

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER __, 2021

New Issue - Book-Entry Only**Ratings:** See "Ratings" herein.

In the opinion of Nossaman LLP, Bond Counsel to the Authority, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2021 Notes is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Series 2021 Notes is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2021 Notes. See "Tax Matters" herein.

\$ _____*

**Orange County Transportation Authority
(Orange County, California)**

Bond Anticipation Notes (I-405 Improvement Project), Series 2021

Dated: Date of Delivery**Due: October 15, 2024**

The Orange County Transportation Authority Bond Anticipation Notes (I-405 Improvement Project), Series 2021 (the "Series 2021 Notes") will be issued to refinance or finance the costs of certain improvements to Interstate 405, to provide for payment of interest on the Series 2021 Notes to their date of maturity and to pay costs of issuance of the Series 2021 Notes.

The Series 2021 Notes 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"). Purchasers of Series 2021 Notes will not receive instruments representing their interests in the Series 2021 Notes purchased. Individual purchases of Series 2021 Notes will be made in principal amounts of \$5,000 or integral multiples thereof.

Interest on the Series 2021 Notes is payable semiannually on April 15 and October 15, commencing April 15, 2022. Principal of and interest due with respect to the Series 2021 Notes will be paid by U.S. Bank National Association, as trustee (the "Trustee"), to DTC. DTC will remit such principal and interest to its participants, which will in turn remit such principal and interest to the beneficial owners of the Series 2021 Notes. See Appendix H - "Book-Entry Only System."

The Series 2021 Notes are not subject to redemption prior to maturity.

The Series 2021 Notes are limited obligations of the Orange County Transportation Authority (the "Authority") secured by the provisions of the Master Indenture, dated as of September 1, 2021 (the "Master Indenture"), as supplemented and amended from time to time pursuant to its terms, including as supplemented by the First Supplemental Indenture, dated as of September 1, 2021 (the "First Supplemental Indenture," and, together with the Master Indenture, the "Indenture"), between the Authority and the Trustee.

The Series 2021 Notes are payable from and secured by a pledge of certain assets and revenues of the Authority (herein referred to as the "Collateral"). The Collateral is comprised of: (a) proceeds from draws under a loan agreement entered into with the United States Department of Transportation, an agency of the United States of America, acting by and through the Executive Director of the Build America Bureau; (b) any legally available funds of the Authority excluding (i) amounts received from LTF Revenues (as such term is defined in the Indenture), (ii) federal grant funds, (iii) any revenues and assets with respect to the California State Route 91 Express Lanes and (iv) any revenues received from operation of the freeway callbox system in Orange County and from the freeway service patrol; (c) all amounts held by the Trustee in the funds and accounts established under the Indenture, including investment earnings thereon, excluding amounts deposited to the Rebate Fund (as such term is defined in the Indenture); and (d) proceeds from the sale of bonds, notes or other evidence of indebtedness issued by the Authority and subject to purchase by the Orange County Local Transportation Authority (the "Local Transportation Authority") pursuant to the Standby Bond Purchase Agreement entered into between the Authority and the Local Transportation Authority. See "Security and Source of Payment for the Series 2021 Notes" herein.

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 the Authority, to the extent of the pledge described herein, is pledged to the payment of principal of or interest on the Series 2021 Notes.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2021 Notes are offered when, as and if issued by the Authority and received by the Underwriters subject to the approval of validity by Bond Counsel and certain other conditions. Certain legal matters will be passed upon for the Authority by Bond Counsel and Woodruff, Spradlin & Smart, Costa Mesa, California, general counsel to the Authority. Certain legal matters will be passed upon for the Underwriters by Orrick, Herrington & Sutcliffe LLP, counsel to the Underwriters. It is anticipated that the Series 2021 Notes will be available for delivery in book-entry form through DTC on or about September __, 2021.

* Preliminary, subject to change.
4143-4701-2144.5

BofA Securities

Citigroup

Barclays

Wells Fargo Securities

The date of this Official Statement is _____.

MATURITY SCHEDULE

\$ _____^{*}
Orange County Transportation Authority
(Orange County, California)
Bond Anticipation Notes (I-405 Improvement Project),
Series 2021

<u>Maturity Date*</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP[†]</u>
October 15, 2024				

^{*} Preliminary, subject to change.

[†] CUSIP® is a registered trademark of the American Bankers Association. The CUSIP data herein is provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers are not intended to create a database and do not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the Authority and are provided solely for convenience and reference. Neither the Authority nor the Underwriters take any responsibility for the accuracy of the CUSIP numbers provided herein..

**ORANGE COUNTY TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS**

Andrew Do, Chairman (Board of Supervisors, Orange County)
Mark A. Murphy, Vice Chairman (Mayor, City of Orange)
Lisa A. Bartlett (Board of Supervisors, Orange County)
Doug Chaffee (Board of Supervisors, Orange County)
Barbara Delgleize (Mayor Pro Tem, City of Huntington Beach)
Katrina Foley (Board of Supervisors, Orange County)
Brian Goodell (City Council, City of Mission Viejo)
Patrick Harper (Mayor Pro Tem, Fountain Valley)
Michael Hennessey (Public Member)
Gene Hernandez (City Council, City of Yorba Linda)
Steve Jones (Mayor, City of Garden Grove)
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Donald P. Wagner (Board of Supervisors, Orange County)
Ryan Chamberlain (Governor's Ex-Officio Member)

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Chief Executive Officer

Darrell E. Johnson

Deputy Chief Executive Officer and Chief Operating Officer

Jennifer L. Bergener

Chief Financial Officer

Andrew Oftelie

Director, Finance and Administration

Sean Murdock

Treasury and Public Finance Manager

Robert Davis

SPECIAL SERVICES

General Counsel

Woodruff, Spradlin & Smart
Costa Mesa, California

Municipal Advisor

Sperry Capital Inc.
Sausalito, California

Bond Counsel

Nossaman LLP
Los Angeles, California

Trustee

U.S. Bank National Association
Los Angeles, California

No dealer, broker, salesperson or other person has been authorized by the Orange County Transportation Authority (the "Authority") or the Underwriters identified on the cover page of this Official Statement to give any information or to make any representations other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2021 Notes by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2021 Notes. Statements contained in this Official Statement which involve estimates, projections, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The information set forth herein has been obtained from the Authority and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the Underwriters. The information and expressions of opinion 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 since the date hereof in the affairs of the Authority or in any other matters which are material to the full and punctual payment of the Series 2021 Notes. All summaries of statutes and documents are made subject to the provisions of such statutes and documents, respectively, and do not purport to be complete statements of any or all of such provisions.

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

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

This Official Statement is submitted in connection with the sale of the Series 2021 Notes referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The Series 2021 Notes have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained therein, and have not been registered or qualified under the securities laws of any state.

In connection with the offering of the Series 2021 Notes, the Underwriters may effect transactions which stabilize or maintain the market price of the Series 2021 Notes offered hereby at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriters may offer and sell the Series 2021 Notes to certain dealers, institutional investors and others at prices lower than the public offering prices stated on the inside front cover page of this Official Statement, and said public offering prices may be changed from time to time by the Underwriters.

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OFFICIAL STATEMENT

\$ _____ *

**Orange County Transportation Authority
(Orange County, California)
Bond Anticipation Notes (I-405 Improvement Project),
Series 2021**

INTRODUCTION

General

This Official Statement, including the cover page and all appendices hereto (the "Official Statement") sets forth certain information in connection with the offering of Orange County Transportation Authority Bond Anticipation Notes (I-405 Improvement Project), Series 2021 (the "Series 2021 Notes"). 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 2021 Notes to potential investors is made only by means of the entire Official Statement and, therefore, potential investors should carefully review the entire Official Statement.

The Series 2021 Notes will be issued by the Orange County Transportation Authority (the "Authority") pursuant to a Master Indenture, as supplemented by a First Supplemental Indenture thereto, each dated as of September 1, 2021 (hereinafter collectively referred to as the "Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). All capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in Appendix D - "Summary of Principal Documents" or in the Indenture.

The Authority

The Authority is an umbrella agency responsible for transportation matters within the County of Orange, California (the "County" or "Orange County"). The Authority 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 Authority."

* Preliminary, subject to change.

Authorization for Issuance

The Series 2021 Notes are being issued pursuant to authority granted under Division 12 of the Public Utilities Code of the State of California (Section 130000 et seq.) (the "Act"), Section 149.7 of the Streets and Highways Code of the State of California, a resolution adopted by the Board of Directors of the Authority on September 13, 2021 (the "Resolution"), and the Indenture.

Interstate 405 Improvement Project

The Interstate 405 Improvement Project (the "I-405 Project" or the "Project") will improve 16 miles of Interstate 405 ("I-405") between California State Route 73 ("SR-73") in Costa Mesa and Interstate 605 ("I-605") near the Los Angeles County line. The I-405 Project will add one general purpose lane in each direction from Euclid Street to I-605 and will add an additional lane in each direction that will combine with the existing high-occupancy vehicle lane to provide dual express lanes in each direction of I-405 from SR-73 to I-605, otherwise known as the 405 Express Lanes. The I-405 Project will also replace 18 bridges that cross over the I-405 freeway and make improvements to the freeway entrances and exits.

Purpose and Application of Proceeds of Series 2021 Notes

Proceeds of the Series 2021 Notes will be applied to provide funding for the I-405 Project and to repay a bridge loan (the "Bridge Loan"), which the Authority secured from Bank of America, N.A. to prepay a loan made to the Authority by the United States Department of Transportation, acting by and through the Executive Director of the Build America Bureau (the "TIFIA Lender") under the Transportation Infrastructure Finance and Innovation Act (the "2017 TIFIA Loan") pursuant to a TIFIA Loan Agreement, dated July 26, 2017 (the "2017 TIFIA Loan Agreement"), between the TIFIA Lender and the Authority, to fund the I-405 Project.

To achieve debt service savings, on [Date of 2017 TIFIA Loan Prepayment], the Authority prepaid all outstanding amounts under the 2017 TIFIA Loan, canceled all commitments under the 2017 TIFIA Loan and terminated the 2017 TIFIA Loan Agreement. Concurrently with such prepayment, cancellation and termination, the Authority entered into a replacement loan agreement with the TIFIA Lender (the "2021 TIFIA Loan Agreement") pursuant to which the TIFIA Lender agreed to make a loan (the "2021 TIFIA Loan") to the Authority to provide funding for the I-405 Project.

The Authority anticipates drawing on the 2021 TIFIA Loan to pay principal and interest due and payable on the Series 2021 Notes upon their maturity. Pursuant to the Indenture, the Authority is required to comply in all material respects with its obligations under the 2021 TIFIA Loan Agreement and shall only use the proceeds of the Series 2021 Notes to pay for "Eligible Project Costs" as such term is defined in the 2021 TIFIA Loan Agreement. To provide for payment of the Series 2021 Notes on their date of maturity (the "Series 2021 Maturity Date"), the Authority shall submit a request to draw under the 2021 TIFIA Loan Agreement no later than ninety (90) days prior to the date that principal and accrued interest are due and payable on the Series 2021 Notes, such draw to be in an amount equal to the difference between the amount then on deposit in the Principal Fund and Interest Fund and the principal amount of and accrued interest on the Series 2021 Notes due and payable on the Series 2021 Maturity Date. Pursuant to the Indenture, on the seventy-fifth (75th) day prior to the Series 2021 Maturity Date, the Trustee shall provide written notice to the Authority as to the amount of funds on deposit in the Principal Fund and the Interest Fund available to pay the principal of and accrued interest on the Series 2021 Notes on the Series 2021 Maturity Date. Pursuant to the Indenture, if five (5) days prior to the Series 2021 Maturity Date, amounts on deposit in the Principal Fund and the Interest Fund are insufficient to make the payments required to be made on Series 2021 Notes on the Series 2021 Maturity Date, the Trustee shall

immediately notify the Authority in writing of such deficiency and shall direct the Authority to transfer the amount of such deficiency to the Trustee on or prior to the Series 2021 Maturity Date. Pursuant to the Indenture, the Authority covenants and agrees to transfer to the Trustee from any Collateral in its possession the amount of such deficiency on or prior to Series 2021 Maturity Date.

Proceeds of the Series 2021 Notes will also be applied to provide for payment of interest on the Series 2021 Notes to their date of maturity and to pay the costs of issuance of the Series 2021 Notes. See "Introduction - Interstate 405 Improvement Project," "Plan of Finance," and "Estimated Sources and Uses of Funds."

Security and Source of Payment for the Series 2021 Notes

The Series 2021 Notes are limited obligations of the Authority payable solely from, and secured solely by, the pledged Collateral. The Collateral consists of: (a) proceeds from draws under the 2021 TIFIA Loan so long as the 2021 TIFIA Loan Agreement is in full force and effect; (b) any legally available funds of the Authority excluding (i) amounts received from LTF Revenues (as such term is defined in the Indenture), (ii) federal grant funds, (iii) any revenues and assets with respect to the California State Route 91 Express Lanes, and (iv) any revenues received from operation of the freeway callbox system in Orange County and the freeway service patrol; (c) all amounts held by the Trustee in the funds and accounts established under the Indenture, including the Revenue Fund, the Principal Fund and the Interest Fund and investment earnings thereon, excluding amounts deposited to the Rebate Fund; and (d) proceeds from the sale of bonds, notes or other evidence of indebtedness issued by the Authority pursuant to either the Indenture or another indenture or trust agreement entered into by Authority and subject to purchase by the Orange County Local Transportation Authority (the "Local Transportation Authority") pursuant to the Standby Bond Purchase Agreement, dated as of September 1, 2021 (the "Standby Bond Purchase Agreement"), between the Authority and the Local Transportation Authority.

