends to invest Revenues. Should any of these investments suffer any losses, there may be delays or reductions in payments on the Series 2023 Bonds.

The Operator or Other Service Providers. If the Operator were to go into bankruptcy, it may stop performing its functions as operator of the Toll Road, and it may be difficult to find a third party to act as successor operator. Alternatively, the Operator may take the position that unless the amount of its compensation is increased or the terms of its obligations are otherwise altered, it will stop performing its functions as operator. If it would be difficult to find a third party to act as operator, the parties, as a practical matter, may have no choice but to agree to the demands of the Operator. The Operator may also have the power, with the approval of the bankruptcy court, to assign its rights and obligations as operator to a third party without the consent, and even over the objection, of the parties, and without complying with the requirements of the applicable documents.

If the Operator is in bankruptcy, then the parties may be prohibited from taking any action to enforce any obligations of the Operator under the applicable documents or to collect any amount owing by the Operator under the applicable documents, unless the permission of the bankruptcy court is obtained.

If the Operator is in bankruptcy, then, despite the terms of the documents, the parties may be prohibited from terminating the Operator and appointing a successor Operator.

The Trustee and the holders of the Series 2023 Bonds may not have a perfected or priority interest in any Tolls that are in the Operator's possession at the time of the commencement of the bankruptcy. The Operator may not be required to remit to the Trustee any Tolls that are in its possession at the time it goes into bankruptcy. To the extent that the Operator has commingled Tolls with its own funds, the holders of the Series 2023 Bonds may be required to return to the Operator as preferential transfers payments received on the Series 2023 Bonds that are traceable to funds received from the Operator.

There may be delays in payments on the Series 2023 Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of the Operator that could result in delays or reductions in payments on the Series 2023 Bonds, or result in losses to the holders of the Series 2023 Bonds. Regardless of any specific adverse determinations in an Operator bankruptcy proceeding, the fact of an Operator bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2023 Bonds.

Similar risks exists should any other service provider with respect to the Toll Road, including, without limitation, Kapsch TrafficCom USA, Inc., go into bankruptcy or become insolvent.

Third Parties in Possession of Funds. It is contemplated that there will be arrangements in place where cash advances received by a third party, including, without limitation, the Operator and RCTC, may be applied to the payment of tolls by a user of the Toll Road. See "OPERATIONAL AGREEMENTS – Master Custodial Account Agreement." Such cash advances are not subject to the lien of the Indenture until they become Tolls. The Indenture requires that such business organization or governmental entity must agree to take such actions as OCTA may determine are reasonably necessary to assure that OCTA will receive timely payment of such Tolls. Nonetheless, no assurance can be given that, should such a third party go into bankruptcy or become insolvent, such agreement will be effective to assure that OCTA will receive timely payment of such Tolls.

If a third party in possession of cash advances is in bankruptcy, then the parties may be prohibited from taking any action to enforce any obligations of the third party under the applicable documents or to collect any amount owing by the third party under the applicable documents, unless the permission of the bankruptcy court is obtained.

Should a third party in possession of cash advances go into bankruptcy, OCTA, the Trustee, and the holders of the Series 2023 Bonds may not have a lien on, or other interest in, the moneys held by such third party and the third party may not be required to turn over to OCTA or the Trustee such moneys when they become Tolls. While such agreements may provide that the third party holds such cash advances in trust, no assurance can be given that a court will not conclude that the relevant agreement does not in fact create a valid trust arrangement. Users of the Toll Road may assert that because they have already paid the third party, they are entitled to use the Toll Road without paying a second time, regardless of whether the third party turns over funds to OCTA or the Trustee. Under such circumstances, there could be delays or reductions in payments on the Series 2023 Bonds.

The holders of the Series 2023 Bonds may be required to return to such third party as preferential transfers payments received on the Series 2023 Bonds that are traceable to funds received from such third party.

