REMARKETED ISSUE – BOOK ENTRY ONLY

RATINGS:
Moody's: "[Aa2]/VMIG 1"
S&P Global Ratings: "[AAA]/A-1"
(See "RATINGS" herein)

On the date of original issuance of the Series 2008 Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Commission, delivered its opinion that 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 2008 Bonds is excluded 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. It was the further opinion of Bond Counsel that interest on the Series 2008 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observed that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expressed no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2008 Bonds. See "TAX MATTERS." The opinion of Orrick, Herrington & Sutcliffe LLP has not been updated as of the date of this Remarketing Memorandum. A copy of the opinion of Orrick, Herrington & Sutcliffe LLP delivered on March 27, 2008 is attached hereto as Appendix E.

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION SALES TAX REVENUE BONDS (LIMITED TAX BONDS)

\$100,575,000	**\$100,575,000**	**\$100,575,000**	**\$100,575,000**
Variable Rate Demand Bonds	**Variable Rate Demand Bonds**	**Variable Rate Demand Bonds**	**Variable Rate Demand Bonds**
2008 Series A	**2008 Series B**	**2008 Series C**	**2008 Series D**

Dated: Date of Delivery **Due as shown on inside cover**

On March 27, 2008, the San Diego County Regional Transportation Commission (the "Commission") issued the Bonds described herein (the "2008 Series A Bonds," the "2008 Series B Bonds," the "2008 Series C Bonds" and the "2008 Series D Bonds," which shall collectively be referred to herein as the "Series 2008 Bonds") pursuant to an Indenture, dated as of March 1, 2008 (as amended and supplemented, the "Indenture"), between the Commission and U.S. Bank National Association, as trustee. Each of the Series 2008 Bonds were originally issued in the principal amount of \$150,000,000; as of October 1, 2021 \$100,575,000 of each of the Series 2008 Bonds are outstanding, for a total of \$402,300,000 in aggregate principal amount of Series 2008 Bonds outstanding.

The Series 2008 Bonds are limited obligations of the Commission payable from the receipts of a one-half of one percent (0.5%) retail transactions and use tax (the "Sales Tax") imposed in the County of San Diego (the "County") for transportation and related purposes. Collection of the Sales Tax commenced April 1, 1988; the Sales Tax is scheduled to expire on March 31, 2048. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2008 BONDS" herein.

Proceeds from the sale of the 2008 Bonds were used by the Commission for several purposes authorized under the San Diego County Regional Transportation Commission Act (Public Utilities Code Section 132000 et seq.), including to fund a deposit to the 2008 Bonds Reserve Fund securing the Series 2008 Bonds. From and after the date of execution and delivery of the Twelfth Supplemental Indenture, dated as of _________ 1, 2021, which is expected to occur on or about December 1, 2021, the 2008 Bonds Reserve Fund will be closed and all amounts therein will be released to the Commission, and the Series 2008 Bonds will no longer be secured by any amounts in the 2008 Bonds Reserve Fund.

The series designations, principal amounts, interest rate determination methods, interest payment dates, maturity dates, authorized denominations, credit enhancement and other information relating to the Series 2008 Bonds are summarized in the Summary of Series 2008 Bonds on the inside cover page. Investors may purchase Series 2008 Bonds in book-entry form only.

Series 2008 Bonds are subject to mandatory sinking fund redemption by the Commission prior to maturity as described in this Remarketing Memorandum. Series 2008 Bonds also are subject to optional redemption or purchase by the Commission prior to maturity as described in this Remarketing Memorandum. The Series 2008 Bonds also are subject to mandatory tender for purchase and remarketing at the option of the Commission or if their Interest Rate Determination Method is changed by the Commission.

The Series 2008 Bonds may be tendered at any time by Series 2008 Bondowners for purchase and remarketing. In order to provide for the payment of the purchase price of the 2008 Series A Bonds and the 2008 Series B Bonds that are not remarketed, the Commission has entered into a standby bond purchase agreement dated March 27, 2008 (as amended, the "JPMorgan Chase Bank Liquidity Facility") with JPMorgan Chase Bank, National Association ("JPMorgan Chase Bank"). In order to provide for the payment of the purchase price of the 2008 Series C Bonds that are not remarketed, the Commission has entered into standby bond purchase agreement dated as of November 1, 2017 (as amended, the "Bank of America Liquidity Facility") with Bank of America, N.A. ("Bank of America"). In order to provide for the payment of the purchase price of the 2008 Series D Bonds that are not remarketed, the Commission has entered into a standby bond purchase agreement dated as of September 28, 2011 (as amended, the "State Street Liquidity Facility") with State Street Bank and Trust Company ("State Street Bank"). JPMorgan Chase Bank, Bank of America and State Street Bank are collectively referred to at times herein as the "Liquidity Providers," and the JPMorgan Chase Bank Liquidity Facility, the Bank of America Liquidity Facility and the State Street Liquidity Facility are collectively referred to at times herein as a "Liquidity Facility." Pursuant to the terms and conditions of the applicable Liquidity Facilities, with respect to all Series 2008 Bonds that are tendered for purchase and not remarketed, JPMorgan Chase Bank will be obligated to purchase the 2008 Series A Bonds and the 2008 Series B Bonds, Bank of America will be obligated to purchase the 2008 Series C Bonds and State Street Bank will be obligated to purchase the 2008 Series D Bonds, all subject to the occurrence of certain suspension and termination events specified therein. The obligation of the Liquidity Providers to purchase the Series 2008 Bonds terminates if there is a change in the Interest Rate Determination Method from a Weekly Rate or a Daily Rate. Under the terms of the applicable Liquidity Facilities, each Liquidity Provider's obligation to purchase the applicable Series 2008 Bonds is several and not joint and none of the Liquidity Providers will be liable for the failure of any other Liquidity Provider to purchase the respective Series 2008 Bonds pursuant to the applicable Liquidity Facility. See "THE LIQUIDITY FACILITIES." Unless otherwise terminated or extended pursuant to its terms, the JPMorgan Chase Bank Liquidity Facility will expire on March 24, 2023, the Bank of America Liquidity Facility will expire on August 26, 2024, and the State Street Liquidity Facility will expire on June 4, 2024. The Liquidity Facilities do not provide security or support for the payment of the principal of, premium, if any, or interest on the Series 2008 Bonds.

[JPMorgan Chase Bank logo]	[Bank of America logo]	[State Street logo]
(Liquidity Provider for 2008 Series A and 2008 Series B)	(Liquidity Provider for 2008 Series C)	(Liquidity Provider for 2008 Series D)

THE SERIES 2008 BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE COUNTY, THE STATE OF CALIFORNIA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE COMMISSION TO THE EXTENT OF THE PLEDGE OF REVENUES DESCRIBED HEREIN, OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION OF THE STATE. THE CREDIT OR TAXING POWER (OTHER THAN AS DESCRIBED IN THE INDENTURE) OF THE COMMISSION IS NOT PLEDGED, FOR THE PAYMENT OF THE SERIES 2008 BONDS, THEIR INTEREST, OR ANY PREMIUM DUE UPON REDEMPTION OF THE SERIES 2008 BONDS. THE SERIES 2008 BONDS ARE NOT SECURED BY A LEGAL OR EQUITABLE PLEDGE OF, OR CHARGE, LIEN OR ENCUMBRANCE UPON, ANY OF THE PROPERTY OF THE COMMISSION OR ANY OF ITS INCOME OR RECEIPTS, EXCEPT THE SALES TAX REVENUES AND CERTAIN OTHER FUNDS PLEDGED UNDER THE INDENTURE.