No Reserve Fund

No Reserve Fund will be established for the Series 2021 Notes.

Issuance of Additional Notes

The Authority may issue an additional Series of Notes pursuant to the Indenture to refund the Series 2021 Notes. If issued, the proceeds of such Notes will be applied to the payment of the Series 2021 Notes upon their maturity. In addition, such Notes will constitute Authority Refunding Bonds as such term is defined in the Standby Bond Purchase Agreement, dated as of September 1, 2021 (the "Standby Bond Purchase Agreement"), between the Authority and the Local Transportation Authority and will be subject to purchase by the Local Transportation Authority pursuant to the Standby Bond Purchase Agreement. See "Security and Source of Payment for the Notes," "Standby Bond Purchase Agreement" and Appendix A - "Orange County Local Transportation Authority." No other Notes may be issued pursuant to the Indenture prior to the payment at maturity or defeasance of all Series 2021 Notes.

Subsequent to the payment at maturity or defeasance of all Series 2021 Notes, the Authority may by Supplemental Indenture, establish one or more Series of additional Notes, including Refunding Notes, payable from the Collateral and secured by the pledge of the Collateral and the Authority may issue, and the Trustee may authenticate and deliver to the purchasers thereof, Notes of any subsequent Series so established, in such principal amount as shall be determined by the Authority, subject to compliance with the specific conditions set forth in the Indenture and any additional requirements set forth in the Supplemental Indenture setting forth the terms and provisions of such additional Series of Notes.

Subordinate Obligations

Subsequent to the payment at maturity or defeasance of all Series 2021 Notes, the Authority may also issue or incur obligations secured by a pledge of the Collateral on a subordinate basis with the pledge which secures the Series 2021 Notes (such obligations being hereinafter referred to as "Subordinate Obligations"), provided that the following conditions to issuance or incurrence of such Subordinate Obligations are satisfied:

(i) such Subordinate Obligations are duly and legally authorized by the Authority for any lawful purpose;

(ii) no Event of Default shall have occurred and then be continuing (or the issuance of such Subordinate Obligations will cure any such Event of Default), as evidenced by the delivery to the Trustee of a Certificate of the Authority to that effect; and

(iii) as and to the extent applicable, the Trustee is designated as paying agent or trustee for such Subordinate Obligations and the Authority delivers to the Trustee a transcript of the proceedings providing for the issuance of such Subordinate Obligations.

Limited Obligations

The Series 2021 Notes are not secured by a legal or equitable pledge of, or a charge or lien upon, any property of the Authority or any income or revenues received by Authority except the Collateral. 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 the Authority to the extent of the pledge of the Collateral described herein, is pledged to secure the Series 2021 Notes. The Authority has no taxing power.

References; Availability of Documents

Brief descriptions of the Series 2021 Notes, the Indenture, the security and sources of payment for the Series 2021 Notes, the Standby Bond Purchase Agreement, and certain information about the Authority and the Local Transportation Authority presented herein. Such references and descriptions do not purport to be comprehensive or definitive. All references herein to various documents are qualified in their entirety by reference to the forms thereof, all of which are available at the offices of the Authority.

PLAN OF FINANCE

Proceeds of the Series 2021 Notes will be applied to finance costs of the I-405 Project, to repay the Bridge Loan on the date of issuance of the Series 2021 Notes, the proceeds of which were applied to prepay the 2017 TIFIA Loan, to provide for payment of interest on the Series 2021 Notes to their date of maturity and to pay costs of issuance of the Series 2021 Notes. See "Estimated Sources and Uses of Funds."

PLAN OF REFINANCING FOR THE SERIES 2021 NOTES

In order to provide for the payment at maturity of the Series 2021 Notes, the Authority intends to draw upon the 2021 TIFIA Loan. Pursuant to the Indenture, the Authority covenants to comply in all material respects with its obligations under the TIFIA Loan Agreement, to use the proceeds of the TIFIA Loan to pay "Eligible Project Costs" as such term is defined in the TIFIA Loan Agreement and to submit a draw request to draw under the TIFIA Loan Agreement no later than ninety (90) days prior to the date that principal and accrued interest are due and payable with respect to the Series 2021 Notes.

If the Authority is unable for any reason to draw upon or access funds under the 2021 TIFIA Loan to provide for such payment, the Authority may issue Authority Refunding Bonds which may be issued as an additional Series of Notes pursuant to the Indenture or as bonds or other evidence of indebtedness issued pursuant to another indenture or trust agreement. The Authority will apply the proceeds of the Authority Refunding Bonds to the payment of the Series 2021 Notes upon their maturity. Pursuant to the Standby Bond Purchase Agreement, the Local Transportation Authority will commit to purchase Authority Revenues Bonds in an amount sufficient to pay all Series 2021 Notes upon their maturity. See "Security and Source of Payment for the Notes," "Standby Bond Purchase Agreement" and Appendix A - "Orange County Local Transportation Authority."

ESTIMATED SOURCES AND USES OF FUNDS

Estimated sources and uses of funds are presented below:

Sources:

Par Amount of Series 2021 Notes	\$ _____
Net [Original Issue Premium/Original Issue Discount]	_____
Total:	\$ _____

Uses:

Repayment of Bridge Loan	\$ _____
Deposit to 2021 Project Fund	_____
Deposit to Interest Fund ⁽¹⁾	_____
Deposit to 2021 Costs of Issuance Fund ⁽²⁾	\$ _____
Total:	\$ _____

⁽¹⁾ Interest funded on the Series 2021 Notes to their date of maturity.

⁽²⁾ Costs of Issuance include underwriters' discount, legal fees, rating agency fees and other miscellaneous expenses.

DESCRIPTION OF THE SERIES 2021 NOTES

General Terms and Provisions of the Series 2021 Notes

The Series 2021 Notes will be issued as fully registered notes, without coupons, in the denomination of \$5,000 or any integral multiple thereof. The Series 2021 Notes, 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 2021 Notes. Individual purchases will be made in book-entry only form. Purchasers will not receive a certificate representing their beneficial ownership interest in the Series 2021 Notes. So long as Cede & Co. is the registered owner of the Series 2021 Notes, as nominee of DTC, references herein to Owners, Noteholders, Noteowners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the beneficial owners of the Series 2021 Notes. So long as Cede & Co. is the registered owner of Series 2021 Notes, all payments of principal and interest due with respect to the Series 2021 Notes will be made to Cede & Co., as nominee of DTC. See Appendix H - "Book - Entry Only System."

The Series 2021 Notes will be dated their date of delivery and will bear interest from such date. Interest with respect to the Series 2021 Notes will be computed using a year of 360 days comprised of twelve 30-day months and will be payable on April 15 and October 15 of each year, commencing April 15, 2022. The Series 2021 Notes will mature on the date and in the principal amount and bear interest at the rate, all as set forth on the inside front cover page of this Official Statement.

No Redemption

The Series 2021 Notes are not subject to redemption prior to their stated maturity date.

DEBT SERVICE REQUIREMENTS

The following table sets forth the annual debt service requirements for the Series 2021 Notes.

Series 2021 Notes			
<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022			
2023			
2024			
TOTAL			

SECURITY AND SOURCE OF PAYMENT FOR THE NOTES

The Notes are limited obligations of the Authority and are secured as to payment of both principal and interest, exclusively from the Collateral pledged under the Indenture.

Collateral

Collateral consists of: (a) proceeds from draws under the 2021 TIFIA Loan so long as the 2021 TIFIA Loan Agreement is in full force and effect; (b) any legally available funds of the Authority excluding (i) amounts received from LTF Revenues, (ii) federal grant funds, (iii) any revenues and assets with respect to the California State Route 91 Express Lanes, and (iv) any revenues received from operation of the freeway callbox system in Orange County and from the freeway service patrol; (c) all amounts held by the Trustee in the funds and accounts established under the Indenture, including the Revenue Fund, the Principal Fund and the Interest Fund and investment earnings thereon, excluding amounts deposited to the Rebate Fund; and (d) proceeds from the sale of Authority Refunding Bonds subject to purchase by the Local Transportation Authority pursuant to the Standby Bond Purchase Agreement.

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 the Authority, to the extent of the pledge described herein, is pledged to the payment of principal of or interest on the Notes.

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

Revenue Fund. A trust fund designated as the "Revenue Fund" shall be established and maintained by the Trustee pursuant to the Indenture. The Trustee shall deposit in the Revenue Fund all Collateral transferred to the Trustee by the Authority for deposit therein, when and as received by the Trustee. Collateral received by the Trustee shall be immediately subject to the pledge made under the Indenture.

Other Funds and Accounts. In addition to the Revenue Fund, the Trustee shall establish an Interest Fund, a Principal Fund, a Subordinate Obligations Fund, a Redemption Fund and a Fees and Expenses Fund, and, if so directed in a Supplemental Indenture establishing the terms and provisions of a

Series of Notes, a Costs of Issuance Fund, a Reserve Fund, and/or a Project Fund. Upon receipt of funds to be applied to the Rebate Requirement, the Trustee shall establish a Rebate Fund.

Pursuant to the First Supplemental Indenture, a Costs of Issuance Fund for the Series 2021 Notes and a Project Fund for the Series 2021 Notes shall be established and held by the Trustee. Funds deposited in the 2021 Costs of Issuance Fund shall be applied to pay Costs of Issuance of the Series 2021 Notes. Funds deposited in the 2021 Project Fund shall be applied to pay or to reimburse the Authority for its prior payment of costs of the I-405 Project.

No Reserve Fund is being established for the Series 2021 Notes.

Investment of Funds and Accounts. Moneys held on deposit in the Funds and Accounts established under the Indenture shall be invested in Investment Securities. See Appendix D - "Summary of Principal Documents."

Pledge and Allocation of Collateral

So long as any Notes are Outstanding or any Subordinate Obligations or any other amounts payable under the Indenture remain unpaid, the Authority covenants and agrees that the Authority shall transfer to the Trustee the amount of Collateral required for the Trustee to make the transfers and deposits, if any, required to be made by the Trustee during such month to the Interest Fund, the Principal Fund, Reserve Funds, if the Authority shall have established a Reserve Fund in connection with the issuance of a Series of Notes subsequent to the payment at maturity or defeasance of the Series 2021 Notes, and the Subordinate Obligations Fund to the extent the Authority shall have issued or incurred any Subordinate Obligations subsequent to the payment at maturity or defeasance of the Series 2021 Notes. Upon receipt of an amount of Collateral from the Authority in any month, the Trustee shall deposit the amount received in the Revenue Fund and shall set aside, the moneys in the Revenue Fund in the following respective funds, in the following amounts, in the following order of priority, the requirements of each such fund (including the making up of any deficiencies in any such fund resulting from lack of Collateral sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any deposit is made to any fund subsequent in priority; provided that if any of the deposits or transfers requires more than one such deposit or payment and there are not then on deposit in the Revenue Fund sufficient moneys to make all such deposits and payments, then such deposits and payments shall be made pro rata (based on the total amount of such deposits and payments then due) to the extent of available moneys:

1. **Interest Fund.** On or before April 15 and October 15 of each year that Notes are Outstanding, the Trustee shall set aside in the Interest Fund an amount equal to (A) the aggregate half-yearly amount of interest becoming due and payable on the Outstanding Current Interest Notes on the applicable Interest Payment Date (excluding any interest for which there are moneys deposited in the Interest Fund from the proceeds of any Series of Notes or other source and reserved as capitalized interest to pay such interest), until the requisite amount of interest on all such Outstanding Current Interest Notes is on deposit in the Interest Fund. The Trustee need not make a deposit into the Interest Fund with respect to any Notes if the amount contained therein is at least equal to the interest to become due and payable on the applicable Interest Payment Dates upon all of the Notes issued under the Indenture and then Outstanding. On April 15 and October 15 of each year any excess amounts in the Interest Fund not needed to pay interest on such date (and not held to pay interest on Notes having interest payment dates other than April 15 and October 15) shall be transferred to the Authority (but excluding, in each case, any moneys on deposit in the Interest Fund from the proceeds of any Series of Notes or other source and reserved as capitalized interest to pay interest on any future Interest Payment Dates following such Interest Payment Dates).

2. **Principal Fund; Sinking Accounts.** On or before the principal due date with respect to the Notes, including the date when Mandatory Sinking Account Payments, if any, are due and payable, the Trustee shall set aside in the Principal Fund an amount equal to the aggregate principal amount of Note Obligation becoming due and payable on the Outstanding Notes; provided that if the Authority certifies to the Trustee that any principal payments are expected to be refunded on or prior to their respective due dates or paid from amounts on deposit in the Reserve Fund that would be in excess of the Reserve Requirement applicable to such Reserve Fund upon such payment, no amounts need be set aside towards such principal to be so refunded or paid.

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

The Trustee need not make a deposit into the Principal Fund if such fund has (1) moneys sufficient to pay the Note Obligations of all Serial Notes issued under the Indenture and then Outstanding and maturing by their terms within the next 12 months, plus (2) moneys sufficient to pay the aggregate of all Mandatory Sinking Account Payments required to be made in such 12-month period, but less any amounts deposited into the Principal Fund during such 12-month period and theretofore paid from the Principal Fund to redeem or purchase Term Notes during such 12-month period; provided that if the Authority certifies to the Trustee that any principal payments are expected to be refunded on or prior to their respective due dates or paid from amounts on deposit in the Reserve Fund that would be in excess of the Reserve Requirement applicable to such Reserve Fund upon such payment, no amounts need be on deposit with respect to such principal payments. At the beginning of each Fiscal Year and in any event not later than April 15 of each year, the Trustee shall request from the Authority a Certificate of the Authority setting forth the principal payments for which deposits will not be necessary pursuant to the preceding sentence and the reason therefor. On April 15 of each year or as soon as practicable thereafter, any excess amounts in the Principal Fund not needed to pay principal on such date (and not held to pay principal on Notes having principal payment dates other than April 15) shall be transferred to the Authority.