There may be delays in payments on the Series 2023 Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of a third party in possession of cash advances that could result in delays or reductions in payments on the Series 2023 Bonds, or result in losses to the holders of the Series 2023 Bonds. Regardless of any specific adverse determinations in a bankruptcy proceeding of such a third party, the fact of such a bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2023 Bonds.

RCTC. RCTC is a party to the 2020 Joint Operating Agreement and the Cooperative Agreement. RCTC has obligations to OCTA under these agreements, including the obligation to pay certain amounts to OCTA that constitute Revenues and the obligation to pay to OCTA certain maintenance costs of the Toll Road. RCTC is authorized to file for bankruptcy under Chapter 9 of the Bankruptcy Code under certain circumstances. An involuntary bankruptcy petition cannot be filed against RCTC. Should RCTC file for bankruptcy, there could be adverse effects on the holders of the Series 2023 Bonds. If RCTC is in bankruptcy, the parties (including the Trustee and the holders of the Series 2023 Bonds) may be prohibited from taking any action to collect any amount from RCTC or to enforce any obligation of RCTC, unless the permission of the bankruptcy court is obtained. With the authorization of the bankruptcy court, RCTC may be able to repudiate some or all of its agreements with OCTA or that relate to the Toll Road or the RCTC Toll Road, including, without limitation, the 2020 Joint Operating Agreement and the Cooperative Agreement, and stop performing its obligations (including payment obligations) under such agreements. Such a repudiation could also excuse the other parties to such agreements from performing any of their obligations. In bankruptcy, RCTC may fail to operate or maintain the RCTC Toll Road properly (or at all) and because the RCTC Toll Road connects to the Toll Road, any issues with respect to the RCTC Toll Road could have an adverse effect on the Toll Road. The Trustee and the holders of the Series 2023 Bonds may be required to return to RCTC as preferential transfers payments received on the Series 2023 Bonds that are traceable to funds received from RCTC.

There may be delays in payments on the Series 2023 Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of RCTC that could result in delays or reductions in payments on the Series 2023 Bonds, or result in losses to the holders of the Series 2023 Bonds. Regardless of any specific adverse determinations in an RCTC bankruptcy proceeding, the fact of an RCTC bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2023 Bonds.

Dilution of Security Upon Bankruptcy Related Event. Pursuant to the provisions of the Indenture, OCTA may issue or incur TIFIA Obligations as Parity Obligations, Junior Lien Bonds or Subordinate Lien Bonds. In the event OCTA issues or incurs TIFIA Obligations as Junior Lien Bonds or Subordinate Lien Bonds, upon the occurrence of a Bankruptcy Related Event, the TIFIA Obligation (other than any portion thereof that has been sold to a non-governmental commercial entity) will be deemed to be a Parity Obligation. The documents provide that, in such event, the TIFIA Obligation would be secured by and payable from the Pledged Funds on a parity with the Series 2023 Bonds (although this provision may not be enforceable). See also "SECURITY AND SOURCE OF PAYMENT FOR THE SENIOR LIEN BONDS - Additional Senior Lien Bonds; Refunding Bonds; Parity Obligations; Junior Lien Bonds; Subordinate Lien Bonds; TIFIA Obligations."

The term "Bankruptcy Related Event" as defined in the Indenture includes OCTA becoming unable to pay its debts generally as they become due. Thus, it is not necessary for OCTA to file a petition under Chapter 9 of the Bankruptcy Code in order for a Bankruptcy Related Event to occur. Moreover, OCTA's ability to pay its debts generally as they become due may not always be subject to precise determination.

Market Liquidity Risks

Three credit rating agencies have been engaged to assign credit ratings to the Series 2023 Bonds. A rating is not a recommendation to purchase, hold or sell the Series 2023 Bonds, and does not address the market price or suitability of the Series 2023 Bonds for a particular investor. A rating on the Series 2023 Bonds may not remain for any given period of time and may be lowered or withdrawn depending on, among other things, each rating agency's assessment of the credit strength of the Pledged Funds.