This cover page contains general information only. Investors must read the entire Remarketing Memorandum to obtain information essential to making an informed investment decision. This Remarketing Memorandum supersedes the Remarketing Memorandum dated September 23, 2011, as supplemented by the supplement dated June 2, 2015, and the Remarketing Memorandum dated October 30, 2017.

Barclays Capital Inc.	**Goldman Sachs & Co. LLC**	**J.P. Morgan Securities LLC**	**Stifel, Nicolaus & Company, Incorporated**
Remarketing Agent	Remarketing Agent	Remarketing Agent	Remarketing Agent
2008 Series A Bonds	2008 Series B Bonds	2008 Series C Bonds	2008 Series D Bonds

SUMMARY OF 2008 SERIES BONDS

$402,300,000
SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
SALES TAX REVENUE BONDS (LIMITED TAX BONDS) 2008 SERIES A-D

	$100,575,000 2008 Series A Bonds	**$100,575,000 2008 Series B Bonds**	**$100,575,000 2008 Series C Bonds**	**$100,575,000 2008 Series D Bonds**
Maturity Date:	April 1, 2038	April 1, 2038	April 1, 2038	April 1, 2038
Price:	100%	100%	100%	100%
Authorized Denominations:	$100,000 or any integral multiple of $5,000 in excess thereof	$100,000 or any integral multiple of $5,000 in excess thereof	$100,000 or any integral multiple of $5,000 in excess thereof	$100,000 or any integral multiple of $5,000 in excess thereof
Initial Interest Rate Determination Method‡:	Weekly Rate	Weekly Rate	Weekly Rate	Weekly Rate
Interest Payment Dates:	First Business Day of each calendar month	First Business Day of each calendar month	First Business Day of each calendar month	First Business Day of each calendar month
Record Date for Interest Payments:	Business Day prior to Interest Payment Date	Business Day prior to Interest Payment Date	Business Day prior to Interest Payment Date	Business Day prior to Interest Payment Date
Liquidity Provider:	JPMorgan Chase Bank, National Association	JPMorgan Chase Bank, National Association	Bank of America, N.A.	State Street Bank and Trust Company
Scheduled Expiration Date of Liquidity Facility§	March 24, 2023	March 24, 2023	August 26, 2024	June 4, 2024
Remarketing Agent:	Barclays Capital Inc.	Goldman Sachs & Co.	J.P. Morgan Securities LLC	Stifel, Nicolaus & Company, Incorporated
CUSIP No**	797400 FFO	797400 FG8	797400 FH6	797400 FJ2

‡ Upon satisfaction of certain conditions set forth in the Indenture, the Series 2008 Bonds of each Series may bear interest calculated pursuant to a different Interest Rate Determination Method (which may be the Daily Rate, the Weekly Rate, the Commercial Paper Rate, the Auction Period Rate, the Index Rate, the Term Rate or the Fixed Rate), provided however, that all Series 2008 Bonds of the same Series must be in the same Interest Rate Determination Method. See "DESCRIPTION OF THE SERIES 2008 BONDS."

This Remarketing Memorandum is not intended to provide information about the Series 2008 Bonds after conversion to an Interest Rate Period other than a Daily Rate Period or a Weekly Rate Period.

While in a Daily Rate Period or a Weekly Rate Period, the Series 2008 Bonds are subject to optional and mandatory tender for purchase in authorized denominations at a purchase price equal to the principal amount thereof, without premium, plus accrued interest to the Purchase Date (the "Purchase Price"). See "DESCRIPTION OF THE SERIES 2008 BONDS."

§ Subject to extension by agreement between the Commission and the respective Liquidity Providers.

** CUSIP numbers have been assigned by an organization not affiliated with the Commission and are included solely for the convenience of the public. Neither the Commission nor the Remarketing Agents take any responsibility for the accuracy of such numbers.

This Remarketing Memorandum does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2008 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. The information set forth herein has been provided by the San Diego County Regional Transportation Commission (the "Commission") the Remarketing Agents, the Liquidity Providers (only with respect to the information provided in APPENDIX F) and other sources that are believed by the Commission to be reliable.

The Remarketing Agents have provided the following sentence for inclusion in this Remarketing Memorandum: The Remarketing Agents have reviewed the information in this Remarketing Memorandum 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 Remarketing Agents do not guarantee the accuracy or completeness of such information.

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Remarketing Memorandum. If given or made, such other information or representations must not be relied upon as having been authorized by the Commission, the Remarketing Agents or the Liquidity Providers.

This Remarketing Memorandum is not to be construed as a contract with the purchasers of the Series 2008 Bonds.

This Remarketing Memorandum speaks only as of its date. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Remarketing Memorandum nor any sale made in conjunction herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Commission or other matters described herein since the date hereof. This Remarketing Memorandum is submitted with respect to the sale of the Series 2008 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the Commission.

All descriptions and summaries of documents and statutes hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document and statute for complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each such document and statute. Certain capitalized terms used but not defined herein are defined in APPENDIX C-1 or C-2.

The Remarketing Agents may offer and sell the Series 2008 Bonds to certain dealers, institutional investors and others at prices lower than the public offering prices stated on the inside cover pages hereof and such public offering prices may be changed from time to time by the Remarketing Agents.

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

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS REMARKETING MEMORANDUM

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

The Series 2008 Bonds will not be registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained in such act. The Series 2008 Bonds have not been registered or qualified under the securities laws of any state. The Series 2008 Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

[INSERT TRANSNET MAP]

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
BOARD MEMBERS

Chair	Vice Chair	Second Vice Chair
Hon. Catherine Blakespear	Hon. Todd Gloria	Hon. Alejandra Sotelo-Solis

City of Carlsbad
Hon. Matt Hall, Mayor
(A) Hon. Priya Bhat-Patel, Councilmember
(A) Keith Blackburn, Mayor Pro Tem

City of Chula Vista
Hon. Mary Salas, Mayor
(A) Hon. Steve Padilla, Councilmember
(A) Hon. John McCann, Councilmember

City of Coronado
Hon. Richard Bailey, Mayor
(A) Hon. Bill Sandke, Councilmember
(A) Hon. Mike Donovan, Councilmember

City of Del Mar
Hon. Terry Gaasterland, Mayor
(A) Hon. Dave Druker, Councilmember
(A) Hon. Dan Quirk, Councilmember