3. **Reserve Funds.** No Reserve Fund will be established for the Series 2021 Notes. If, a Reserve Fund is established in connection with any additional Series of Notes issued subsequent to the payment at maturity or defeasance of the Series 2021 Notes, upon the occurrence of any deficiency in any such Reserve Fund, pursuant to a covenant set forth in the Indenture, the Authority shall deposit with the Trustee for deposit in such Reserve Fund an amount equal to one-twelfth of the aggregate amount of such deficiency each month, which deposits shall continue until the balance in such Reserve Fund is at least equal to the applicable Reserve Requirement.

4. **Subordinate Obligations Fund.** If the Authority issues or incurs Subordinate Obligations subsequent to the payment at maturity or defeasance of the Series 2021 Notes, after the transfers to the Interest Fund, the Principal Fund and any Reserve Fund have been made pursuant to the provisions of the Indenture described above, the Trustee shall deposit in the Subordinate Obligations Fund in each month such amount as the Authority shall specify in writing is necessary to make payments due and payable the following month with respect to Subordinate Obligations then outstanding.

5. **Fees and Expenses Fund.** After the transfers to the Interest Fund, the Principal Fund, any Reserve Fund and the Subordinate Obligations Fund have been made pursuant to the provisions of the Indenture described above, the Trustee shall deposit in the Fees and Expenses Fund in each month the amounts necessary for payment of Fee and Expense Obligations owing in such month or the following month by the Authority. The Authority shall provide the Trustee with invoices relating to the payment of such amounts, in writing, at the beginning of each month.

Any Collateral remaining in the Revenue Fund after the foregoing transfers required to be made pursuant to the provisions of the Indenture described above have been made, except as the Authority shall otherwise direct in writing or as is otherwise provided in a Supplemental Indenture, shall be transferred to the Authority on the same Business Day or as soon as practicable thereafter. The Authority may use and apply such Collateral when received by it from the Trustee for any lawful purpose of the Authority, including the redemption of Notes upon the terms and conditions set forth in the Supplemental Indenture relating to such Notes and the purchase of Notes as and when and at such prices as it may determine.

If, five (5) days prior to any principal payment date, Interest Payment Date or mandatory redemption date, the amounts on deposit in the Revenue Fund, the Interest Fund, the Principal Fund, including the Sinking Accounts therein, and, as and to the extent applicable, the Reserve Fund established in connection with a Series of Notes with respect to the payments to be made on such upcoming date are insufficient to make such payments, the Trustee shall immediately notify the Authority, in writing, of such deficiency and shall direct that the Authority transfer the amount of such deficiency to the Trustee on or prior to the applicable payment date. Pursuant to the Indenture, the Authority covenants and agrees to transfer to the Trustee from any Collateral in its possession the amount of such deficiency on or prior to the principal, interest or mandatory redemption date referenced in such notice.

Issuance of Additional Notes, Refunding Notes and Subordinate Obligations

Issuance of Additional Notes. The Authority may issue an additional Series of Notes pursuant to the Indenture to refund the Series 2021 Notes. No other Notes may be issued pursuant to the Indenture prior to the payment at maturity or defeasance of all Series 2021 Notes.

Subsequent to the payment at maturity or the defeasance of the Series 2021 Notes, the Authority may by Supplemental Indenture establish one or more additional Series of Notes, payable from the Collateral and secured by the pledge made under the Indenture, and the Authority may issue, and the Trustee may authenticate and deliver to the purchasers thereof, Notes of any Series so established, in such principal amount as shall be determined by the Authority, but only upon compliance by the Authority with the provisions of the Indenture described below, each of which is a condition precedent to the issuance of any such additional Series of Notes, and compliance with any additional terms and provisions set forth in the Supplemental Indenture entered into by the Authority related to such Series of Notes.

(a) No Event of Default shall have occurred and then be continuing (or the issuance of such additional Series of Notes will cure any such Event of Default).

(b) In the event a Supplemental Indenture providing for the issuance of such Series of Notes shall require either (i) the establishment of a Reserve Fund to provide additional security for such Series of Notes or (ii) that the balance on deposit in an existing Reserve Fund be increased, forthwith upon the receipt of the proceeds of the sale of such Series, to an amount at least equal to the Reserve Requirement with respect to such Series of Notes and all other Notes secured by such Reserve Fund to be considered Outstanding upon the issuance of such additional Series of Notes, the Supplemental Indenture providing for the issuance of such additional Series of Notes shall require deposit of the amount necessary, which deposit may be made from the proceeds of the sale of such Series of Notes or from other funds of the Authority or from both such sources or may be made in the form of a Reserve Facility.

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

(d) Principal payments of each additional Series of Notes shall be due on April 15 or October 15 in each year in which principal is to be paid if and to the extent deemed practical in the reasonable judgment of the Authority with regard to the type of Note to be issued, and, if the interest on such Series of Notes is to be paid semiannually, such interest payments shall be due on April 15 and October 1 in each year to the extent deemed practical in the reasonable judgment of the Authority with regard to the type of Note to be issued.

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

Issuance of Refunding Notes. The Authority may issue an additional Series of Notes pursuant to the Indenture to refund the Series 2021 Notes. See "Plan of Refinancing for the Series 2021 Notes."

If issued, such Refunding Notes and any Refunding Notes issued subsequent to the payment at maturity or defeasance of the Series 2021 Notes, may be issued in an aggregate principal amount sufficient (together with any additional funds available or to become available) to provide funds for the payment of all or a portion of the following: (i) the principal or Redemption Price of the Outstanding Notes to be refunded; (ii) all expenses incident to the calling, retiring or paying of such Outstanding Notes and the Costs of Issuance of such Refunding Notes; (iii) interest on all Outstanding Notes to be refunded to the date such Notes will be called for redemption or paid at maturity; (iv) interest on the Refunding Notes from the date thereof to the date of payment or redemption of the Notes to be refunded; and (v) funding a Reserve Fund for the Refunding Notes, if required.

Authorization and issuance of Refunding Notes other than Refunding Notes issued to refund the Series 2021 Notes shall require delivery to the Trustee of a Certificate of the Authority to the effect that the Authority has determined that Maximum Annual Debt Service on all Notes Outstanding following the issuance of such Refunding Notes is less than or equal to Maximum Annual Debt Service on all Notes Outstanding prior to the issuance of such Refunding Notes.

Subordinate Obligations. In addition to Notes and Refunding Notes, the Authority may also issue or incur Subordinate Obligations. As defined in the Indenture, Subordinate Obligations means any obligations of the Authority secured by and payable from the Collateral on a basis which is subordinate to the Notes. Subordinate Obligations may be issued or incurred by the Authority subject to satisfaction of the terms and provisions set forth below:

(a) Such Subordinate Obligations have been duly and legally authorized by the Authority for any lawful purpose;

(b) no Event of Default shall have occurred and then be continuing (or the issuance of such Subordinate Obligations will cure any such Event of Default), as evidenced by the delivery to the Trustee of a Certificate of the Authority to that effect; and

(c) as and to the extent applicable, the Trustee is designated as paying agent or trustee for such Subordinate Obligations and the Authority delivers to the Trustee a transcript of the proceedings providing for the issuance of such Subordinate Obligations.

STANDBY BOND PURCHASE AGREEMENT

Set forth below is a summary of certain provisions of the Standby Bond Purchase Agreement. This summary does not purport to be comprehensive or definitive, is supplemental to the summary of other provisions of the Standby Bond Purchase Agreement described elsewhere in this Official Statement and is qualified in its entirety by reference to the full terms and provisions of the Standby Bond Purchase Agreement. See also Appendix A – "Orange County Local Transportation Authority."

All capitalized terms used and not otherwise defined in the summary of the Standby Bond Purchase Agreement set forth below or elsewhere in this Official Statement shall have the meanings assigned to such terms in the Standby Bond Purchase Agreement or if not defined therein shall have the meanings assigned to such terms in the Indenture.

Local Transportation Authority Commitment to Purchase

To assure availability of funds to provide for payment of the principal and interest due and payable on all Series 2021 Notes Outstanding on the maturity date of the Series 2021 Notes (the "Series 2021 Maturity Date"), concurrently with the issuance of the Series 2021 Notes, the Authority will enter into the Standby Bond Purchase Agreement with the Local Transportation Authority. Pursuant to the Standby Bond Purchase Agreement, the Local Transportation Authority, will agree, on the terms and provisions set forth in the Standby Bond Purchase Agreement, to advance its own funds to purchase Authority Refunding Bonds in such amount as shall be necessary to provide funds sufficient to pay the outstanding principal of and accrued interest on the Series 2021 Notes due and payable on the Series 2021 Maturity Date.

To the extent necessary to fund its commitment to purchase Authority Refunding Bonds, the Local Transportation Authority will commit to: (i) using sales tax revenues collected pursuant to a sales tax measure approved by the voters of the County for transportation purposes in 2006 ("Measure M2"); (ii) using its best efforts to issue bonds, notes or other evidence of indebtedness secured by such sales tax revenues (herein referred to as the "M2 Sales Tax Revenues") on a subordinate basis to the lien on such M2 Sales Tax Revenues which secures the Orange County Local Transportation Authority Measure M2 Sales Tax Revenue Bonds (herein referred to as the "M2 Sales Tax Revenue Bonds") issued by Local Transportation Authority pursuant to that certain Master Indenture of Trust, dated as of December 1, 2010 (as amended and supplemented from time to time pursuant to its terms, the "M2 Indenture"), between the Local Transportation Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "M2 Trustee"), and Parity Obligations (as such term is defined in the M2 Indenture); and (iii) using any other funds legally available to the Local Transportation Authority to fund its commitment. Pursuant to the M2 Indenture, such bonds, notes or other evidence of indebtedness will constitute Subordinate Obligations as such term is defined in the M2 Indenture which the Local Transportation Authority is authorized to issue or incur under the M2 Indenture. Subordinate Obligations issued or incurred under the

M2 Indenture (hereinafter referred to as "M2 Subordinate Obligations") are payable as to principal, premium, interest and reserve fund requirements, if any, out of M2 Sales Tax Revenues after the prior payment of amounts to be paid from M2 Sales Tax Revenues for principal, premium, interest and reserve fund requirements, if any, for all M2 Sales Tax Revenue Bonds and Parity Obligations outstanding under the M2 Indenture.

Pursuant to the Standby Bond Purchase Agreement, the Local Transportation Authority will agree not to issue any M2 Subordinate Obligation other than M2 Subordinate Obligations to fund its commitment to purchase Authority Refunding Bonds as long as the Series 2021 Notes are Outstanding. In addition, pursuant to the Standby Bond Purchase Agreement, the Local Transportation Authority may not terminate its commitment to purchase the Series 2021 Notes if an Event of Default occurs under the Standby Bond Purchase Agreement. See "Events of Default and Remedies – Remedies."

Representations, Warranties and Covenants of the Authority

The Standby Bond Purchase Agreement includes certain representations, warranties and covenants of the Authority which are exclusively for the benefit of the Local Transportation Authority acting in its capacity as provider of the Standby Bond Purchase Agreement, each of which may be waived modified or enforced as the Local Transportation Authority may determine.

Events of Default and Remedies

An Event of Default will exist under the Standby Bond Purchase Agreement if any of the following occurs and is continuing and is not waived in writing by the Local Transportation Authority:

(a) **Payment Defaults.** The Authority fails to make or cause to be made when due any payment to the Local Transportation Authority required to be made pursuant to the Standby Bond Purchase Agreement and such failure is not cured within three (3) Business Days.

(b) **Representations and Warranties.** Any representation or warranty made by or on behalf of the Authority in the Standby Bond Purchase Agreement or in any other Related Document (as such term is defined in the Standby Bond Purchase Agreement) or in any certificate or statement delivered under the Standby Bond Purchase Agreement shall prove to have been incorrect or untrue in any material respect when made or deemed to have been made.

(c) **Covenant Defaults.** The Authority shall fail to perform or observe any term, covenant or agreement set forth in the Standby Bond Purchase Agreement (other than the covenants and agreement described in clause (a) above (each a "Covenant Failure") which failure continues for thirty (30) days or more; provided that such Covenant Failure shall not constitute an Event of Default under the Standby Bond Purchase Agreement until such failure continues for sixty (60) days if (i) the Authority provides satisfactory evidence to the Local Transportation Authority that such Covenant Failure is able to be cured within sixty (60) days of the occurrence of the Covenant Failure, (ii) the Authority provides reasonable assurances to the Local Transportation Authority that the Covenant Failure will be cured within sixty (60) days of the occurrence of the Covenant Failure and (iii) the Authority provides satisfactory evidence to the Local Transportation Authority that the Authority has commenced the process required to cure such Covenant Failure within ten (10) days of the occurrence of such Covenant Failure.