OCTA has been informed by the Underwriters that they intend to make a market in the Series 2023 Bonds after the completion of this offering; however, the Underwriters are not required to make a market in the Series 2023 Bonds, and they may cease market-making at any time without notice. OCTA cannot assure potential investors that an active market for the Series 2023 Bonds will develop. Even if a market for the Series 2023 Bonds does develop, depending on prevailing interest rates and market conditions generally, the Series 2023 Bonds could trade at a discount from their initial offering price. Holders of the Series 2023 Bonds may not be able to sell their Series 2023 Bonds in the future or such sale may not be at a price equal to or greater than the initial offering price of the Series 2023 Bonds. As a result, holders of the Series 2023 Bonds may not be able to liquidate their investment quickly or to liquidate it at an attractive price or at all.

Cybersecurity

OCTA relies on large and complex technology networks, systems, information, and other assets, including those managed by Cofiroute ("Information and Operations Technology") for efficient operations, provision of services to the public, and collection of Tolls and other revenue on the Toll Road. In connection with its delivery of critical services to the public, OCTA's Information and Operations Technology collects and stores sensitive customer data, including financial information, security information, proprietary business information, information regarding customers, suppliers and business partners, and personally identifiable information of customers and employees (collectively, "PII").

OCTA and Cofiroute implement physical, technical, and administrative safeguards to protect the operations of its Information and Operations Technology and PII, including measures to comply with applicable requirements of federal and State law. Despite implementation of a security program and measures to protect its Information and Operations Technology and PII, OCTA's and Cofiroute's network, systems, information and other assets may experience cybersecurity risks and threats from time to time, including those that may result in the compromise of PII, theft or manipulation of information, and operational disruptions and outages, by employees through error or malfeasance, criminal or malicious hackers, terrorists, and hacktivists. Although both OCTA and Cofiroute maintain cyber liability insurance, any cybersecurity incident, intrusion, or attack could result in unauthorized access to or acquisition of sensitive information or PII, disruptions to OCTA's operations, including toll collection and financial reporting or other activities, legal claims or proceedings, including but not limited to laws that protect the privacy of personal information, and regulatory inquiries and penalties. In the past five years, OCTA and Cofiroute have not experienced a cybersecurity incident that resulted in the identification of unauthorized access to sensitive systems or data in connection with the Toll Road.

Infectious Disease, Pandemic and Public Health Considerations

In general, the outbreak of a highly contagious disease or epidemic disease could reduce traffic on the Toll Road and negatively impact Tolls. The outbreak of a respiratory disease caused by a new strain of coronavirus ("COVID-19"), was declared a global pandemic by the World Health Organization in March 2020. Since the onset of the COVID-19 pandemic, California Governor Gavin Newsom and other federal, State and local officials have issued numerous restrictions and warnings, and have taken and continue to take, various actions, including executive orders and the passage of laws and regulations, on a wide array of topics, to slow the spread of COVID-19 and to address the ongoing public health and economic consequences of the COVID-19 pandemic.

The COVID-19 pandemic created significant challenges for toll road facilities. State and local governments across the United States issued orders for residents to self-quarantine and refrain from non-essential travel in an effort to slow the spread of the virus. These efforts caused the economy to slow and resulted in severe traffic declines well in excess of peak losses during the global financial crisis in 2008.

Managed-lane facilities throughout the country experienced year-over-year commuter traffic declines of about 60 to 70 percent. The Toll Road was no different, experiencing traffic declines of approximately 70 percent when compared to the same period in 2019.

As a result of the lower traffic volumes, Tolls declined significantly, and calls into the customer service center decreased by 40 percent. Operational activities continued to function with a combination of remote workers and core staff located at the Toll Road facilities. Core essential functions included aiding stranded motorists through freeway service patrols, providing incident management services and dispatching emergency vehicles through the traffic operations center, and responding to customer service and violation calls at the customer service center.