City of El Cajon
Hon. Bill Wells, Mayor
(A) Hon. Steve Goble, Deputy Mayor

City of Encinitas
Hon. Catherine Blakespear, Mayor
(A) Hon. Joe Mosca, Councilmember
(A) Hon. Kellie Hinze, Councilmember

City of Escondido
Hon. Paul McNamara, Mayor
(A) Hon. Mike Morasco, Councilmember
(A) Hon. Consuelo Martinez, Councilmember

City of Imperial Beach
Hon. Serge Dedina, Mayor
(A) Hon. Ed Spriggs, Councilmember
(A) Hon. Paloma Aguirre, Councilmember

City of La Mesa
Hon. Jack Shu, Councilmember
(A) Hon. Mark Arapostathis, Mayor
(A) Hon. Bill Baber, Councilmember

City of Lemon Grove
Hon. Racquel Vasquez, Mayor
(A) Hon. Jennifer Mendoza, Councilmember
(A) Hon. George Gastil, Councilmember

City of National City
Hon. Alejandra Sotelo-Solis, Mayor
(A) Hon. Mona Rios, Councilmember
(A) Hon. Marcus Bush, Councilmember

City of Oceanside
Hon. Christopher Rodriguez, Councilmember
(A) Hon. Ryan Keim, Councilmember
(A) Vacant

City of Poway
Hon. Steve Vaus, Mayor
(A) Hon. John Mullin, Councilmember
(A) Hon. Caylin Frank, Councilmember

City of San Diego
Hon. Todd Gloria, Mayor
(A) Hon. Vivian Moreno, Councilmember
(A) Hon. Marni Von Wilpert, Councilmember
Hon. Jennifer Campbell, Council President
(A) Hon. Raul Campillo, Councilmember
(A) Hon. Joe LaCava, Councilmember

City of San Marcos
Hon. Rebecca Jones, Mayor
(A) Hon. Sharon Jenkins, Mayor Pro Tem
(A) Hon. Ed Musgrove, Councilmember

City of Santee
Hon. John Minto, Mayor
(A) Hon. Laura Koval, Councilmember
(A) Hon. Rob McNelis, Vice Mayor

City of Solana Beach
Hon. Lesa Heebner, Mayor
(A), Hon. David A. Zito, Councilmember
(A), Hon. Jewel Edson, Councilmember

City of Vista
Hon. Judy Ritter, Mayor
(A) Hon. John Franklin, Councilmember
(A) Hon. Joe Green, Councilmember

County of San Diego
Hon. Terra Lawson-Remer, Supervisor
(A) Hon. Nora Vargas, Supervisor
Hon. Joel Anderson, Supervisor
(A) Hon. Nora Vargas, Supervisor

Advisory Members

Imperial County
Hon. Jesus Eduardo Escobar, Supervisor
(A) Mark Baza, Imperial County Transportation Commission

California Department of Transportation
Toks Omishakin, Executive Director
(A) Gustavo Dallarda, District 11 Director
(A) Ann Fox, Deputy Director

Metropolitan Transit System
Hon. Paloma Aguirre
(A) Hon. Vivian Moreno

North County Transit District
Hon. Tony Kranz
(A) Hon. Sharon Jenkins
(A) Hon. Priya Bhat-Patel

U.S. Department of Defense
Dennis Keck, Navy Region Southwest Executive Director
(A) Steve Chung, Navy Region Southwest

Port of San Diego
Hon. Garry Bonelli, Commissioner
(A) Hon. Dan Malcolm, Commissioner

San Diego County Water Authority
Mel Katz, Director
(A) Consuelo Martinez
(A) Hon. Mona Rios

San Diego County Regional Airport Authority
Johanna Schiavoni
(A) Paul Robinson

Southern California Tribal Chairmen's Association
Hon. Cody Martinez, Chairman,
Sycuan Band of the Kumeyaay Nation
Hon. Erica Pinto, Chairwoman,
Jamul Indian Village of California

Mexico
Hon. Carlos González Gutiérrez
Cónsul General of Mexico
(A) Hon. Mario Figueroa
Deputy Cónsul General of Mexico
(A) Hon. Natalia Figueroa, Vice Consul

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

MANAGEMENT

CHIEF EXECUTIVE OFFICER
Hasan Ikhrata

GENERAL COUNSEL
John F. Kirk

SENIOR LEGAL COUNSEL
Betsy Blake

CHIEF CAPITAL PROGRAMS AND REGIONAL SERVICES OFFICER
Jim Linthicum

CHIEF OPERATIONS OFFICER
Vacant

CHIEF PLANNING AND INNOVATION OFFICER
Ray Traynor

CHIEF ANALYTICS OFFICER AND CHIEF ECONOMIST
Ray Major

CHIEF FINANCIAL OFFICER
André Douzdjian

DIRECTOR OF ACCOUNTING AND FINANCE
Leeanne Wallace

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel
Norton Rose Fulbright US LLP
Los Angeles, California

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

Municipal Advisor
PFM Financial Advisors, LLC
San Francisco, California

REMARKETING MEMORANDUM

$402,300,000
SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
SALES TAX REVENUE BONDS (LIMITED TAX BONDS)
VARIABLE RATE DEMAND BONDS
2008 SERIES A-D

INTRODUCTION AND PURPOSE OF THE SERIES 2008 BONDS

This Remarketing Memorandum, including the cover page and all appendices hereto (the "Remarketing Memorandum"), provides certain information concerning the San Diego County Regional Transportation Commission (the "Commission") and the San Diego County Regional Transportation Commission Sales Tax Revenue Bonds (Limited Tax Bonds) Variable Rate Demand Bonds 2008 Series A, 2008 Series B, 2008 Series C and 2008 Series D (collectively, the "Series 2008 Bonds").

General. Pursuant to the San Diego County Regional Transportation Commission Act, Chapter 2 of Division 12.7 (Sections 132000 and following) of the Public Utilities Code of the State of California, (the "Act"), the Commission is authorized to issue indebtedness payable in whole or in part from Sales Tax Revenues (defined below). The Commission is a separate legal entity from the City of San Diego, California (the "City") and the County of County of San Diego (the "County"). The Commission's debt issuing capacity and authority are separate and distinct from both the City and the County.

The Series 2008 Bonds were issued on March 27, 2008 pursuant to the Indenture, dated as of March 1, 2008, between the Commission and U.S. Bank National Association, as trustee (the "Trustee"), as supplemented by a First Supplemental Indenture, dated as of March 1, 2008 (the "First Supplemental Indenture"), between the Commission and the Trustee. The Indenture has been further supplemented by a Second Supplemental Indenture, dated as of July 1, 2008, a Third Supplemental Indenture, dated as of October 1, 2010, a Fourth Supplemental Indenture, dated as of June 1, 2012, a Fifth Supplemental Indenture, dated as of September 1, 2014, a Sixth Supplemental Indenture, dated as of August 1, 2016, a Seventh Supplemental Indenture, dated as of June 1, 2017, an Eighth Supplemental Indenture, dated as of December 1, 2019, a Ninth Supplemental Indenture, dated as of February 1, 2020, a Tenth Supplemental Indenture, dated as of January 1, 2021, and an Eleventh Supplemental Indenture, dated as of March 1, 2021, and, as so supplemented and as further supplemented from time to time pursuant to its terms, is hereinafter referred to as the "Indenture."