(d) **Debt:** (i) Default by the Authority in the payment of any amount due in respect of any Indebtedness payable to the Local Transportation Authority as and when the same shall become due, or (ii) default by the Authority in the payment of any amount due in respect of any other Indebtedness in an aggregate amount in excess of \$5,000,000 as and when the same shall become due, or (iii) (x) default

under any mortgage, agreement or other instrument under or pursuant to which such Indebtedness is incurred or issued, and continuance of such default beyond any period of grace allowed with respect thereto, or (y) the occurrence of any act or omission by the Authority under any such mortgage, agreement or other instrument which, in the case of either (A) or (B), results in any amount of such Indebtedness (if such Indebtedness is a Indebtedness payable to the Local Transportation Authority or in excess of \$5,000,000 of such Indebtedness (with respect any other Indebtedness) becoming, or being capable of becoming, immediately due and payable.

(e) **Invalidity.** Any provision of the Standby Bond Purchase Agreement, the Notes or any other Related Document shall cease to be valid and binding, or the Authority shall contest any such provision, or the Authority or any authorized agent or trustee on behalf of the Authority, shall deny that it has any further liability under any provision of the Standby Bond Purchase Agreement, the Notes or any other Related Document.

(f) **Other Documents.** The occurrence of any default beyond the period of grace, if any, allowed with respect thereto under any Related Document other than the Standby Bond Purchase Agreement.

(g) **Financial Emergency.** There shall be appointed or designated with respect to the Authority, an entity such as an organization, board, commission, authority, agency or body to monitor or declare a financial emergency or similar state of financial distress with respect to it or there shall be declared by it or by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it.

(h) **Liens.** One or more attachments against the property of the Authority, the operation or result of which, individually or in the aggregate, equal or exceed \$5,000,000 shall remain unstayed, undischarged, unbonded or undismissed for a period of sixty (60) days.

(i) **Event of Insolvency.** The occurrence of an Event of Insolvency as such term is defined in the Standby Bond Purchase Agreement.

Remedies. Upon the occurrence and during the continuance of an Event of Default under the Standby Bond Purchase Agreement, the Local Transportation Authority shall be entitled to exercise all remedies available at law or equity. Notwithstanding the provisions of the Standby Bond Purchase Agreement described in this paragraph or any other provision of the Standby Bond Purchase Agreement to the contrary, in no event shall the Local Transportation Authority be entitled to terminate its obligation to purchase Authority Refunding Bonds upon the occurrence or during the continuance of an Event of Default under the Standby Bond Purchase Agreement.

Termination of Available Commitment

The Available Commitment will automatically terminate at 5:00 p.m. Pacific time on the date of expiration of the OCLTA Purchase Period, which is the earliest to occur of: (i) the Stated Expiration Date then in effect; (ii) the date on which no Authority Refunding Bonds are outstanding; or (iii) the close of business Pacific Time on the date the Available Commitment is reduced to zero or terminated pursuant to the provisions of the Standby Bond Purchase Agreement.

Trustee Notifications Facilitating Purchase of Authority Refunding Bonds Pursuant to the Standby Bond Purchase Agreement

Pursuant to the provisions of the Indenture, on the seventy-fifth (75th) day prior to the Series 2021 Maturity Date, the Trustee shall give written notice to the Authority of the amount of funds on deposit in the Principal Fund and the Interest Fund available to pay the principal of and accrued interest on the Series 2021 Notes on the Series 2021 Maturity Date. If such notice indicates that the Trustee does not have sufficient funds on hand, pursuant to the provisions of the Standby Bond Purchase Agreement, the Authority shall submit a Notice of OCLTA Purchase to the Local Transportation Authority, which shall transfer to the Trustee an amount equal to the Purchase Price of the Authority Refunding Bonds no later than 2:30 p.m. Pacific time on the OCLTA Purchase Date, which is the fifth (5th) Business Day prior to the Series 2021 Maturity Date.

In addition, pursuant to the provisions of the Indenture, if five (5) days prior to the Series 2021 Maturity Date, amounts on deposit in the Principal Fund and the Interest Fund are insufficient to make the payments required to be made on Series 2021 Notes on the Series 2021 Maturity Date, the Trustee shall immediately notify the Authority in writing of such deficiency and shall direct the Authority to transfer the amount of such deficiency to the Trustee on or prior to the Series 2021 Maturity Date. Pursuant to the provisions of the Indenture, upon receipt of such written notice, the Authority covenants and agrees to transfer to the Trustee from any Collateral in its possession the amount of such deficiency on or prior to Series 2021 Maturity Date.

Standby Bond Purchase Agreement Provider

The Local Transportation Authority is a local transportation authority organized and existing under the provisions of the Local Transportation and Improvement Act, constituting Division 19 of the Public Utilities Code of the State of California commencing with Section 180000 and is an affiliate of the Authority. See "The Authority – Formation and Governance" and Appendix A – "Orange County Local Transportation Authority."

THE 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, the Authority 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 the Authority is currently made up of eighteen members. The Board of Directors is comprised of (i) five members of the Orange County Board of Supervisors, each such member to be appointed by 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 the Authority, 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

Key staff members are identified below.

Darrell E. Johnson, Chief Executive Officer. Darrell E. Johnson was appointed as Chief Executive Officer of the Authority in March 2013. Under the policy direction of the Board of Directors, Mr. Johnson is responsible for planning, financing and coordinating freeway, street and rail development, managing bus service, commuter-rail service and paratransit van service for the disabled and planning and managing a number of other transportation related programs and projects within Orange County. Prior to his appointment as Chief Executive Officer, Mr. Johnson served in various management positions at the Authority, most recently as Deputy Chief Executive Officer. Prior to joining the Authority 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 and Chief Operating Officer. Jennifer L. Bergener was appointed Deputy Chief Executive Officer in January 2020 and also serves as Chief Operating Officer of the Authority. Ms. Bergener works directly with the Chief Executive Officer in advancing efforts to fulfill the Authority's mission of keeping the County moving with a balanced and sustainable transportation system. Ms. Bergener joined the Authority in 2003 and has served in various positions at the Authority, most recently as Chief Operating Officer, a position which she continues to hold.

Ms. Bergener holds a Bachelor of Science Degree in Accounting and Economics from the University of San Diego.

Andrew Oftelie, Chief Financial Officer. Andrew Oftelie was appointed Chief Financial Officer of the Authority in June 2013. Mr. Oftelie directs and manages the financial planning, budgeting, accounting, financial reporting, information technology, contracts administration and materials management, treasury and public finance, and general administration functions. Mr. Oftelie joined the Authority in 1999 and has served in various positions at the Authority since 1999, most recently as Director of Finance and Administration.

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.

INVESTMENTS AND INVESTMENT POLICY

The Board of Directors of the Authority adopts an investment policy (each, an "Investment Policy") on an annual basis in June of each year. Each Investment Policy is governed by the provisions of the California Government Code and governs the investment of the funds of the Authority and its affiliates, including the LTA, which are not held in the funds and accounts established pursuant to the Indenture. Amounts held in the funds and accounts established pursuant to the Indenture are invested in Investment Securities and in accordance with the maturity and diversification guidelines set forth in the Investment Policy. See Appendix D - "Summary of Principal Documents - Definitions" and "Investment in Funds and Accounts." The current Investment Policy was adopted on June 14, 2021 and is set forth in Appendix G - "Orange County Transportation Authority Investment Policy."

INVESTMENT CONSIDERATIONS

Limited Obligations

The Series 2021 Notes are limited obligations of the Authority payable solely from, and secured solely by a pledge of the Collateral, which is comprised of: (a) any legally available funds of the Authority excluding (i) amounts received from LTF Revenues, (ii) federal grant funds, and (iii) any revenues and assets with respect to the California State Route 91 Express Lanes; (b) proceeds from draws under a loan agreement entered into with United States Department of Transportation, an agency of the United States of America, acting by and through the Executive Director of the Build America Bureau; (c) all amounts held by the Trustee in the funds and accounts established under the Indenture, including investment earnings thereon, excluding amounts deposited to the Rebate Fund (as such term is defined in the Indenture); and (d) proceeds from the sale of Authority Refunding Bonds subject to purchase by the Local Transportation Authority pursuant to the Standby Bond Purchase Agreement. The Authority's ability to generate revenues from the Collateral in amounts sufficient to pay debt service on the Series 2021 Notes depends upon many factors, some of which are not within the control of the Authority.

Other than the pledge of the Collateral, the Authority has not mortgaged, assigned or pledged any interest in any real or personal property or improvements, including any interest in the I-405 Improvements which comprise the I-405 Project as security for payment of the Series 2021 Notes.

No Acceleration Provision

The Indenture does not contain a provision allowing for the acceleration of the Series 2021 Notes in the event of a default in the payment of principal and interest on the Series 2021 Notes when due. In the event of a default by the Authority, each Holder of a Series 2021 Note will have the rights to exercise the remedies, subject to the limitations thereon, set forth in the Indenture." See Appendix D – "Summary of Principal Documents – Events of Default and Remedies."

No Reserve Fund

The Series 2021 Notes will not be secured by a Reserve Fund.

Loss of Tax Exemption

As discussed under "Tax Matters," interest on the Series 2021 Notes could become includable in federal gross income, possibly from the date of issuance of the Series 2021 Notes, as a result of acts or omissions of the Authority subsequent to the date of issuance of the Series 2021 Notes. Should interest become includable in federal gross income, the Series 2021 Notes are not subject to redemption by reason thereof and will remain outstanding until maturity or earlier defeasance.

Bankruptcy Risks. Described below are certain bankruptcy risks.

Bankruptcy Filing The Authority is authorized to file for bankruptcy under Chapter 9 of the Bankruptcy Code under certain circumstances. An involuntary bankruptcy petition cannot be filed against the Authority.

If the Authority is in bankruptcy, the parties (including the holders of the Series 2021 Notes) may be prohibited from taking any action to collect any amount from the Authority or to enforce any obligation of the Authority, 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 2021 Notes from funds in the Trustee's possession.

The Authority as a debtor in bankruptcy may be able to borrow additional money that is secured by a lien on any of its property (including the Collateral), which lien could have priority over the lien of the Indenture, or to cause some of the Collateral to be released to it, free and clear of lien of the Indenture, in each case provided that the bankruptcy judicial determines that the rights of the Trustee and the holders of the Series 2021 Notes will be adequately protected. The Authority may also be able, without the consent and over the objection of the Trustee and the holders of the Series 2021 Notes, to alter the priority, interest rate, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Indenture and the Series 2021 Notes, provided that the bankruptcy court determines that the alterations are fair and equitable.

There may be delays in payments on the Series 2021 Notes while the court considers any of these issues. There may be other possible effects of a bankruptcy of the Authority that could result in delays or reductions in payments on the Series 2021 Notes, or result in losses to the holders of the Series 2021 Notes. Regardless of any specific adverse determinations in a Authority bankruptcy proceeding, the fact of a Authority bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2021 Notes.

Risk of Bankruptcy of Related Entities

As described above under the caption "The Authority - Formation and Governance," the Authority has assumed the combined duties of the Local Transportation Authority, the Orange County Transportation Commission, the Orange County Transit District, the Orange County Service Authority for Freeway Emergencies, and the Orange County Consolidated Transportation Service Agency. As a result, no assurance can be given that, if any of the Authority, the Local Transportation Authority, the Orange County Transportation Commission, the Orange County Transit District, the Orange County Service Authority for Freeway Emergencies, or the Orange County Consolidated Transportation Service Agency were to go into bankruptcy, the Authority would not become a part of such bankruptcy case. If the Authority were to become a part of such a bankruptcy case, then there could be delays or reductions in payments on the Series 2021 Notes or other losses for the owners of the Series 2021 Notes.

COVID-19 Pandemic

The COVID 19 Pandemic (the "Pandemic") is currently affecting many parts of the world, including the United States and the State of California. The Pandemic has negatively affected travel, commerce, investment values, and financial markets globally, and is widely expected to continue to negatively affect economic output worldwide and within Orange County. While federal and state governments (including the State of California) have enacted legislation and taken executive actions seeking to mitigate the negative public health and economic impacts of the Pandemic, the Authority offers no assurances that these interventions will have the intended effects. The consequences of the Pandemic are expected to continue to reduce economic activity within the County. The Authority continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the Pandemic upon the Authority.

Availability of Funds to Pay the Series 2021 Notes

The Authority intends to draw on the 2021 TIFIA Loan, or to the extent sufficient funds are not available or eligible thereunder, to issue Authority Refunding Bonds under either the Indenture or another indenture or trust agreement, as applicable, to provide funds sufficient to pay the principal and interest of

the Series 2021 Notes on the Series 2021 Maturity Date. No assurance can be given that the Authority will satisfy all conditions to disbursement under the 2021 TIFIA Loan Agreement, or that the TIFIA Lender will honor a properly presented disbursement request under the 2021 TIFIA Loan Agreement. Moreover, in the event of a federal government shutdown of non-essential discretionary functions the TIFIA Lender would not be obligated to disburse funds under the 2021 TIFIA Loan Agreement.

AUDITED FINANCIAL STATEMENTS

The audited financial statements of the Authority for the Fiscal Year ended June 30, 2020 and the Fiscal Year ended June 30, 2019, respectively, included as Appendix C-1 and Appendix C-2 to this Official Statement, have been audited by Crowe LLP, independent auditors, as stated in their report therein. See Appendix C-1 - Audited Financial Statements of the Orange County Transportation Authority For Fiscal Year Ended June 30, 2020 and Appendix C-2 - Audited Financial Statements of the Orange County Transportation Authority For Fiscal Year Ended June 30, 2019. Crowe LLP was not requested to consent to the inclusion of their report in Appendix C-1 or Appendix C-2, nor has Crowe LLP undertaken to update their reports 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 reports.