With less traffic on the Toll Road, some violation and collection efforts were temporarily halted by OCTA. (RCTC did the same on the RCTC Toll Road.) These included pausing outbound collection calls, not sending collection notices, and stopping the transmission of violation files to the collection agency. The violations remained outstanding until certain temporary State measures concluded. In addition to violations and collection efforts, the Toll Road suspended the assessment of monthly account maintenance fees to customer accounts, waived the July 1, 2020 cost of living adjustment of two percent applied to tolls, and suspended any toll increases for a temporary basis. By the end of calendar year 2020, all temporary State measures concluded, and regular business operations resumed. OCTA cannot provide any assurances that a similar or other outbreak of a highly contagious disease or epidemic disease will not occur in the future, which impacts traffic on the Toll Road or Tolls.

State Legislation

State legislation is introduced from time to time that could affect the finances or operations of the Toll Road, including the level and expenditure of tolls. OCTA cannot predict whether any such legislation will be introduced or enacted in future legislative sessions.

Voter Initiatives

Existing Voter Initiatives. California Constitutional provisions allow for amendments by voter approval of qualified initiative petitions as well as legislative proposals and referendums. Over the years, such amendments have limited state and local taxing and spending powers.

In 1996, the voters of the State approved Proposition 218, a constitutional initiative, entitled the "Right to Vote on Taxes Act" ("Proposition 218"). Proposition 218 added Articles XIII C and XIII D to the California Constitution and contains a number of interrelated provisions affecting the ability of local governments to levy and collect both existing and future taxes, assessments, fees and charges. Proposition 218 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. Proposition 218 also provides for broad initiative powers to reduce or repeal any local tax, assessment, fee or charge.

In 2010, the voters of the State approved Proposition 26, another constitutional initiative, entitled the "Supermajority Vote to Pass New Taxes and Fees Act" ("Proposition 26"). Proposition 26, among other things, added a definition of "tax" as used in Article XIII A, which contains certain limitations with respect to changes in State statute that results in any taxpayer paying a higher tax, and Article XIII C of the California Constitution. OCTA does not believe that the levy and collection of tolls for use of the Toll Road are taxes subject to the voter approval provisions of Propositions 26 and 218.

The Supreme Court of California, in the case of *Bighorn-Desert View Water Agency v. Verjil*, 39 Cal. 4th 205 (2006), also held that the initiative power described in Article XIII C applies to any local taxes, assessments, fees and charges as defined in Articles XIII C and XIII D. Article XIII D defines "fee" or "charge" to mean a levy (other than ad valorem or special taxes or assessments) imposed by a local government "upon a parcel or upon a person as an incident of property ownership," including a user fee for a "property related service." However, the Court also found that the terms "fee" and "charge" in section 3 of Article XIII C may not be subject to a "property related" qualification. OCTA does not believe that any toll charged for use of the Toll Road is a "fee" or "charge" as defined in Article XIII C or XIII D. If ultimately found to be applicable to such tolls, the initiative power could be used to rescind or reduce the levy and collection of such tolls under Proposition 218. Any attempt by voters to use the initiative provisions under Proposition 218 in a manner which would prevent the payment of debt service on OCTA's toll revenue bonds arguably violates the Contract Clause of the United States Constitution and accordingly should be precluded. OCTA cannot predict the potential financial impact on the financial condition of OCTA and OCTA's ability to pay the principal of and interest on the Series 2023 Bonds as and when due, as a result of the exercise of the initiative power under Proposition 218.

Future Voter Initiatives. Articles XIII A, XIII C and XIII D of the California Constitution were each adopted and amended pursuant to the State's constitutional initiative process. From time to time, other initiative measures could be adopted by voters that affect OCTA or Tolls.