The Commission and the Trustee intend to execute and deliver a Twelfth Supplemental Indenture, dated as of ________ 1, 2021, which will amend the Indenture to close the Debt Service Reserve Fund securing the Series 2008 Bonds and release all amounts on deposit therein to the Commission, on or about December 1, 2021. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2008 BONDS—2008 Bonds Reserve Fund and Release Thereof."

Bonds, including the 2021 Series A Bonds, issued and outstanding under the Indenture are referred to herein as the "Bonds." All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in APPENDIX C-1 or APPENDIX C-2, or, if not defined therein, in the Indenture.

Security for the Series 2008 Bonds. The Series 2008 Bonds are limited obligations of the Commission secured by a pledge of sales tax revenues (herein called the "Sales Tax Revenues") derived from a one-half of one percent (0.5%) retail transactions and use tax (the "Sales Tax"), imposed in accordance with the Act and the California Transactions and Use Tax Law (Revenue and Taxation Code Section 7251 and following), net of an administrative fee paid to the California Department of Tax and Fee Administration (the "CDTFA") in connection with the collection and disbursement of the Sales Tax. On November 3, 1987, a majority of County voters approved the San Diego County Transportation Improvement Program Ordinance and Expenditure Plan (as amended, the "1987 Ordinance") which imposed the Sales Tax in the County for a 20-year period. The Taxpayer Transparency and Fairness Act of 2017 restructured the California State Board of Equalization (the "BOE") into three separate entities: the BOE, the CDTFA and the Office of Tax Appeals. The CDTFA handles most of the taxes and fees previously collected by the BOE, including, as of July 1, 2017, the Sales Tax.

Under the 1987 Ordinance, the Sales Tax was scheduled to expire on April 1, 2008. On November 2, 2004, more than two-thirds of County voters approved the San Diego County Transportation Improvement Program *TransNet* Ordinance and Expenditure Plan (the "Sales Tax Extension Ordinance" and, together with the 1987 Ordinance, the "Ordinance") which provided for an extension of the Sales Tax through March 31, 2048.

The Sales Tax is scheduled to expire on March 31, 2048. The final maturity of the Series 2008 Bonds is April 1, 2038. Under the Indenture, the Trustee is required to make monthly deposits of Sales Tax Revenues in the Interest Fund and Principal Fund held under the Indenture in advance of the next semiannual or annual payment of debt service becoming due on the Series 2008 Bonds in amounts sufficient to pay such debt service, including the final amount becoming due on April 1, 2038. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2008 BONDS – Revenue Fund; Allocation of Sales Tax Revenues" and "THE SALES TAX – Authorization, Application and Collection of the Sales Tax."

Optional and Mandatory Tender of Series 2008 Bonds. Pursuant to the Indenture, the Series 2008 Bonds will be subject to optional and mandatory tender for purchase at a purchase price equal to the principal thereof without premium, plus accrued interest thereon to the date of purchase, as provided in the Indenture (the "Purchase Price"). See "ADDITIONAL TERMS OF THE SERIES 2008 BONDS – Optional Tender Provisions" and "- Mandatory Tender Provisions." In order to provide for the payment of the purchase price of the 2008 Series A Bonds and the 2008 Series B Bonds that are not remarketed, the Commission entered into a standby bond purchase agreement dated March 27, 2008, as amended (the "JPMorgan Chase Bank Liquidity Facility") with JPMorgan Chase Bank, National Association ("JPMorgan Chase Bank"). In order to provide for the payment of the purchase price of the 2008 Series C Bonds that are not remarketed, the Commission entered into standby bond purchase agreement dated as of November 1, 2017, as amended (the "Bank of America Liquidity Facility") with Bank of America, N.A. ("Bank of America"). In order to provide for the payment of the purchase price of the 2008 Series D Bonds that are not remarketed, the Commission entered into a standby bond purchase agreement dated as of September 28, 2011, as amended (the "State Street Liquidity Facility") with State Street Bank and Trust Company ("State Street Bank"). JPMorgan Chase Bank, Bank of America and State Street Bank are collectively referred to at times herein as the "Liquidity Providers," and the JPMorgan Chase Bank Liquidity Facility, the Bank of America Liquidity Facility and the State Street Liquidity Facility are collectively referred to at times herein individually as a "Liquidity Facility" and collectively as the "Liquidity Facilities." Pursuant to the terms and conditions of the applicable Liquidity Facilities, with respect to all Series 2008 Bonds that are tendered for purchase and not remarketed, JPMorgan Chase Bank will be obligated to purchase the 2008 Series A Bonds and the 2008 Series B Bonds, Bank of America will be obligated to purchase the 2008 Series C Bonds and State Street Bank will be obligated to purchase the 2008 Series D Bonds, all subject to the occurrence of certain suspension and termination events specified therein. The obligation of the Liquidity Providers to purchase their respective series of the Series 2008 Bonds terminates following a mandatory tender if the Commission converts such series of Series 2008 Bonds to an Interest Rate Period other than a Daily Rate Period or a Weekly Rate Period. Under the terms of the applicable Liquidity Facilities, each Liquidity Provider's obligation to purchase the applicable Series 2008 Bonds is several and not joint and none of the Liquidity Providers will be liable for the failure of any other Liquidity Provider to purchase the applicable Series 2008 Bonds pursuant to the applicable Liquidity Facility. Unless otherwise terminated or extended pursuant to its terms, the JPMorgan Liquidity Facility will expire on March 24, 2023 and the Bank of America Liquidity Facility will expire on August 26, 2024, and the State Street Liquidity Facility will expire on June 4, 2024. See "THE LIQUIDITY FACILITIES" and APPENDIX F – "LIQUIDITY PROVIDERS". The Liquidity Facilities do not provide security or support for the payment of the principal of, premium, if any, or interest on the Series 2008 Bonds.

Remarketing Agents. The Remarketing Agent for the 2008 Series A Bonds is Barclays Capital Inc., for the 2008 Series B Bonds is Goldman Sachs & Co. LLC, for the 2008 Series C Bonds is J.P. Morgan Securities LLC and for the 2008 Series D Bonds is Stifel, Nicolaus & Company, Incorporated (each a "Remarketing Agent" and collectively the "Remarketing Agents"). The Commission has entered into a Remarketing Agreement covering each Series of the Series 2008 Bonds with the Remarketing Agent for such Series as shown in the Summary of Series 2008 Bonds on the inside cover page. Each Remarketing Agent undertakes, among other things, to use its best efforts to remarket Series 2008 Bonds for which it is the Remarketing Agent that are tendered for purchase. Each Remarketing Agent also undertakes to set the interest rate on the Series 2008 Bonds for which it is the Remarketing Agent. The Commission or the Remarketing Agent may terminate the Remarketing Agreement under the circumstances and in the manner described in the Remarketing Agreement, in which case the Commission expects to appoint a replacement remarketing agent in accordance with the Indenture.