RATINGS

Moody's Investors Service and S&P Global Ratings have assigned the Series 2021 Notes ratings of "___" and "___," respectively. The ratings described above reflect only the views of such organizations and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: 7 World Trade Center, 250 Greenwich Street, New York, New York 10007 and S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on its own investigations, studies and assumptions. There is no assurance that any of such ratings will continue for any given period of time or that any of such ratings will not be revised downward or withdrawn entirely, if in the judgment of the applicable rating agency, circumstances so warrant. Any such downward revision or withdrawal may have an adverse effect on the market price of the Series 2021 Notes.

TAX MATTERS

General. In the opinion of Nossaman LLP, Bond Counsel to the Authority ("Bond Counsel"), based on existing statutes, regulations, rulings and court decisions, interest on the Series 2021 Notes is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. Bond Counsel is further of the opinion that interest on the Series 2021 Notes is not a specific preference item for purposes of the federal alternative minimum tax. A copy of the proposed opinion of Bond Counsel is set forth in Appendix F hereto.

The Internal Revenue Code of 1986 (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 2021 Notes. The Authority has covenanted to comply with certain restrictions designed to assure that interest on the Series 2021 Notes will not be includable in federal gross income. Failure to comply with these covenants may result in interest on the Series 2021 Notes being includable in federal gross income, possibly from the date of issuance of the Series 2021 Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Series 2021 Notes may affect the value of, or

the tax status of, interest on the Series 2021 Notes. Further, no assurance can be given that pending or future legislation or amendments to the Code will not adversely affect the value of, or the tax status of interest on, the Series 2021 Notes. Prospective owners are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

Although Bond Counsel has rendered an opinion that interest on the Series 2021 Notes is excludable from federal gross income and is exempt from State of California personal income taxes, the ownership or disposition of and the accrual or receipt of interest on the Series 2021 Notes may otherwise affect a beneficial owner's state or federal tax liability. The nature and extent of these other tax consequences will depend upon each beneficial owner's particular tax status and the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

If the initial offering price to the public (excluding bond houses and brokers) at which a Series 2021 Note is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a Series 2021 Note is sold is greater than the amount payable at maturity thereof, then the excess of the tax basis of a purchaser of such Series 2021 Note (other than a purchaser who holds such Series 2021 Note as inventory, stock in trade or for sale to customers in the ordinary course of business) over the principal amount of such Series 2021 Note constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes.

Under the Code, original issue discount is excludable from gross income for federal income tax purposes to the same extent as interest on the Series 2021 Notes. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each such Series 2021 Note and the basis of such Series 2021 Note acquired at such initial offering price by an initial purchaser of each such Series 2021 Note will be increased by the amount of such accrued discount. The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of such Series 2021 Notes who purchase such Series 2021 Notes after the initial offering of a substantial amount thereof. Owners who do not purchase such Series 2021 Notes in the initial offering at the initial offering prices should consult their own tax advisors with respect to the tax consequences of ownership of such Series 2021 Notes. All holders of such Series 2021 Notes should consult their own tax advisors with respect to the allowance of a deduction for any loss on a sale or other disposition to the extent that calculation of such loss is based on accrued original issue discount.

Under the Code, original issue premium is amortized for federal income tax purposes over the term of such a Series 2021 Note based on the purchaser's yield to maturity in such Series 2021 Notes, except that in the case of such a Series 2021 Note callable prior to its stated maturity, the amortization period and the yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Series 2021 Note. A purchaser of such a Series 2021 Note is required to decrease his or her adjusted basis in such Series 2021 Note by the amount of Series 2021 Note premium attributable to each taxable year in which such purchaser holds such Series 2021 Note. The amount of note premium attributable to a taxable year is not deductible for federal income tax purposes. Purchasers of such Series 2021 Notes should consult their tax advisors with respect to the precise determination for federal income tax purposes of the amount of note premium attributable to each taxable year and the effect of note premium on the sale or other disposition of such a Series 2021 Note and with respect to the state and local tax consequences of owning and disposing of such a Series 2021 Note.

Certain agreements, requirements and procedures contained or referred to in the Indenture and other relevant documents may be changed and certain actions may be taken or omitted under the

circumstances and subject to the terms and conditions set forth in those documents, upon the advice or with the approving opinion of nationally recognized bond counsel. Bond Counsel expresses no opinion as to the effect on any Series 2021 Note or the interest payable with respect thereto if any change occurs or action is taken or omitted upon the advice or approval of counsel other than Bond Counsel.

Future rulings, court decisions, legislative proposals, if enacted into law, or clarification of the Code may cause interest on the Series 2021 Notes to be subject, directly or indirectly, to federal income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. There can be no assurance that such future rulings, court decisions, legislative proposals, if enacted into law, or clarification of the Code enacted or proposed after the date of issuance of the Series 2021 Notes will not have an adverse effect on the tax-exempt status or market price of the Series 2021 Notes.

Internal Revenue Service Audit of Tax-Exempt Issues. The Internal Revenue Service ("IRS") has initiated an expanded program for the auditing of tax-exempt issues, including both random and targeted audits. It is possible that the Series 2021 Notes will be selected for audit by the IRS. It is also possible that the market value of the Series 2021 Notes might be affected as a result of such an audit of the Series 2021 Notes (or by an audit of similar obligations).

Information Reporting and Backup Withholding. Information reporting requirements apply to interest (including original issue discount) paid after March 31, 2007 on tax-exempt obligations, including the Series 2021 Notes. In general, such requirements are satisfied if the interest recipient completes and provides the payor with a Form W-9, "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If a beneficial owner purchasing a Series 2021 Note through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2021 Notes from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the beneficial owner's federal income tax once the required information is furnished to the Internal Revenue Service.

ABSENCE OF MATERIAL LITIGATION

No litigation is pending or, to the best knowledge of the Authority, threatened concerning the validity of the Series 2021 Notes. The Authority is not aware of any pending or threatened litigation questioning the political existence of the Authority or contesting the Authority's ability to pledge the Collateral pursuant to the Indenture.

MUNICIPAL ADVISOR

The Authority has retained Sperry Capital Inc., Sausalito, California, as municipal advisor (the "Municipal Advisor") in connection with the authorization and issuance of the Series 2021 Notes 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.

CONTINUING DISCLOSURE

Pursuant to the Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), the form of which is attached hereto as Appendix E, the Authority will agree to provide certain financial information and operating data relating to the Authority (hereinafter referred to as the "Annual Report") by not later than six (6) months following the end of the Authority's Fiscal Year (presently June 30), commencing with the report for the Fiscal Year ended June 30, 2021, 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. The Authority has agreed to provide Annual Reports and notices of enumerated events for the benefit of the Noteholders and Beneficial Owners of the Series 2021 Notes in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

LEGAL MATTERS

Certain legal matters incident to the issuance of the Series 2021 Notes are subject to the approving opinion of Nossaman LLP, Los Angeles, California, Bond Counsel, the form of which is attached hereto as Appendix F. Approval of other legal matters will be passed upon for the Authority by Woodruff, Spradlin & Smart, general counsel to the Authority. Certain legal matters will be passed upon for the Underwriters by Orrick, Herrington & Sutcliffe LLP, counsel to the Underwriters.

UNDERWRITING

The Series 2021 Notes are being purchased by the Underwriters named on the cover hereof (each an "Underwriter," and, collectively, the "Underwriters"). The Underwriters have agreed to purchase the Series 2021 Notes at a price equal to \$_____ (the aggregate principal amount of the Series 2021 Notes, less an underwriters' discount of \$_____, [plus a net original issue premium/less an original issue discount] of \$_____). The purchase agreement relating to the Series 2021 Notes provides that the Underwriters will purchase all of the Series 2021 Notes 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 2021 Notes 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 Underwriter[s] identified below. The Authority cannot and does not assume any responsibility for the accuracy of any of the information set forth below under this caption.

BofA Securities, Inc., an underwriter of the Series 2021 Notes, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this

arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2021 Notes.

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 the Authority, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

RELATIONSHIP AMONG CERTAIN PARTIES

BofA Securities, Inc. is an underwriter with respect to the Series 2021 Notes. Bank of America, N.A., an affiliate of BofA Securities, Inc., provided the Bridge Loan which will be repaid from a portion of the proceeds of the Series 2021 Notes.

OTHER MATTERS

This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers, Owners or Beneficial Owners of any of the Series 2021 Notes. 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 the Authority since the date hereof.

Additional information may be obtained upon request from the office of the Authority 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 the Authority.

ORANGE COUNTY TRANSPORTATION
AUTHORITY

By: _____
Chief Executive Officer

APPENDIX A

ORANGE COUNTY LOCAL TRANSPORTATION AUTHORITY

The Orange County Local Transportation Authority is an affiliate of the Orange County Transportation Authority. As provided in the Consolidation Legislation (as such term is defined in the front portion of the Official Statement to which this Appendix A is attached), the Board of Directors of the Authority serves as the Board of Directors of the Local Transportation Authority. See "The Authority" in the front portion of this Official Statement. All capitalized terms used and not otherwise defined in this Appendix A shall have the meanings assigned to such terms in the front portion of this Official Statement.

M2 SALES TAX REVENUE BONDS

Authority for Issuance of M2 Sales Tax Revenue Bonds

The Local Transportation Authority may issue M2 Sales Tax Revenue Bonds pursuant to authority granted under the Local Transportation Authority and Improvement Act (constituting Division 19 of the Public Utilities Code of the State of California, hereinafter referred to as the "Local Transportation Authority Improvement Act"), the Renewed Measure M Transportation Ordinance and Investment Plan, adopted by the Board of Directors on July 24, 2006 (as amended and supplemented from time to time pursuant to its terms hereinafter collectively referred to as the "Measure M2 Ordinance") and approved by more than two-thirds of the electors voting on the Measure M2 at the general election held in the Orange County on November 7, 2006. See "The Measure M2 Sales Tax" herein.

M2 Sales Tax Revenue Bonds issued by the Local Transportation Authority are limited obligations of the Local Transportation Authority payable from and secured by a pledge of the M2 Sales Tax Revenues derived from the imposition of a one-half of one percent (1/2%) retail transactions and use tax imposed for transportation purposes in the incorporated and unincorporated territory of Orange County. The one-half of one percent (1/2%) retail transactions and use tax was imposed pursuant to the Measure M2 Ordinance and approved by approximately seventy percent (70%) of the electors voting on Measure M2 at the general election held in the County on November 7, 2006. Pursuant to its terms, the Measure M2 Ordinance became effective on November 7, 2006 and collection of the Measure M2 retail transactions and use tax authorized pursuant to Measure M2 commenced on April 1, 2011 and is scheduled to expire on March 31, 2041. Such retail transactions and use tax imposed by the Measure M2 Ordinance is hereinafter referred to as the "M2 Sales Tax." See "Security and Source of Payment for the M2 Sales Tax Revenue Bonds."

M2 Sales Tax Revenue Bonds and Parity Obligations

Pursuant to the M2 Indenture, the Local Transportation Authority has issued (i) \$293,540,000 aggregate principal amount of Orange County Local Transportation Authority M2 Sales Tax Revenue Bonds (Limited Tax Bonds) 2010 Series A (Taxable Build America Bonds), of which \$250,000,000 aggregate principal amount will remain outstanding as of the date of issuance of the Series 2021 Notes and (ii) \$376,690,00 aggregate principal amount of Orange County Local Transportation Authority M2 Sales Tax Revenue Bonds (Limited Tax Bonds), Series 2019, of which \$368,625,000 aggregate principal amount will remain outstanding as of the date of issuance of the Series 2021 Notes. Pursuant to the M2 Indenture, the Local Transportation Authority may also issue or incur Parity Obligations (as such term is defined in the M2 Indenture). As of the date of this Official Statement, no Parity Obligations are Outstanding (as such term is defined in the M2 Indenture). See "M2 Sales Tax Revenue Bonds."

M2 Subordinate Obligations

Pursuant to the M2 Indenture, the Local Transportation Authority may issue or incur M2 Subordinate Obligations which are secured by a pledge of the M2 Sales Tax Revenues on a basis subordinate to the pledge which secures the M2 Sales Tax Revenue Bonds. As of the date of this Official Statement, the Local Transportation Authority has not issued or incurred any M2 Subordinate Obligations. To fund its commitment to purchase Authority Refunding Bonds set forth in the Standby Bond Purchase Agreement, the Local Transportation Authority may issue M2 Subordinate Obligations. See "Standby Bond Purchase Agreement – Local Transportation Authority Commitment to Purchase" in the front portion of this Official Statement.

Local Transportation Authority Future Financing Plans

In Fiscal Year 2023, the Local Transportation Authority currently anticipates issuing approximately \$575 million of additional M2 Sales Tax Revenue Bonds, secured by a pledge of the M2 Sales Tax Revenues on a parity basis with the pledge which secures the M2 Sales Tax Revenue Bonds Outstanding as of the date of this Official Statement, the proceeds of which will be applied to finance freeway projects authorized to be funded by Measure M2.

SECURITY AND SOURCE OF PAYMENT FOR M2 SALES TAX REVENUE BONDS

Pledge of M2 Sales Tax Revenues

The M2 Sales Tax Revenue Bonds are limited obligations of the Local Transportation Authority and are payable as to principal and interest exclusively from (i) Revenues (as such term is defined in the M2 Indenture, consisting of M2 Sales Tax Revenues and all investment earnings on amounts held by the M2 Trustee in the funds and accounts established under the M2 Indenture (other than amounts deposited in the Rebate Fund, any Purchase Fund or any Letter of Credit Account established pursuant to the M2 Indenture), subject to application in accordance with the provisions of the M2 Indenture, and (ii) all amounts held on deposit in the funds and accounts established pursuant to the M2 Indenture (other than amounts deposited in the Rebate Fund, any Purchase Fund or any Letter of Credit Account established pursuant to the M2 Indenture).