As one example, on February 1, 2023, the California Secretary of State determined that a voter initiative, entitled "The Taxpayer Protection and Government Accountability Act," ("Initiative 1935"), is eligible for the November 2024 Statewide general election and, unless withdrawn by its proponent prior to June 27, 2024, will be certified as qualified for the ballot in such election. Were it ultimately adopted by a majority of voters in the Statewide general election, Initiative 1935 would amend the State Constitution to, among other things, expand the definition of taxes, impose heightened barriers for State and local governments to impose taxes and exempt fees, and potentially retroactively void certain taxes enacted or imposed after January 1, 2022 or exempt fees not imposed in accordance with its provisions.

Among other changes to Article XIII A and XIII C, Initiative 1935 would amend the provision of Article XIII A. Were Initiative 1935 adopted by voters, such provision would subsequently except from the definition of tax in Article XIII A "reasonable charge[s] for entrance to or use of state property…."

OCTA does not believe that Tolls would constitute taxes subject to voter approval under the provisions of Propositions 218 and 26, as amended by Initiative 1935 were it adopted by voters. However, if adopted, the scope and impact of Initiative 1935 would be subject to future judicial interpretation. OCTA is unable to predict whether and how Initiative 1935 would be interpreted by the courts to apply to its toll program, and no assurance may be given that any such interpretation or application would not have an adverse impact on OCTA or Tolls.

Insurance Coverage

Pursuant to the Indenture, OCTA covenants that it will maintain or cause to be maintained a practical insurance program, with such reasonable terms, conditions, provisions and costs, as OCTA in its sole discretion determines will afford adequate insurance protection. Under the Indenture, OCTA is required to provide insurance against loss caused by damage to or destruction of all or any part of any of the Toll Road and comprehensive public liability insurance for bodily injury and property damage relating to any part of the Toll Road owned by it and such other insurance as OCTA in its sole discretion may determine.

In addition to the coverage maintained by the Operator pursuant to the 2020 Joint Operating Agreement, OCTA currently maintains insurance policies for primary property, flood, and earthquake for the Toll Road. Currently, seven insurers provide primary property, flood, and earthquake coverage for the Toll Road with a total policy limit of $157 million on an "all risk" basis and $90 million combined total limit for earthquake coverage. Flood protection is currently provided in the current program with a combined $50 million coverage limit and a $100,000 deductible. These policies provide catastrophic protection for the roadway, structures, and business personal property, including business interruption coverage against losses caused by fire, flood, and earthquake. Other current coverage includes losses due to civil authority, ingress/egress, debris removal, demolition and increased costs of construction, equipment breakdown, including electronic data processing equipment, valuable papers, earthquake sprinkler leakage, and boiler and machinery.

Policy deductibles for these seven policies vary by category of coverage. The current policies carry a $50,000 deductible that applies to all perils except:

- $10,000 deductible for surveillance equipment;
- $100,000 deductible for flood;
- Seven-day deductible for business interruption; and
- $1,000,000 deductible for earthquake.

For more information regarding the insurance maintained by the Operator pursuant to the 2020 Joint Operating Agreement, see "OPERATIONAL AGREEMENTS – Joint Operating Agreement."