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

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

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

SANDAG is the statutorily created regional transportation planning agency. In 2003, State legislation required the consolidation of the planning, programming, project development, and construction functions of the agencies currently known as San Diego Metropolitan Transit System ("MTS") and North County Transit District ("NCTD") into SANDAG. SANDAG is now responsible for transit planning, programming, project implementation, and construction of transit projects in the region and assists in the financing of transit projects. Neither SANDAG nor the Commission operates public transit services. MTS and NCTD operate such services within the County. SANDAG is the operator of certain express lanes on State Route 125 and has issued toll revenue debt to finance the acquisition of such toll road.

On August 14, 2019, SANDAG issued its $335,000,000 Capital Grant Receipts Revenue Bonds (Mid-Coast Corridor Transit Project), to provide funds to finance a portion of the costs of the design and construction of a 10.92 mile extension of the Metropolitan Transit System's San Diego Trolley Blue Line from the Santa Fe Depot in downtown San Diego to the University Town Center Transit Center in the University City community of San Diego, California, known as the Mid-Coast Corridor Transit Project. Additionally, SANDAG is the operator of certain express lanes on State Route 125 and has issued toll revenue debt to finance the acquisition of such toll road.

The liabilities of SANDAG are not liabilities of the Commission.

COVID-19 Pandemic. The outbreak of COVID-19, a respiratory disease caused by new strains of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is significantly affecting many parts of the world, including the United States, California and the County. The Pandemic has negatively affected travel and commerce and is widely expected to continue to negatively affect economic output.

Sales Tax Revenue collections were higher in Fiscal Year 2021 than the prior fiscal year, and were higher in the first quarter of Fiscal Year 2022 than the first quarter of Fiscal Year 2021. In particular, collections have benefited from a recent United States Supreme Court ruling that broadened the ability to tax online sales of a seller located in another state at a time when online-sales surged as a result of the Pandemic. See "THE SALES TAX – Recent Developments Regarding Sales Tax Collection." Sales Tax Revenues have also benefited from higher-than-expected spending on taxable items as a result of public income support (stimulus checks and supplemental unemployment benefits), the fast recovery in high paying jobs, and the strong stock market. Spending behavioral changes have also led to strong increases in spending on taxable goods, while spending on services decreased due to Pandemic related restrictions. See "THE SALES TAX – Historical Sales Tax Revenues – Monthly Sales Tax Revenues."

To date, the economic effects of the Pandemic have not resulted in a material reduction of Sales Tax Revenues but the Commission is unable to predict the Pandemic's ongoing impact. Such impact could have a material adverse effect on future Sales Tax Revenues. See "RISK FACTORS—COVID-19 Pandemic." The Commission does have flexibility to adjust project expenditures if necessary to adapt to the practical and economic challenges of the Pandemic. See "SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION – The Expenditure Plan."

DESCRIPTION OF THE SERIES 2008 BONDS

General

The Series 2008 Bonds were issued in book-entry form only and are registered in the name of a nominee of The Depository Trust Company, New York, New York ("DTC"), which acts as securities depository for the Series 2008 Bonds. Investors may purchase the Series 2008 Bonds in book-entry form only. Beneficial Owners of the Series 2008 Bonds will not receive certificates representing their ownership interests in the Series 2008 Bonds purchased. Payments of principal, Purchase Price and interest on the Series 2008 Bonds are made to DTC, and DTC distributes such payments to its Direct Participants. Disbursement of such payments to Beneficial Owners of the Series 2008 Bonds is the responsibility of DTC's Direct and Indirect Participants and not the Commission. See APPENDIX D – "BOOK-ENTRY ONLY SYSTEM."

See "ADDITIONAL TERMS OF SERIES 2008 BONDS" for further information, including Interest Rate Determination Methods, conversion from one Interest Rate Determination Method to another, optional tender provisions, mandatory tender provisions, and cross-references to other important information about practices and procedures of the Commission and the Remarketing Agent for the Series 2008 Bonds. The Series 2008 Bonds currently bear interest at the Weekly Rate, with such rates determined as described below under "ADDITIONAL TERMS OF SERIES 2008 BONDS — Interest

Rate Determination Methods." Interest on Series 2008 Bonds bearing interest at a Weekly Rate or a Daily Rate is payable on the first Business Day of each calendar month. Interest on Series 2008 Bonds bearing a Weekly Rate or a Daily Rate is computed on the basis of a 365/366-day year and actual days elapsed. The record date for Series 2008 Bonds bearing interest at the Weekly Rate or the Daily Rate is the Business Day immediately preceding the Interest Payment Date. The Series 2008 Bonds were issued in fully registered form in denominations of $100,000 and any integral multiple of $5,000 in excess thereof.

Conversion of Interest Rate

Upon satisfaction of conditions set forth in the Indenture, the Series 2008 Bonds of any Series may be changed at the election of the Commission to bear interest calculated pursuant to a different Interest Rate Determination Method (which may be the Daily Rate, the Weekly Rate, the Commercial Paper Rate, the Auction Period Rate, the Index Rate, the Term Rate or the Fixed Rate); provided, however, that all Series 2008 Bonds of the same Series must have the same Interest Rate Determination Method and (except for any Liquidity Facility Bonds and Series 2008 Bonds bearing interest at a Commercial Paper Rate or, in certain circumstances, at a Fixed Rate) will bear interest at the same interest rate.

This Remarketing Memorandum is not intended to provide information about the Series 2008 Bonds after conversion to another Interest Rate Determination Method (except with respect to the conversion of any Series 2008 Bonds to a Weekly Rate or a Daily Rate).

Redemption of Series 2008 Bonds

Optional Redemption. The Series 2008 Bonds bearing interest at a Daily Rate or a Weekly Rate are subject to redemption at the option of the Commission, in whole or in part, in Authorized Denominations on any Business Day, at a Redemption Price equal to the principal amount thereof, plus accrued interest, if any, without premium.

Mandatory Sinking Fund Redemption. The 2008 Series A Bonds, the 2008 Series B Bonds, the 2008 Series C Bonds and the 2008 Series D Bonds are subject to mandatory redemption from Mandatory Sinking Account Payments on each date a Mandatory Sinking Account Payment for such Series is due, in the principal amount equal to the Mandatory Sinking Account Payment due on such date, at a Redemption Price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

2008 Series A Bonds

Redemption Date (April 1)	Mandatory Sinking Account Payment	Redemption Date (April 1)	Mandatory Sinking Account Payment
2023	$4,650,000	2031	$6,300,000
2024	4,800,000	2032	6,525,000
2025	5,025,000	2033	6,825,000
2026	5,250,000	2034	7,050,000
2027	5,325,000	2035	7,350,000
2028	5,625,000	2036	7,650,000
2029	5,850,000	2037	7,950,000
2030	6,075,000	2038*	8,325,000

* Final maturity.