M2 Sales Tax Revenues means 100% of the amounts relating to the collected by the California Department of Tax and Fee Administration ("CDTFA") on behalf of the Local Transportation Authority pursuant to the Local Transportation Authority Improvement Act, less the sum of (i) the costs and expenses of collection of the M2 Sales Tax paid to CDTFA, (ii) 1% of the M2 Sales Tax payable to the Local Transportation Authority for administration of the Measure M2 Ordinance, (iii) 2% of the M2 Sales Tax to be used for an environmental cleanup program to implement street and highway related water quality improvement projects as provided in the Measure M2 Ordinance, and (iv) 18% of the M2 Sales Tax remaining after deducting the amounts referred to in (i), (ii) and (iii) above, which amount, referred to in the Measure M2 Ordinance as the "Local Fair Share Program," is to be applied to provide flexible funding to assist cities in the County and the County to provide for the repair of aging streets and to meet other transportation needs, including residential street projects, traffic and pedestrian safety projects near schools and signal priority for emergency vehicles as provided in the Measure M2 Ordinance. For a general discussion of the Measure M2 Sales Tax, see "The Measure M2 Sales Tax."

The M2 Indenture provides that the Measure M2 Revenues and other amounts described above became immediately subject to the pledge set forth in the M2 Indenture upon the issuance of the first series of M2 Sales Tax Revenue Bonds and that such pledge constitutes a first lien on and security interest in the M2 Sales Tax Revenues and such other amounts and immediately attached thereto and became

effective, binding and enforceable against the Local Transportation Authority and all others asserting rights therein, to the extent set forth, and in accordance with, the provisions of the M2 Indenture, irrespective of whether such parties have notice of the pledge and without the need for any physical delivery, recordation, filing or further act. The pledge of M2 Sales Tax Revenues and all amounts held on deposit in the funds and accounts established under the M2 Indenture (except for amounts held in the Rebate Fund established under the M2 Indenture) are irrevocable until all of the M2 Sales Tax Revenue Bonds, all obligations which are secured by a pledge of the M2 Sales Tax Revenues on a parity basis with the pledge which secures the M2 Sales Tax Revenue Bonds (such other obligations being hereinafter referred to as "Measure M2 Parity Obligations") and the M2 Subordinate Obligations and amounts owed in connection with the M2 Sales Tax Revenue Bonds, Measure M2 Parity Obligations and M2 Subordinate Obligations are no longer Outstanding.

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 the Local Transportation Authority, to the extent of the pledge described herein, is pledged to the payment of principal of or interest on M2 Sales Tax Revenue Bonds.

Issuance of Obligations Payable From M2 Sales Tax Revenues

Issuance of Additional M2 Sales Tax Revenue Bonds. Subsequent to the issuance of the Orange County Transportation Authority Bond Anticipation Notes (I-405 Improvement Project), Series 2021, the Local Transportation Authority may issue one or more additional series of M2 Sales Tax Revenue Bonds, payable from M2 Sales Tax Revenues and secured by the pledge made under the M2 Indenture in addition to the M2 Sales Tax Revenue Bonds Outstanding (as such term is defined in the M2 Indenture) as of the date of this Official Statement. The Local Transportation Authority may issue and the M2 Trustee may authenticate and deliver to the purchasers thereof, M2 Sales Tax Revenue Bonds of any series so established, in such principal amount as shall be determined by the Local Transportation Authority, but only upon compliance by the Local Transportation Authority with the provisions of the M2 Indenture described below, each of which is a condition precedent to the issuance of any such additional series of M2 Sales Tax Revenue Bonds.

(a) No Event of Default (as such term is defined in the M2 Indenture) shall have occurred and then be continuing.

(b) In the event a Supplemental Indenture (as such term is defined in the M2 Indenture) providing for the issuance of such series of M2 Sales Tax Revenue Bonds shall require either (i) the establishment of a Reserve Fund (as such term is defined in the M2 Indenture) to provide additional security for such series of M2 Sales Tax Revenue Bonds or (ii) that the balance on deposit in an existing Reserve Fund be increased, forthwith upon the receipt of the proceeds of the sale of such series, to an amount at least equal to the Reserve Requirement with respect to such series of M2 Sales Tax Revenue Bonds and all other M2 Sales Tax Revenue Bonds secured by such Reserve Fund to be considered Outstanding upon the issuance of such additional series of M2 Sales Tax Revenue Bonds, the Supplemental Indenture providing for the issuance of such additional series of M2 Sales Tax Revenue Bonds shall require deposit of the amount necessary. Said deposit may be made from the proceeds of the sale of such series of M2 Sales Tax Revenue Bonds or from other funds of the Local Transportation Authority or from both such sources or may be made in the form of a Reserve Facility (as such term is defined in the M2 Indenture).

(c) The aggregate principal amount of M2 Sales Tax Revenue Bonds issued under the M2 Indenture shall not exceed any limitation imposed by law or by any Supplemental Indenture.

(d) The Local Transportation Authority shall place on file with the M2 Trustee a Certificate (as such term is defined in the M2 Indenture) of the Local Transportation Authority certifying that the amount of M2 Sales Tax Revenues or Pro Forma Sales Tax Revenues (as such term is defined in the M2 Indenture), as the case may be, collected during twelve (12) consecutive months during the eighteen (18) months period preceding the date on which such additional series of M2 Sales Tax Revenue Bonds will become Outstanding shall have been at least equal to 1.3 times Maximum Annual Debt Service (as such term is defined in the M2 Indenture) on all series of M2 Sales Tax Revenue Bonds and Parity Obligations (as such term is defined in the M2 Indenture) then Outstanding and the additional series of M2 Sales Tax Revenue Bonds then proposed to be issued, which Certificate of the Local Transportation Authority shall also set forth the computations upon which such Certificate is based.

Nothing in the M2 Indenture contained shall prevent or be construed to prevent the Supplemental Indenture providing for the issuance of an additional series of M2 Sales Tax Revenue Bonds from pledging or otherwise providing, in addition to the security given or intended to be given by the M2 Indenture, additional security for the benefit of such additional series of M2 Sales Tax Revenue Bonds or any portion thereof. In the event additional assets or revenues are included within the definition of "Revenues" (as such term is defined in the M2 Indenture) by a Supplemental Indenture, such additional assets or revenues shall be included in the calculations to be provided pursuant to the provisions of the M2 Indenture described in subparagraph (d) above as if such additional assets or revenues had always been included in Revenues.

Issuance of Refunding Bonds. Refunding Bonds (as such term is defined in the Measure M2 Indenture) may be authorized and issued by the Local Transportation Authority without compliance with the provisions of the M2 Indenture described above under subparagraph (d), provided that the M2 Trustee shall have been provided with a Certificate of the Local Transportation Authority to the effect that the Local Transportation Authority has determined: (i) that Maximum Annual Debt Service on all M2 Sales Tax Revenue Bonds Outstanding and all Parity Obligations outstanding following the issuance of such Refunding Bonds is less than or equal to Maximum Annual Debt Service on all M2 Sales Tax Revenue Bonds Outstanding and all Parity Obligations outstanding prior to the issuance of such Refunding Bonds, or (ii) that the Local Transportation Authority expects a reduction in debt service on all M2 Sales Tax Revenue Bonds Outstanding and all Parity Obligations outstanding to result from the refunding to be effected with the proceeds of such Refunding Bonds. Such Refunding Bonds may be issued in an aggregate principal amount sufficient (together with any additional funds available or to become available) to provide funds for the payment of all or a portion of the following: (i) the principal or Redemption Price (as such term is defined in the M2 Indenture) of the Outstanding M2 Sales Tax Revenue Bonds or outstanding Parity Obligations to be refunded; (ii) all expenses incident to the calling, retiring or paying of such Outstanding M2 Sales Tax Revenue Bonds or outstanding Parity Obligations and the Costs of Issuance (as such term is defined in the M2 Indenture) of such Refunding Bonds; (iii) interest on all Outstanding M2 Sales Tax Revenue Bonds or outstanding Parity Obligations to be refunded to the date such M2 Sales Tax Revenue Bonds or Parity Obligations will be called for redemption or paid at maturity; (iv) interest on the Refunding Bonds from the date thereof to the date of payment or redemption of the M2 Sales Tax Revenue Bonds or Parity Obligations to be refunded; and (v) funding a Reserve Fund for the Refunding Bonds, if required.

Parity Obligations. As defined in the M2 Indenture, Parity Obligations (hereinafter referred to as "M2 Parity Obligations") means any debt or other obligation of the Local Transportation Authority payable on a parity with the M2 Sales Tax Revenue Bonds. M2 Parity Obligations may be issued or incurred by the Local Transportation Authority, provided that the following conditions to the issuance or incurrence of such M2 Parity Obligations are satisfied: (i) such M2 Parity Obligations have been duly and legally authorized by the Local Transportation Authority for any lawful purpose; (ii) no Event of Default shall have occurred and then be continuing, as evidenced by the delivery of a Certificate of the

Local Transportation Authority to that effect, which Certificate of the Local Transportation Authority shall be filed with the M2 Trustee; and (iii) such Parity Obligations are being issued or incurred either (a) for purposes of refunding in compliance with the requirements for the issuance of Refunding Bonds described above under the caption "Issuance of Refunding Bonds;" or (b) the Local Transportation Authority shall have placed on file with the M2 Trustee a Certificate of the Local Transportation Authority, upon which the M2 Trustee may conclusively rely certifying (on the basis of calculations made no later than the date of sale or incurrence of such Parity Obligations, as applicable) that the requirements of the M2 Indenture described above under subparagraph (d) under the caption "Issuance of Additional M2 Sales Tax Revenue Bonds" relating to the issuance of an additional series of M2 Sales Tax Revenue Bonds have been satisfied with respect to such M2 Parity Obligations, which Certificate shall also set forth the computations upon which such Certificate is based. As of the date of this Official Statement no M2 Parity Obligations are Outstanding.

M2 Subordinate Obligations. As defined in the M2 Indenture, M2 Subordinate Obligations means any obligations of the Local Transportation Authority secured by and payable from the M2 Sales Tax Revenues on a basis which is subordinate to the M2 Sales Tax Revenue Bonds and M2 Parity Obligations. As of the date of this Official Statement, no M2 Subordinate Obligations are Outstanding. Pursuant to the Standby Bond Purchase Agreement, the Local Transportation Authority will agree not to issue M2 Subordinate Obligations other than M2 Subordinate Obligations, the proceeds of which will be applied to the purchase of Authority Refunding Bonds prior to the payment at maturity or defeasance of all Series 2021 Notes.

THE MEASURE M2 SALES TAX

Authorization, Collection and Application of the Measure M2 Sales Tax

The Local Transportation Authority Improvement Act, among other things, authorizes the Local Transportation Authority to establish a retail transactions and use tax applicable in the incorporated and unincorporated territory of Orange County in accordance with the California Transactions and Use Tax Law (Revenue and Taxation Code Sections 7251 et seq.). In accordance with the Local Transportation Authority Improvement Act, on November 7, 2006, the voters of the County approved Measure which enacted the Measure M2 Ordinance imposing the Measure M Sales Tax in the County for a period of thirty years, with collections commencing April 1, 2011 and scheduled to end March 31, 2041. The Measure M Sales Tax consists of a one-half of one percent (1/2%) sales tax on the gross receipts of retailers from the sale of tangible personal property sold in the County and a use tax at the same rate upon the storage, use or other consumption in the County of such property purchased from any retailer for storage, use or other consumption in the County, subject to certain limited exceptions described below.

Collection of the M2 Sales Tax is currently administered by CDTFA, which assumed responsibility for collection of the M2 Sales Tax effective July 1, 2017 pursuant to The Taxpayer Transparency and Fairness Act of 2017. Prior to July 1, 2017, collection of the M2 Sales Tax was administered by the California State Board of Equalization. The Taxpayer Transparency and Fairness Act of 2017 restructured the California State Board of Equalization into three separate entities: (i) CDTFA; (ii) the California State Board of Equalization; and (iii) the Office of Tax Appeals.

CDTFA is authorized to charge a fee for collection of the Sales Tax (the "CDTFA Fee") based on the cost of administering the Sales Tax. The CDTFA Fee, the amount of which is agreed with the California Department of Finance, is calculated based on a legislatively-approved costing model and includes direct, indirect, and central agency charges. For Fiscal Year 2020-21, the CDTFA Fee was \$2,786,100 (approximately 0.81% of M2 Sales Tax receipts collected during the period).

Amounts are transmitted to the M2 Trustee on a monthly basis. The amount transmitted reflects the estimated amount for transactions that occurred approximately two months prior to the month of transmittal. Cleanup adjustments are made pursuant to a schedule developed by CDTFA. The current schedule provides that cleanup adjustments are made approximately two (2) months after the end of each calendar quarter, i.e. cleanup adjustments for the calendar quarter ended December 31 are made the following February, cleanup adjustments for the calendar quarter ended March 31 are made the following May, cleanup adjustments for the calendar quarter ended June 30 are made the following August, and cleanup adjustments for the calendar quarter ended September 30 are made the following November.