Forward-Looking Statements

This Official Statement and Appendices hereto contain "forward-looking statements," which generally can be identified with words or phrases such as "anticipates," believes," "could," "estimates," "expects," "foresees," "may," "plan," "predict," "should," "will" or other words or phrases of similar import. All statements included in this Official Statement and Appendices hereto that any person expects or anticipates will, should or may occur in the future, including but not limited to, the projections in the Traffic and Revenue Update prepared by the Traffic and Revenue Consultant are forward-looking statements. These statements are based on assumptions and analysis made by OCTA and the Traffic and Revenue Consultant, as applicable, in light of their experience and perception of historical trends, current conditions and expected future developments as well as other factors they believe are appropriate in the circumstances. However, whether actual results and developments will conform with expectations and predictions is subject to a number of risks and uncertainties, including, without limitation, the information discussed under this "Investment Considerations" caption of this Official Statement as well as additional factors beyond OCTA's control. The important investment considerations and assumptions described under that caption and elsewhere in this Official Statement could cause actual results to differ materially from those expressed in any forward-looking statement. All of the forward-looking statements made in this Official Statement and any Appendices hereto are qualified by these cautionary statements. There can be no assurance that the actual results or developments anticipated will be realized or, even if substantially realized, that they will have the expected consequences to or effects on OCTA's revenues or operations. All subsequent forward-looking statements attributable to OCTA or persons acting on their behalf are expressly qualified in their entirety by the factors and assumptions described above and in any documents containing those forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to OCTA and the other aforementioned entities on the date hereof, and neither OCTA nor any of such other aforementioned entities assumes any obligation to update any such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates that are inherently subject to numerous risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Demographic and Economic Changes. The traffic forecasts of the Traffic and Revenue Consultant are sensitive to changes in, among other assumptions, population, household and employment levels, and growth and income levels. Additionally, the current housing and employment imbalance between Orange County and Riverside County may change over the term of the Series 2023 Bonds. While the Traffic and Revenue Consultant believes that the demographic growth forecasts set forth in the Traffic and Revenue Update are reasonable, neither OCTA, the Underwriters nor the Traffic and Revenue Consultant can guarantee that such growth forecasts will be realized.

FINANCIAL STATEMENTS

The audited financial statements for the Orange County Transportation Authority 91 Express Lanes Fund, an enterprise fund of OCTA, as of and for the Fiscal Year ended June 30, 2022, attached as Appendix B to this Official Statement, have been audited by Crowe LLP, as stated in their report herein. Crowe LLP was not requested to consent to the inclusion of their report in Appendix B, nor has Crowe LLP 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 Crowe LLP with respect to any event subsequent to the date of their report. OCTA represents that, except as described herein, there has been no material adverse change in the financial position of the 91 Express Lanes Fund since June 30, 2022.

CONTINUING DISCLOSURE

Pursuant to the Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), the form of which is attached hereto as Appendix D, OCTA will agree to provide certain financial information and operating data relating to OCTA and the Toll Road by not later than January 15 of each year (commencing with the report for Fiscal Year 2022-23, which is due not later than January 15, 2024) (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events as specified in the Continuing Disclosure Certificate. The Annual Report and notices of enumerated events will be filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website (EMMA). The specific nature of the information to be contained in the Annual Report and in the notices of enumerated events is specified in the Continuing Disclosure Certificate. OCTA has agreed to provide Annual Reports and notices of enumerated events for the benefit of the Bondholders and beneficial owners of the Series 2023 Bonds in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”).

[The Annual Reports relating to the Series 2013 Bonds posted on EMMA prior to December 30, 2019 did not include the CUSIP number assigned to the term bond maturing on December 15, 2030, and the Annual Report relating to the Series 2013 Bonds for the fiscal year ended June 30, 2018, posted on EMMA on December 21, 2018 in accordance with OCTA's continuing disclosure undertakings for the Series 2013 Bonds, did not include Total Tolls data for the fiscal year ended June 30, 2018, which was included in a replacement filing posted to EMMA on January 14, 2019.]

RATINGS

Fitch Ratings ("Fitch"), Moody's Investor's Service, Inc. ("Moody's") and S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") have assigned the Series 2023 Bonds ratings of "[__]," "[__]," and "[__]," respectively. Certain information was supplied by OCTA to Fitch, Moody's and S&P to be considered in evaluating the Series 2023 Bonds. The ratings reflect only the views of such rating agencies, and will not constitute a recommendation to buy, sell or hold the Series 2023 Bonds. Explanation of the significance of the ratings may be obtained from Fitch, Moody's and S&P.