2008 Series B Bonds

Redemption Date (April 1)	Mandatory Sinking Account Payment	Redemption Date (April 1)	Mandatory Sinking Account Payment
2023	$4,650,000	2031	$6,300,000
2024	4,800,000	2032	6,525,000
2025	5,025,000	2033	6,825,000
2026	5,250,000	2034	7,050,000
2027	5,325,000	2035	7,350,000
2028	5,625,000	2036	7,650,000
2029	5,850,000	2037	7,950,000
2030	6,075,000	2038*	8,325,000

* Final maturity.

2008 Series C Bonds

Redemption Date (April 1)	Mandatory Sinking Account Payment	Redemption Date (April 1)	Mandatory Sinking Account Payment
2023	$4,650,000	2031	$6,300,000
2024	4,800,000	2032	6,525,000
2025	5,025,000	2033	6,825,000
2026	5,250,000	2034	7,050,000
2027	5,325,000	2035	7,350,000
2028	5,625,000	2036	7,650,000
2029	5,850,000	2037	7,950,000
2030	6,075,000	2038*	8,325,000

* Final maturity.

2008 Series D Bonds

Redemption Date (April 1)	Mandatory Sinking Account Payment	Redemption Date (April 1)	Mandatory Sinking Account Payment
2023	$4,650,000	2031	$6,300,000
2024	4,800,000	2032	6,525,000
2025	5,025,000	2033	6,825,000
2026	5,250,000	2034	7,050,000
2027	5,325,000	2035	7,350,000
2028	5,625,000	2036	7,650,000
2029	5,850,000	2037	7,950,000
2030	6,075,000	2038*	8,325,000

* Final maturity.

Purchase in Lieu of Redemption

The Commission reserves the right at all times to purchase any of its Series 2008 Bonds on the open market. In lieu of mandatory redemption, the Commission may surrender to the Trustee for cancellation Series 2008 Bonds purchased on the open market, and such Series 2008 Bonds shall be cancelled by the Trustee. If any Series 2008 Bonds are so cancelled, the Commission may designate the Mandatory Sinking Account Payments or portions thereof within such Series of the Series 2008 Bonds so purchased that are to be reduced as a result of such cancellation.

General Redemption Provisions

Selection for Redemption. The Commission will designate which Series and which maturities of any Series of Series 2008 Bonds are to be called for optional redemption; provided that Series 2008 Bonds of such Series registered in the name of a Liquidity Provider must be redeemed prior to redeeming any other Series 2008 Bonds of such Series bearing interest at a Daily Rate or a Weekly Rate. If less than all Series 2008 Bonds of a Series maturing on any one date are to be redeemed at any one time, DTC's practice is to determine by lot the amount of the interest of each DTC Direct Participant in the Series to be redeemed. For purposes of such selection, the Series 2008 Bonds of such Series shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed. The Commission may designate the Mandatory Sinking Account Payments, or portions thereof, that are to be reduced as a result of such redemption.

Notice of Redemption. The Trustee will send each notice of redemption by first class mail not less than 10 nor more than 90 days prior to the redemption date, to the Remarketing Agents, the Liquidity Providers and DTC. 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 of Series 2008 Bonds will be governed by arrangements among them, and the Commission and the Trustee will not have any responsibility or obligation to send a notice of redemption except to DTC. Failure of DTC to receive any notice of redemption or any defect therein will not affect the sufficiency of any proceedings for redemption.

Conditional Notice of Redemption; Rescission. With respect to any notice of optional redemption of Series 2008 Bonds, unless, upon the giving of such notice, such Series 2008 Bonds shall be deemed to have been paid pursuant to the terms of the Indenture, such notice is to state that such redemption will be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of amounts sufficient to pay the principal of, and premium, if any, and interest on, such Series 2008 Bonds to be redeemed, and that if such amounts shall not have been so received said notice will be of no force and effect and the Commission will not be required to redeem such Series 2008 Bonds. In the event that such notice of redemption contains such a condition and such amounts are not so received, the redemption will not be made and the Trustee will within a reasonable time thereafter give notice to the Holders to the effect that such amounts were not so received and such redemption was not made, such notice to be given by the Trustee in the manner in which the notice of redemption was given.

In addition, the Commission may, at its option, on or prior to the date fixed for redemption in any notice of redemption, rescind and cancel such notice of redemption by Written Request of the Commission to the Trustee, and the Trustee is to mail notice of such cancellation to the recipients of the notice of redemption as described herein under "DESCRIPTION OF THE SERIES 2008 BONDS—General Redemption Provisions."

Any optional redemption of the Series 2008 Bonds and notice thereof will be rescinded and cancelled pursuant to the provisions of the Indenture if for any reason on the date fixed for redemption moneys are not available in the Redemption Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal, interest and premium due on the Series 2008 Bonds called for redemption.

Effect of Redemption. Notice of redemption having been duly given pursuant to the Indenture and moneys for payment of the Redemption Price of, together with interest accrued to the redemption date on, the Series 2008 Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice the Series 2008 Bonds (or portions thereof) so called for redemption shall become due and payable at the Redemption Price specified in such notice, together with interest accrued thereon to the date fixed for redemption. Interest on such Series 2008 Bonds so called for redemption shall cease to accrue, and said Series 2008 Bonds (or portions thereof) shall cease to be entitled to any benefit or security under the Indenture, and the Holders of such Series 2008 Bonds will have no rights in respect thereof except to receive payment of the Redemption Price and interest accrued to the date fixed for redemption from funds held by the Trustee for such payment.

All Series 2008 Bonds redeemed pursuant to the provisions described herein shall be cancelled upon surrender.

See "ADDITIONAL TERMS OF SERIES 2008 BONDS" for information concerning interest rate determination methods, conversion of interest rate determination methods, and optional and mandatory tender provisions.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2008 BONDS

Pledge of Sales Tax Revenues

The Series 2008 Bonds are limited obligations of the Commission and are payable as to principal and interest exclusively from Revenues, consisting of Sales Tax Revenues and Swap Revenues, and all amounts held on deposit in the funds and accounts established under the Indenture (except for amounts held in the Rebate Fund, any Letter of Credit Account and any Purchase Fund), subject to the provision of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. "Sales Tax Revenues" means the amounts available for distribution to the Commission on and after July 1, 1988, on account of the Sales Tax after deducting amounts payable by the Commission to CDTFA for costs and expenses for its services in connection with the Sales Tax.

The Series 2008 Bonds are secured by a lien on and pledge of Sales Tax Revenues on parity with Bonds and other Senior Obligations (as such term is defined in the Indenture) pursuant to the Indenture. See "THE SALES TAX" and APPENDIX C-1 – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE." The 2010 Series A Bonds were issued as "Build America Bonds," of which $338,960,000 is currently outstanding. The Commission expects to pay a portion of the interest on the 2010 Series A Bonds from a cash subsidy from the United States Treasury (the "Subsidy Payments") pledged thereto under the Indenture. The Commission covenants in the Indenture to comply with all of the conditions to the receipt of the Subsidy Payments and the Indenture provides that the Commission will cause the Subsidy Payments to be sent to the Trustee for deposit to the Interest Fund. See "OUTSTANDING OBLIGATIONS – Sales Tax Revenue Bonds –2010 Series A Bonds" and "RISK FACTORS – Loss of Subsidy Payments."