The M2 Sales Tax is in addition to a seven and one quarter percent (7.25%) sales and use tax currently levied statewide by the State of California (the "State"). In general, the statewide sales tax applies to the gross receipts of retailers from the sale of tangible personal property and the statewide use tax is imposed on the storage, use or other consumption in the State of property purchased from a retailer for such storage, use or other consumption. The statewide use tax does not apply to cases where the sale of the property is subject to the sales tax, therefore the application of the statewide use tax is generally applied to purchases made outside of the State for use within the State.

The M2 Sales Tax is generally imposed upon the same transactions and items subject to the statewide sales and use tax, with generally the same exceptions. Many categories of transactions are exempt from the statewide sales and use tax and from the Measure M2 Sales Tax. The most important of these exceptions are sales of food products for home consumption, prescription medicine, edible livestock and their feed, seed and fertilizer used in raising food for human consumption, and gas, electricity and water when delivered to consumers through mains, lines, and pipes. In addition, "Occasional Sales" (i.e., sales of property not held or used by a seller in the course of activities for which he or she is required to hold a seller's permit) are generally exempt from the statewide sales and use tax and from the Sales Tax.

Historical M2 Sales Tax Revenues

Collection of the M2 Sales Tax authorized by the Measure M2 Ordinance commenced on April 1, 2011. Pursuant to the Measure M2 Ordinance, the M2 Sales Tax remains in effect through March 31, 2041.

The table set forth below presents information concerning historical M2 Sales Tax Revenues collected pursuant to the Measure M2 Ordinance for each of the fiscal years ending June 30, 2012 through June 30, 2021.

HISTORICAL M2 SALES TAX REVENUES

Fiscal Year Ended June 30	Historical Sales Tax Revenues	% Change From Prior Fiscal Year
2012	\$197,590,755	----
2013	209,765,645	6.16%
2014	219,882,862	4.82
2015	229,254,511	4.26
2016	236,527,241	3.17
2017	242,736,325	2.63
2018	253,056,907	4.25
2019	261,536,244	3.35
2020	250,297,253	(4.30)
2021	272,471,493	8.86

The M2 Sales Tax authorized by the Measure M2 Ordinance and Measure M2 extended a one-half of one percent (1/2%) retail transactions and use tax (hereinafter referred to as the "M1 Sales Tax")

imposed in the County pursuant to the Revised Orange County Traffic Improvement and Growth Maintenance Ordinance adopted by the Board of Directors on August 2, 1990 (the "Measure M1 Ordinance") and approved by a majority of the electors voting on the ballot measure set forth therein (such ballot measure being hereinafter referred to as "Measure M1") at the general election held in the County on November 6, 1990. Pursuant to its terms, the Measure M1 Ordinance became effective on November 6, 1990 and expired on March 31, 2011. Revenues received from the M1 Sales Tax (hereinafter referred to as the "M1 Sales Tax Revenues") were comprised of receipts of the M1 Sales Tax, less the sum of (i) the costs and expenses of collection of the M1 Sales Tax payable by the Local Transportation Authority to the State Board of Equalization, (ii) 1% of the M1 Sales Tax payable to the Local Transportation Authority for administration of the Measure M1 Ordinance, and (iii) 14.6% of the M1 Sales Tax Revenues remaining after deducting the amounts referred to in (i) and (ii) above, which amount, referred to in the Measure M1 Ordinance as the "Local Revenues," was applied to assist cities in the County and the County to provide funding for local streets and roads. For a more detailed discussion of the factors influencing Local Transportation Authority Sales Tax collections, see Appendix B - "Economic and Demographic Data Pertaining to the County of Orange."

Historical Taxable Sales

For information concerning historical taxable sales in the County, see Appendix B - "Economic and Demographic Data Pertaining to the County of Orange – Taxable Transactions."

Historical Debt Service Coverage

The table set forth below presents information concerning the Historical Debt Service Coverage Ratio for each of the fiscal years ending June 30, 2017 through June 30, 2021. Information provided in the table below regarding M2 Sales Tax Receipts for purposes of calculation of Historical Debt Service Coverage is based on M2 Sales Tax cash receipts which differs from certain information presented in the Local Transportation Authority Comprehensive Annual Financial Report concerning debt service coverage which is based on accrual in accordance with the requirements of the Governmental Accounting Standards Board.

Historical Debt Service Coverage Ratio

	Fiscal Year Ended June 30,			
	2018	2019	2020	2021
Measure M2 Sales Tax Receipts	\$321,480,529	\$332,358,188	\$317,963,821	\$345,345,181
Less CDTFA Fee ⁽¹⁾	\$3,330,030	3,547,220	3,282,840	2,786,100
Less OCTLA Administration Expenses ⁽¹⁾	3,181,505	3,288,110	3,146,810	3,425,591
Less Environmental Cleanup ⁽¹⁾	6,363,010	6,576,219	6,293,620	6,851,182
Less Local Funding Allocation ⁽¹⁾	55,549,077	57,410,395	54,943,299	59,810,815
Measure M2 Sales Tax Revenues⁽¹⁾	\$253,056,907	\$261,536,244	\$250,297,253	\$272,471,493
Debt Service on Outstanding Measure M2 Sales Tax Revenue Bonds	\$28,793,588	\$28,794,838	\$44,123,080	\$43,839,650
Debt Service Coverage Ratio	8.79x	9.08x	5.67x	6.22x

⁽¹⁾ See Historical M2 Sales Tax Revenues for additional detail concerning collection of the M2 Sales Tax and M2 Sales Tax Revenues.

INVESTMENT CONSIDERATIONS

U.S. Economic Recession; Economy of the County and the State

In the event that the Local Transportation Authority issues M2 Subordinate Obligations to fund its commitment under the Standby Bond Purchase Agreement, such M2 Subordinate Obligations will be secured by a pledge of M2 Sales Tax Revenues. The level of M2 Sales Tax Revenues collected at any time is dependent upon the level of retail sales within the County, which level of retail sales is, in turn, dependent upon the level of economic activity in the County and in the State generally.

On June 8, 2020, the National Bureau of Economic Research ("NBER") declared that a recession in the United States commenced in February 2020. Reportedly, this was the fastest that NBER has declared any recession since the group began formal announcements in 1979. In announcing the recession, NBER said "[t]he unprecedented magnitude of the decline in employment and production, and its broad reach across the entire economy, warrants the designation of this episode as a recession . . ."

The Local Transportation Authority is unable to predict the duration or severity of the current economic recession. Although the M2 Sales Tax Revenues collected by the Local Transportation Authority have rebounded from the decline experienced as a result of the Pandemic, the recession may have a material adverse effect on the collection of M2 Sales Tax Revenues, which may adversely affect the ability of the Local Transportation Authority to issue M2 Subordinate Obligations.

COVID-19 Pandemic

As indicated in the discussion of the Pandemic set forth under the caption "Investment Considerations" set forth in the front portion of this Official Statement, the Pandemic is currently affecting many parts of the world, including the United States and the State of California. The Pandemic has negatively affected travel, commerce, investment values, and financial markets globally, and is widely expected to continue to negatively affect economic output worldwide and within the County. While federal and state governments (including the State of California) have enacted legislation and taken executive actions seeking to mitigate the negative public health and economic impacts of the Pandemic, the Local Transportation Authority offers no assurances that these interventions will have the intended effects. The consequences of the Pandemic are expected to continue to reduce economic activity within the County, including activities that generate M2 Sales Tax Revenues. The Local Transportation Authority continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the Pandemic upon the Local Transportation Authority. While the overall potential impact of the Pandemic on the Local Transportation Authority and M2 Sales Tax Revenues cannot be quantified at this time, the adverse impact on M2 Sales Tax Revenues could be material.

Legislative Changes

Action by the State legislature or by voter initiative could change the transactions and items upon which the M2 Sales Tax is imposed. Such changes or amendments could have either an adverse or beneficial impact on the M2 Sales Tax Revenues. The State Legislature from time to time may adopt legislation that impacts the collection or the distribution of M2 Sales Taxes or that otherwise may impact the operations or finances of the Local Transportation Authority. The Local Transportation Authority cannot predict whether any such legislation will negatively impact M2 Sales Tax Revenues. The Local Transportation Authority is not currently aware of any proposed legislative change, which would have a material adverse effect on M2 Sales Tax Revenues.

Other Sales Taxes

With limited exceptions, the M2 Sales Tax is imposed upon the same transactions and items subject to the 7.25% sales and use tax levied statewide by the State. The State Legislature or the voters of the State, through the initiative process, could change or limit the transactions and items upon which the statewide sales tax and the M2 Sales Tax are imposed. Any such change or limitation could have an adverse impact on the M2 Sales Tax Revenues collected.

Proposition 218

On November 5, 1996, voters in the State approved an initiative known as the Right to Vote on Taxes Act ("Proposition 218"). Proposition 218 added Articles XIIC and XIID to the California Constitution. Article XIIC requires majority voter approval for the imposition, extension or increase of general taxes and two-thirds voter approval for the imposition, extension or increase of special taxes by a local government, which is defined to include local or regional governmental agencies such as the Local Transportation Authority. The Measure M2 Ordinance received the approval of more than 2/3 of the voters as required by Article XIIC. However, Article XIIC also removes limitations that may have applied to the voter initiative power with regard to reducing or repealing previously authorized taxes. In the opinion of the Local Transportation Authority, however, any attempt by the voters to use the initiative provisions under Proposition 218 to rescind or reduce the levy and collection of the M2 Sales Tax in a manner which would prevent the payment of debt service on M2 Obligations would violate the Impairment Clause of the United States Constitution and, accordingly, would be precluded. However, it is likely that the interpretation and application of Proposition 218 will ultimately be determined by the courts.

Further Initiatives

Proposition 218 was adopted as a measure that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, which may affect the Local Transportation Authority's ability to levy and collect the M2 Sales Tax.

Bankruptcy Risks

Limitations on Remedies in the Event of Bankruptcy of the Local Transportation Authority

The Local Transportation Authority is authorized to file a bankruptcy petition under Chapter 9 of the United States Bankruptcy Code ("Chapter 9") under certain circumstances. An involuntary bankruptcy petition cannot be filed against the Local Transportation Authority.

If the M2 Sales Tax Revenues are "special revenues" under Chapter 9, then M2 Sales Tax Revenues collected after the date of the bankruptcy filing should be subject to the lien of the M2 Indenture for the benefit of the owners of bonds issued by the Local Transportation Authority pursuant to the M2 Indenture. No assurance can be given, however, that a bankruptcy court will determine that M2 Sales Tax Revenues constitute "special revenues." If a bankruptcy court were to hold that M2 Sales Tax Revenues are not "special revenues," then M2 Sales Tax Revenues collected after the filing of the bankruptcy petition would likely not be subject to the lien of the M2 Indenture. Under such circumstances, it is not clear whether owners of bonds issued by the Local Transportation Authority pursuant to the M2 Indenture would be treated as general unsecured creditors of the Local Transportation Authority or whether the owners of bonds issued by the Local Transportation Authority pursuant to the M2 Indenture would have no further claim against any assets of the Local Transportation Authority. In either case, the owners of bonds issued by the Local Transportation Authority pursuant to the M2

Indenture could suffer substantial losses. If a bankruptcy court were to hold that M2 Sales Tax Revenues are "special revenues," then the owners of the bonds issued by the Local Transportation Authority pursuant to the M2 Indenture will likely have no recourse to any assets or revenues of the Local Transportation Authority other than M2 Sales Tax Revenues.

The Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the relevant project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, even if the M2 Sales Tax Revenues are held to constitute special revenues, the Local Transportation Authority may be able to use M2 Sales Tax Revenues to pay necessary operating expenses of the Local Transportation Authority before making payments on bonds issued by the Local Transportation Authority pursuant to the M2 Indenture, notwithstanding the provisions of the M2 Indenture. It is not clear precisely which expenses, if any, would constitute necessary operating expenses.

Notwithstanding the provisions of the transaction documents that require CDTFA to transfer all M2 Sales Tax Revenues directly to the M2 Trustee, the Local Transportation Authority may be able to require CDTFA to transfer M2 Sales Tax Revenues directly to the Local Transportation Authority.

Unless the permission of the bankruptcy court is obtained, the M2 Trustee and the owners of bonds issued by the Local Transportation Authority pursuant to the M2 Indenture may be prohibited from taking any action to collect any amount from the Local Transportation Authority or to enforce any obligation of the Local Transportation Authority. These restrictions may also prevent the M2 Trustee from making payments to the owners of bonds issued by the Local Transportation Authority pursuant to the M2 Indenture from funds in the M2 Trustee's possession during the pendency of the bankruptcy proceedings.

The Local Transportation Authority may be able to borrow additional money that is secured by a lien on any of its property (including the M2 Sales Tax Revenues), which lien could have priority over the lien of the M2 Indenture, as long as the bankruptcy court determines that the rights of the owners of bonds issued by the Local Transportation Authority pursuant to the M2 Indenture will be adequately protected. The Local Transportation Authority may be able to cause some of the M2 Sales Tax Revenues to be released to it, free and clear of the lien of the M2 Indenture, as long as the bankruptcy court determines that the rights of the owners of bonds issued by the Local Transportation Authority pursuant to the M2 Indenture will be adequately protected.

The Local Transportation Authority may be able, without the consent and over the objection of the M2 Trustee or the owners of bonds issued by the Local Transportation Authority pursuant to the M2 Indenture, 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 M2 Indenture, the owners of bonds issued by the Local Transportation Authority pursuant to the M2 Indenture, or any other agreement relating to bonds issued by the Local Transportation Authority pursuant to the M2 Indenture to which the Local Transportation Authority is a party (including the provisions providing for the transfer of M2 Sales Tax Revenues from CDTFA to the M2 Trustee), as long as the bankruptcy court determines that the alterations are fair and equitable.