There is no assurance that any rating will be retained for any given period of time or that a rating will not be revised downward or withdrawn entirely by a rating agency if, in its judgment, circumstances so warrant. Any such revision or withdrawal of any or all of the ratings may have an adverse effect on the market price of any of the Series 2023 Bonds. Neither the Underwriters nor OCTA has undertaken any responsibility after the offering of the Series 2023 Bonds to assure the maintenance of the rating or to oppose any such revision or withdrawal.

TAX EXEMPTION

General

In the opinion of Bond Counsel, under existing law and subject to certain qualifications described below, interest on the Series 2023 Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is exempt from State of California personal income taxes. Interest on the Series 2023 Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on applicable corporations for tax years beginning after December 31, 2022. The proposed form of opinion of Bond Counsel with respect to the Series 2023 Bonds to be delivered on the date of issuance of the Series 2023 Bonds is set forth in APPENDIX F.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2023 Bonds. OCTA has covenanted to comply with certain restrictions designed to assure that interest on the Series 2023 Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Series 2023 Bonds being included in federal gross income, possibly from the date of issuance of the Series 2023 Bonds. Bond Counsel's opinion assumes the accuracy of the representations made by OCTA and is subject to the condition that OCTA comply with the above-referenced covenants. If OCTA fails to comply with such covenants or if OCTA's representations are inaccurate or incomplete, interest on the Series 2023 Bonds could be included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2023 Bonds.

Although Bond Counsel has rendered an opinion that interest on the Series 2023 Bonds is excluded from federal gross income, and is exempt from State of California personal income taxes, the ownership or disposition of the Series 2023 Bonds, and the accrual or receipt of interest with respect to the Series 2023 Bonds may otherwise affect an Owner's state or federal tax liability. The nature and extent of these other tax consequences will depend upon each Owner's particular tax status and the Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Original Issue Premium and Discount

If the initial offering price to the public at which a Series 2023 Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes. If the initial offering price to the public at which a Series 2023 Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes. De minimis original issue discount and original issue premium is disregarded.

Under the Code, original issue discount is treated as interest excluded from federal gross income to the extent properly allocable to each Owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Series 2023 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Series 2023 Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Series 2023 Bond. The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Series 2023 Bonds who purchase the Series 2023 Bonds after the initial offering of a substantial amount of such maturity. Owners of such Series 2023 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2023 Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Series 2023 Bonds under the federal alternative minimum tax.

Under the Code, original issue premium is amortized on an annual basis over the term of the Series 2023 Bond (said term being the shorter of the Series 2023 Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the Owner of the Series 2023 Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Series 2023 Bond is amortized each year over the term to maturity of the Series 2023 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Series 2023 Bond premium is not deductible for federal income tax purposes. Owners of premium Series 2023 Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to federal income tax consequences of owning such Series 2023 Bonds.

Post Issuance Matters

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2023 Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS.

Bond Counsel's engagement with respect to the Series 2023 Bonds ends with the issuance of the Series 2023 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend OCTA or the

Owners regarding the tax-exempt status of the Series 2023 Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than OCTA and its appointed counsel, including the Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which OCTA legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2023 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2023 Bonds, and may cause OCTA or the Owners to incur significant expense.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2023 Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 2023 Bonds. Prospective purchasers of the Series 2023 Bonds should consult their own tax advisors regarding any pending or proposed legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LITIGATION

No litigation is pending or, to the best knowledge of OCTA, threatened concerning the validity of the Series 2023 Bonds. OCTA is not aware of any pending or threatened litigation questioning the political existence of OCTA or contesting OCTA's ability to impose and collect the Tolls or pledge the Pledged Funds pursuant to the Indenture.

MUNICIPAL ADVISOR

OCTA has retained Sperry Capital Inc., Mill Valley, California, as Municipal Advisor (the "Municipal Advisor") in connection with the authorization and issuance of the Series 2023 Bonds and certain other financial matters. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other negotiable instruments. Payment of the fees and expenses of the Municipal Advisor is contingent upon the sale and delivery of the Series 2023 Bonds.