Limited Obligations

The Series 2008 Bonds do not constitute a debt or liability of the State, the County or any political subdivision of the State (other than the Commission to the extent of the pledge of revenues described above and in the Indenture) or a pledge of the full faith and credit of the State or of any political subdivision of the State. The credit or taxing power (other than as described in the Indenture) of the Commission is not pledged, for the payment of the Series 2008 Bonds, their interest, or any premium due upon redemption of the Series 2008 Bonds. The Series 2008 Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Commission or any of its income or receipts, except the Sales Tax Revenues and certain other funds pledged under the Indenture as set forth therein.

Revenue Fund; Allocation of Sales Tax Revenues

Pursuant to the Indenture, the Commission has assigned the Sales Tax Revenues to the Trustee and shall cause the CDTFA to transmit the same directly to the Trustee each month, net of the CDTFA administrative fee which is deducted quarterly. The Trustee is required to deposit all Sales Tax Revenues in the Revenue Fund, maintained and held in trust by the Trustee under the Indenture (the "Revenue Fund"), when and as such Sales Tax Revenues are received by the Trustee. The Sales Tax Revenues are to be received and held in trust by the Trustee for the benefit of the Holders of the Bonds and Parity Obligations and will be disbursed, allocated and applied solely for the uses and purposes set forth in the Indenture. Investment income on amounts held by the Trustee (other than amounts held in the Interest Fund, the Series 2008 Bonds Reserve Fund to the extent of any deficiency therein, the Rebate Fund, a Letter of Credit Account or any Purchase Fund or Project Fund (each established under the Indenture) or for which particular instructions are provided) will also be deposited in the Revenue Fund.

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

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

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

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

If the Sales Tax Revenues shall not be sufficient to pay in full all Mandatory Sinking Account Payments required to be paid at any one time into all such Sinking Accounts, then payments into all such Sinking Accounts will be made on a proportionate basis, in proportion that the respective Mandatory Sinking Account Payments required to be made into each Sinking Account during the then current 12-month period bear to the aggregate of all of the Mandatory Sinking Account Payments required to be made into all such Sinking Accounts during such 12-month period.

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

3. Bond Reserve Funds. The Indenture also requires the Trustee to make deposits to any of the Bond Reserve Funds established pursuant to the provisions of the Indenture as soon as possible in each month in which any deficiency in any Bond Reserve Fund occurs, until the balance in such Bond Reserve Fund is at least equal to the applicable Bond Reserve Requirement. See APPENDIX C-1 – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Allocation of Sales Tax Revenues." The Series 2008 Bonds are currently the only Series of Bonds secured by a Bond Reserve Fund, but amounts in the Bond Reserve Fund for the Series 2008 Bonds will be transferred to the Commission on the 2008 Reserve Fund Release Date, the Series 2008 Bonds will no longer be secured by such amounts and such Bond Reserve Fund will be closed. See " – 2008 Bonds Reserve Fund and Release Thereof" below.

4. Subordinate Obligations Fund. The Indenture also requires the Trustee to establish a Subordinate Obligations Fund. The Trustee shall deposit in the Subordinate Obligations Fund any Sales Tax Revenues remaining in the Revenue Fund after the transfers described in (1), (2) and (3) above and will transfer such Sales Tax Revenues to the Subordinate Trustee. After the Subordinate Trustee has made the required deposit of Sales Tax Revenues under any Subordinate Indenture, the Subordinate Trustee will transfer any remaining Sales Tax Revenues in accordance with the Subordinate Indenture. For a description of the funds and accounts under the Subordinate Indenture, see "– Subordinate Revenue Fund; Allocation of Sales Tax Revenues under the Subordinate Indenture" below and APPENDIX C-2 – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE – Allocation of Sales Tax Revenues."

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

See APPENDIX C-1 – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" and APPENDIX C-2 – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE" for a more complete discussion of the flow of funds under the Indenture and the Subordinate Indenture.

After making the allocations required by the Indenture and the Subordinate Indenture, all Sales Tax Revenues are transferred to the Commission and may be applied by the Commission for all lawful purposes of the Commission.

2008 Bonds Reserve Fund and Release Thereof

Pursuant to the Indenture, there has been established the 2008 Bonds Reserve Fund maintained by the Trustee as a pooled reserve fund to provide for a reserve fund for the 2008 Reserve Fund Eligible Bonds. The Series 2008 Bonds are currently the only the 2008 Reserve Fund Eligible Bonds and, thus, the only Bonds secured by the 2008 Bonds Reserve Fund.

Amounts in the 2008 Bonds Reserve Fund will be transferred to the Commission on or about December 1 2021 (the "2008 Bonds Reserve Fund Release Date"). On the 2008 Bonds Reserve Fund Release Date, the Commission and the Trustee are expected to enter into a Twelfth Supplemental Indenture, dated as of November 1, 2021 (the "Twelfth Supplemental Indenture"), to amend the Indenture by providing for such transfer of all amounts in the 2008 Bonds Reserve Fund to the Commission and closure of the 2008 Bonds Reserve Fund. From and after the 2008 Bonds Reserve Fund Release Date, the Series 2008 Bonds will no longer be secured by such amounts and the Indenture will no longer require a reserve fund to secure the Series 2008 Bonds. The Indenture does not require a mandatory tender for purchase of the Series 2008 Bonds in connection with the execution and delivery of the Twelfth Supplemental Indenture and the closure of the 2008 Bonds Reserve Fund.

Until the 2008 Bonds Reserve Fund Release Date, the Trustee shall continue to maintain the 2008 Bonds Reserve Fund.

Issuance of Additional Series of Bonds

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

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

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

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

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

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

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

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

Issuance of Parity Obligations Under the Indenture

As defined in the Indenture, "Parity Obligations" means any indebtedness, installment sale obligation, lease obligation or other obligation of the Commission for borrowed money or the Initial Swaps, the Basis Rate Swap Overlays, or any other Interest Rate Swap Agreement (excluding, in each case, fees and expenses and termination payments on Interest Rate Swap Agreements which fees and expenses and termination payments shall be secured by a lien and charge on the Sales Tax Revenues subordinate to the lien and charge upon the Sales Tax Revenues which secures the Bonds, Parity Obligations and payment of principal and interest on Subordinate Obligations) entered into in connection with a Series of Bonds, in each case incurred in accordance with the provisions of the Indenture described herein and having an equal lien and charge upon the Sales Tax Revenues and therefore payable on a parity with the Bonds (whether or not any Bonds are Outstanding).

The Commission may issue or incur additional Parity Obligations which will have, when issued, an equal lien and charge upon the Sales Tax Revenues, provided that the conditions to the issuance of such Parity Obligations set forth in the Indenture are satisfied, including satisfaction of the coverage test described in paragraph (c) above under the caption "Issuance of Additional Series of Bonds," unless such Parity Obligations are being issued for refunding purposes, in which case the coverage test shall not apply.