There may be delays in payments on bonds issued by the Local Transportation Authority pursuant to the M2 Indenture while the court considers any of these issues. There may be other possible effects of a bankruptcy of the Local Transportation Authority that could result in delays or reductions in payments on bonds issued by the Local Transportation Authority pursuant to the M2 Indenture or result in losses to the owners of bonds issued by the Local Transportation Authority pursuant to the M2 Indenture. Regardless of any specific adverse determinations in a Local Transportation Authority bankruptcy

proceeding, the fact of a Local Transportation Authority bankruptcy proceeding could have an adverse effect on the liquidity and value of bonds issued by the Local Transportation Authority pursuant to the M2 Indenture.

APPENDIX B

ECONOMIC AND DEMOGRAPHIC DATA

PERTAINING TO THE COUNTY OF ORANGE

General

The boundaries of the jurisdiction of the Orange County Transportation Authority are the same as those of the County of Orange (the "County"), which was established by an act of the California State Legislature in 1889. The County encompasses an area within southern California of over 798 square miles.

The County is bordered on the north by Los Angeles and San Bernardino Counties, on the east by Riverside County, on the southeast by San Diego County and on the west and southwest by the Pacific Ocean. Approximately 42 miles of ocean shoreline provide beaches, marinas and other recreational areas for use by residents and visitors.

Population Estimates

The following table shows population estimates for the County and the State of California (the "State") for the ten (10) calendar years set forth below.

POPULATION ESTIMATES
2012 Through 2021
COUNTY OF ORANGE AND THE STATE OF CALIFORNIA

Year⁽¹⁾	County	Annual Growth Rate	State	Annual Growth Rate
2012	3,072,381	N/A	37,924,661	N/A
2013	3,103,018	1.00%	38,269,864	0.91%
2014	3,122,962	0.64	38,556,731	0.75
2015	3,144,663	0.69	38,865,532	0.80
2016	3,160,401	0.50	39,103,587	0.61
2017	3,180,125	0.62	39,352,398	0.64
2018	3,186,254	0.19	39,519,535	0.42
2019	3,185,378	(0.03)	39,605,361	0.22
2020	3,180,491	(0.15)	39,648,938	0.11
2021	3,153,764	(0.84)	39,466,855	(0.46)

⁽¹⁾ As of January 1.

Source: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2021, with 2010 Census Benchmark. Sacramento, California, May 2021.

Projected Population Growth Through 2060

The following table shows population projections for the County and the State through 2060.

COUNTY OF ORANGE AND STATE OF CALIFORNIA POPULATION PROJECTIONS

Year	County	Projected Growth Rate	State	Projected Growth Rate
2030	3,291,863	N/A	41,860,549	N/A
2040	3,315,726	0.72%	43,353,414	3.57%
2050	3,268,048	(1.44)	44,049,015	1.60
2060	3,166,309	(3.11)	44,228,057	0.41

Source: California Department of Finance. Demographic Research Unit. Report P-2A: Total Population Projections, California Counties, 2010-2060 (Baseline 2019 Population Projections; Vintage 2020 Release). Sacramento: California. March 2021.

Per Capital Personal Income

The following table shows per capita personal income for the County, the State and the United States for the past ten (10) calendar years set forth below which is the most current data available.

PER CAPITA PERSONAL INCOME 2010 Through 2020 COUNTY OF ORANGE, STATE OF CALIFORNIA, AND UNITED STATES

Year	County	State of California	United States
2010	\$49,796	\$43,636	\$40,547
2011	51,522	46,177	42,735
2012	55,391	48,819	44,598
2013	54,765	49,312	44,851
2014	57,234	52,376	47,058
2015	61,322	55,853	49,003
2016	63,439	58,074	49,995
2017	66,044	60,581	52,096
2018	68,917	63,759	54,581
2019	71,711	66,745	56,474
2020	See Note Below	71,480	59,729

Note: Per capital personal income was computed using U.S. Bureau of the Census midyear population estimates. County estimates for 2010 through 2019 reflect county population estimates available as of March 2020, which were updated on November 17, 2020 with new statistics for 2019 and revised statistics for 2010-2018. Next update is scheduled for November 16, 2021.

State of California and U.S: personal income statistics are calculated using Census Bureau midyear population estimates. These annual midyear population estimates are based on the 2010 census. Last updated: March 24, 2021 with new statistics for 2020; revised statistics for 2010-2019.

All dollar estimates are in current dollars (not adjusted for inflation). Calculations are performed on unrounded data.

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

Principal Employers

The following table shows the principal employers in the County by number of employees.

COUNTY OF ORANGE PRINCIPAL EMPLOYERS 2020

Employer Name	Industry	Number of Employees
Walt Disney Co.	Amusement and Recreation Services	28,000
University of California, Irvine	Educational Services	25,512
County of Orange	Public Administration	18,543
St. Joseph Health System	Health Services	12,866
Albertsons	Retail Trade: Food Stores	8,159
Kaiser Permanente	Health Services	8,050
Hoag Memorial Hospital	Health Services	6,710
Walmart Inc.	Retail Trade: General Merchandise	6,400
Target Corporation	Retail Trade: General Merchandise	6,000
Yum Brands Inc.	Restaurants	5,600

Source: Orange County Business Journal Book of Lists (November 30, 2020).

Employment

The following table summarizes the labor force, employment and unemployment figures for the County, the State, and the United States for the years 2016 through 2020.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT 2016 Through 2020⁽¹⁾ COUNTY OF ORANGE, STATE OF CALIFORNIA, UNITED STATES

Year and Area	Labor Force	Employment ⁽²⁾	Unemployment ⁽³⁾	Unemployment Rate
2016				
Orange County	1,597,400	1,532,700	64,700	4.1%
State of California	19,012,5000	17,965,400	1,046,600	5.5
United States	159,187,000	151,436,000	7,751,000	4.9
2017				
Orange County	1,606,800	1,551,500	56,700	3.5
State of California	19,173,800	18,246,80	927,000	4.8
United States	160,320,000	153,337,000	6,982,000	4.4
2018				
Orange County	1,616,000	1,568,000	48,100	3.0
State of California	19,263,900	18,442,400	821,500	4.3
United States	162,075,000	155,761,000	6,314,000	3.9
2019				
Orange County	1,613,100	1,567,200	45,900	2.8
State of California	19,353,700	18,550,500	803,200	4.2
United States	163,539,000	157,538,000	6,001,000	3.7
2020				
Orange County	1,553,300	1,416,700	136,600	8.8
State of California ⁽⁴⁾	18,821,200	16,913,100	1,908,100	10.1
United States	160,742,000	147,795,000	12,947,000	8.1

Note: Data is not seasonally adjusted.

(1) Annual averages, unless otherwise specified.

(2) Includes persons involved in labor-management trade disputes.

(3) The unemployment rate is computed from unrounded data and, therefore, the unemployment rate may differ from rates computed from the rounded data included in the table.

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2020 Benchmark.

Industry Employment and Labor Force Annual Averages

Industry employment and labor force annual averages for the past five (5) years for the Anaheim-Santa Ana-Irvine Metropolitan Division, which includes the County, are set forth in the table below. The table provides multi county-wide statistics and may not necessarily accurately reflect employment trends in the County.

INDUSTRY EMPLOYMENT AND LABOR FORCE ANNUAL AVERAGES 2016 Through 2020 COUNTY OF ORANGE (ANAHEIM-SANTA ANA-IRVINE METROPOLITAN DIVISION)

Category	2016	2017	2018	2019	2020
Total Farm	2,400	2,100	2,000	1,900	1,800
Total Nonfarm	1,586,300	1,619,200	1,651,800	1,673,500	1,524,700
Total Private	1,426,700	1,459,000	1,490,600	1,510,900	1,369,000
Goods Producing	255,600	262,600	267,000	266,400	251,300
Mining and Logging	300	500	500	500	300
Construction	97,000	101,400	105,900	106,200	101,900
Manufacturing	158,200	160,700	160,700	159,800	149,000
Durable Goods	116,200	117,500	118,500	118,500	111,200
Nondurable Goods	42,000	43,200	42,200	41,300	37,800
Service Providing	1,330,700	1,356,600	1,384,800	1,407,100	1,273,400
Private Service Producing	1,171,100	1,196,500	1,223,600	1,244,500	1,117,700
Trade, Transportation and Utilities	258,500	260,500	261,600	259,500	241,600
Retail Trade	152,600	153,500	152,600	150,600	137,500
Transportation, Warehousing and Utilities	27,200	28,000	29,200	29,500	29,400
Information	26,000	26,800	26,700	26,000	24,200
Financial Activities	118,000	119,600	118,700	117,600	115,300
Professional and Business Services	299,600	304,800	317,400	328,700	307,100
Educational and Health Services	206,600	216,400	225,200	233,100	224,000
Educational Services	26,600	28,000	29,300	31,500	27,900
Leisure and Hospitality	212,000	218,100	222,600	227,700	161,500
Other Services	50,500	50,300	51,400	52,000	44,000
Government	159,600	160,200	161,200	162,500	155,700
Total, All Industries	<u>1,588,700</u>	<u>1,621,300</u>	<u>1,653,800</u>	<u>1,675,300</u>	<u>1,526,600</u>

Note: The "Total, All Industries" data is not directly comparable to the employment data found herein.

Source: *State of California, Employment Development Department, Labor Market Information Division, Average Labor Force and Industry Employment. March 2020 Benchmark.*

Taxable Transactions

The following table summarizes annual taxable sales for the County from 2016 through 2021. Data provided for 2021 reflects the year end forecast.

ANNUAL TAXABLE SALES 2016 Through 2021 COUNTY OF ORANGE (Dollars in Millions)

Type of Business	2016	2017	2018	2019	2020	2021 ⁽²⁾
General Merchandising and Clothing	\$ 9,440	\$ 9,494	\$ 9,845	\$10,063	\$ 8,627	\$12,139
All Food and Drink	10,020	10,353	10,656	11,042	8,671	9,444
Motor Vehicles and Parts	8,649	8,928	9,408	9,647	9,357	10,916
Service Stations	3,347	3,746	4,204	4,142	2,631	2,956
All Other	<u>31,604</u>	<u>32,627</u>	<u>33,356</u>	<u>34,795</u>	<u>33,812</u>	<u>35,240</u>
Total Taxable Sales ⁽¹⁾	<u>\$63,059</u>	<u>\$65,148</u>	<u>\$67,469</u>	<u>\$69,689</u>	<u>\$63,097</u>	<u>\$70,696</u>

⁽¹⁾ Totals may not add due to rounding.

⁽²⁾ 2021 reflects year-end forecast.

Source: Chapman University Economic & Business Review, June 2021.

Construction Activity

The following table shows the annual building permit valuations and number of permits for new dwelling units issued for the County from 2015 through 2019, which is the most current data available.

BUILDING PERMITS AND VALUATIONS 2015 Through 2019 COUNTY OF ORANGE (Dollars in Thousands)

	2015	2016	2017	2018	2019
Valuation					
Residential	\$2,826,883	\$3,151,640	\$3,188,601	\$2,750,619	\$2,642,314
Non-Residential	<u>2,203,105</u>	<u>2,495,687</u>	<u>2,090,029</u>	<u>3,532,285</u>	<u>3,152,501</u>
Total	\$5,029,988	\$5,647,327	\$5,278,630	\$6,282,904	\$5,794,815
Units					
Single Family	3,667	4,226	5,097	3,975	3,125
Multi Family	<u>7,230</u>	<u>7,908</u>	<u>5,197</u>	<u>4,130</u>	<u>7,169</u>
Total	10,897	12,134	10,294	8,105	10,294

Note: Totals may not add due to rounding.

Source: Construction Industry Research Board.

APPENDIX C -1

**AUDITED FINANCIAL STATEMENTS
OF THE
ORANGE COUNTY TRANSPORTATION AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

AND

APPENDIX C-2

**AUDITED FINANCIAL STATEMENTS
OF THE
ORANGE COUNTY TRANSPORTATION AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Orange County Transportation Authority Bond Anticipation Notes (I-405 Improvement Project), Series 2021 (the "Series 2021 Notes"). The Series 2021 Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered note certificate will be issued for each maturity of Series 2021 Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the front portion of this Official Statement or in Appendix D - "Summary of Principal Documents."

The following information has been obtained from DTC, and neither the Orange County Transportation Authority (the "Authority") nor any underwriter identified on the cover page of this Official Statement makes any representation as to its accuracy or completeness. For further information, beneficial owners should contact DTC in New York, New York.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S & P Global Ratings of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2021 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Notes on DTC's records. The ownership interest of each actual purchaser of each Series 2021 Note (each a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners, are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2021 Notes, except in the event that use of the book-entry system for the Series 2021 Notes is discontinued.

To facilitate subsequent transfers, all Series 2021 Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2021 Notes with DTC and their registration in the name of Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2021 Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2021 Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Notes, such as redemptions, defaults and proposed amendments to the note documents. For example, Beneficial Owners of Series 2021 Notes may wish to ascertain that the nominee holding Series 2021 Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2021 Notes are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2021 Notes to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2021 Notes unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy (the "Omnibus Proxy") to the Authority and the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2021 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2021 Notes and redemption proceeds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest and redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2021 Notes at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances in the event that a successor securities depository is not obtained, note certificates are required to be printed and delivered in accordance with the provisions set forth in the Indenture.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered in accordance with the provisions of the Indenture.