VERIFICATION OF MATHEMATICAL ACCURACY

[VERIFICATION AGENT] (the "Verification Agent") will verify from the information provided to them the mathematical accuracy of the computations contained in the schedules provided to them to determine that the amount to be applied to defease the Series 2013 Bonds on the date of issuance of the Series 2023 Bonds and pay and redeem the Series 2013 Bonds on the Redemption Date. The Verification Agent will express no opinion on the assumptions provided to them.

The report of the Verification Agent will include the statement that the scope of their engagement is limited to verifying the mathematical accuracy of the computations contained in such schedules provided to them and that they have no obligation to update their report because of events occurring, or data or information coming to their attention, subsequent to the date of their report.

LEGAL MATTERS

Certain legal matters incident to the issuance of the Series 2023 Bonds are subject to the unqualified approving opinion of Nossaman LLP, Los Angeles, California, Bond Counsel, the proposed form of which is attached hereto as Appendix F. Approval of other legal matters will be passed upon for OCTA by Woodruff & Smart, Costa Mesa, California, general counsel to OCTA. Certain legal matters will be passed upon for the Underwriters by Orrick, Herrington & Sutcliffe LLP, Irvine, California, counsel to the Underwriters. Payment of the fees and expenses of Bond Counsel and counsel to the Underwriters is contingent upon the sale and delivery of the Series 2023 Bonds.

UNDERWRITING

The Series 2023 Bonds are being purchased by Wells Fargo Bank, National Association, on behalf of itself as senior manager and as representative of J.P. Morgan Securities LLC (the "Underwriters") at a price equal to $__________ (the aggregate principal amount of the Series 2023 Bonds, plus net original issue premium of $__________, less an underwriters' discount of $__________). The purchase agreement relating to the Series 2023 Bonds provides that the Underwriters will purchase all of the Series 2023 Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said purchase agreement, the approval of certain legal matters by counsel and certain other conditions.

The Series 2023 Bonds may be offered and sold to certain dealers and others at prices lower than the offering prices stated on the cover page hereof. The offering prices may be changed from time to time.

The language set forth below under this caption has been provided by and is being included in this Official Statement at the request of the Underwriters identified below. OCTA cannot and does not assume any responsibility for the accuracy of any of the information set forth below under this caption.

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.

WFBNA, acting though its Municipal Finance Group, one of the underwriters of the Series 2023 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 Series 2023 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 Series 2023 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 Series 2023 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.

J.P. Morgan Securities LLC ("JPMS") has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2023 Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2023 Bonds that such firm sells.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial 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 OCTA, 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 OCTA.

OTHER MATTERS

This Official Statement is not to be construed as a contract or agreement between OCTA and the purchasers, registered owners or beneficial owners of any of the Series 2023 Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of OCTA since the date hereof.

Additional information may be obtained upon request from the office of OCTA at 550 South Main Street, Orange, California 92863-1584, (714) 560-6282.

The execution and delivery of this Official Statement have been duly authorized by OCTA.

ORANGE COUNTY TRANSPORTATION AUTHORITY

By: ____

Chief Financial Officer

APPENDIX A-1

OCTA 91 EXPRESS LANES TRAFFIC AND REVENUE UPDATE, DATED AUGUST 4, 2022

APPENDIX A-2

OCTA 91 EXPRESS LANES TRAFFIC AND REVENUE BRINGDOWN LETTER, DATED MAY 9, 2023

APPENDIX B

91 EXPRESS LANES FUND (AN ENTERPRISE FUND OF THE ORANGE COUNTY TRANSPORTATION AUTHORITY) FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE OF TRUST

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

APPENDIX F

PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX G

TOLL POLICY

APPENDIX H

TOLL SCHEDULE