Refunding Bonds

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

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

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

OUTSTANDING OBLIGATIONS

Bonds

As of October 1, 2021, the Commission had $1,865,200,000 of the following Series of Bonds Outstanding under the Indenture.

Series 2008 Bonds. On March 27, 2008, the Commission issued its $600,000,000 Sales Tax Revenue Bonds (Limited Tax Bonds), 2008 Series A, 2008 Series B, 2008 Series C and 2008 Series D (collectively, the "Series 2008 Bonds") in the aggregate principal amount of $600,000,000. The Series 2008 Bonds have a final stated maturity of April 1, 2038. The Series 2008 Bonds are currently Outstanding in the aggregate principal amount of $402,300,000. The Series 2008 Bonds are variable rate demand obligations and currently bear interest at a weekly interest rate. The Commission entered into certain Initial Swaps in connection with the Series 2008 Bonds, pursuant to which the Commission pays fixed rates and receives variable rates. See "OUTSTANDING OBLIGATIONS – Interest Rate Swap Agreements." A portion of the proceeds of the Series 2012 Bonds described below refunded $151.5 million of the Series 2008 Bonds and a corresponding notional amount of the Initial Swaps were terminated. The Series 2008 Bonds are currently the only Series of Bonds secured by a Bond Reserve Fund under the Indenture. See " - 2008 Bonds Reserve Fund and Release Thereof" above.

Series 2008 Bonds Reserve Fund. Pursuant to the Indenture, there has been established the Series 2008 Bonds Reserve Fund to be maintained until the 2008 Bonds Reserve Fund Release Date by the Trustee as a pooled reserve fund for the 2008 Reserve Fund Eligible Bonds. The "2008 Reserve Fund Eligible Bonds" currently include only the Series 2008 Bonds. From and after the 2008 Bonds Reserve Fund Release Date, the Series 2008 Bonds Reserve Fund will be closed and the Series 2008 Bonds will no longer be secured by the Series 2008 Bonds Reserve Fund or any other debt service reserve fund. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2008 BONDS - 2008 Bonds Reserve Fund and Release Thereof" above.

2010 Series A Bonds. On November 10, 2010, the Commission issued its $338,960,000 Sales Tax Revenue Bonds (Limited Tax Bonds), 2010 Series A (Taxable Build America Bonds) (the "2010 Series A Bonds"). The 2010 Series A Bonds are fixed rate bonds and have a final stated maturity date of April 1, 2048. The 2010 Series A Bonds are currently outstanding in the aggregate principal amount of $338,960,000. On November 10, 2010, the Commission issued its $11,040,000 Sales Tax Revenue Bonds (Limited Tax Bonds), 2010 Series B. On February 19, 2020, the Commission refunded in full the outstanding 2010 Series B Bonds with a portion of the proceeds of the 2020 Series A Bonds.

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

Series 2012 Bonds. On June 14, 2012, the Commission issued its $420,585,000 Sales Tax Revenue Bonds (Limited Tax Bonds), 2012 Series A (the "Series 2012 Bonds"). The Series 2012 Bonds are currently Outstanding in the aggregate principal amount of $20,965,000. The Series 2012 Bonds are fixed rate bonds. Proceeds of the Series 2012 Bonds refunded a portion of the Series 2008 Bonds in the aggregate principal amount of $151,500,000. A portion of the 2019 Series A Bonds refunded a portion of the Series 2012 Bonds in the aggregate principal amount of $246,910,000. The final maturity of the Series 2012 Bonds remaining outstanding is April 1, 2022.

Series 2014 Bonds. On September 10, 2014, the Commission issued its $350,000,000 Sales Tax Revenue Bonds (Limited Tax Bonds) 2014 Series A. The 2014 Series A Bonds are currently Outstanding in the aggregate principal amount of $18,475,000. The 2014 Series A Bonds are fixed rate bonds. A portion of the 2019 Series A Bonds and 2021 Series A Bonds refunded portions of the 2014 Series A Bonds in the aggregate principal amount of $155,335,000 and $128,120,000, respectively. A portion of the 2021 Series B Bonds purchased tendered 2014 Series A Bonds in the aggregate principal amount of $18,245,000. The final maturity of the 2014 Series A Bonds remaining outstanding is April 1, 2024.

Series 2016 Bonds. On August 17, 2016, the Commission issued its $325,000,000 Sales Tax Revenue Bonds (Limited Tax Bonds) 2016 Series A (the "Series 2016 Bonds"). The Series 2016 Bonds are currently Outstanding in the aggregate principal amount of $302,610,000. The Series 2016 Bonds are fixed rate bonds and have a final stated maturity date of April 1, 2048.

2019 Series A Bonds. On December 19, 2019, the Commission issued its $442,620,000 Sales Tax Revenue Bonds (Limited Tax Bonds) 2019 Series A (Taxable) (the "2019 Series A Bonds"). The 2019 Series A Bonds are currently Outstanding in full. The 2019 Series A Bonds are fixed rate bonds and have a final stated maturity date of April 1, 2048.

2020 Series A Bonds. On February 19, 2020, the Commission issued its $74,820,000 Sales Tax Revenue Bonds (Limited Tax Bonds) 2020 Series A (Green Bonds) (the "2020 Series A Bonds"). The 2020 Series A Bonds are currently Outstanding in the aggregate principal amount of $73,280,000. The 2020 Series A Bonds are fixed rate bonds and have a final stated maturity date of April 1, 2048.

2021 Series A Bonds. On March 25, 2021, the Commission issued its $149,840,000 Sales Tax Revenue Bonds (Limited Tax Bonds) 2021 Series A (Federally Taxable) (the "2021 Series A Bonds"). The 2021 Series A Bonds are currently Outstanding in full. The 2021 Series A Bonds are fixed rate bonds and have a final stated maturity date of April 1, 2039.

Additional Senior Obligations. The Commission may issue additional Bonds and may issue or incur other obligations secured in whole or in part by a pledge of Sales Tax Revenues on a parity with the Bonds and the regularly scheduled payments on the Initial Swaps (as defined herein), the Basis Swap Overlays (as defined herein) and any other Interest Rate Swap Agreements (as defined herein), subject to compliance with the terms and provisions set forth in the Indenture and the TIFIA Loan Agreement (as defined below).

Interest Rate Swap Agreements

Initial Swaps. In November 2005, the Commission entered into three interest rate swap agreements (the "Initial Swaps") in an initial aggregate notional amount of $600,000,000, or $200,000,000 each. The Initial Swaps became effective as of April 1, 2008, and the notional amounts amortize in tandem with the amortization of the Series 2008 Bonds. The Commission's obligation to make regularly scheduled payments to the counterparties under the Initial Swaps is payable from and secured by Sales Tax Revenues on a parity basis with the Bonds. None of the Initial Swaps obligates the Commission to post any collateral.

Pursuant to the terms of the Initial Swaps, the Commission agreed to pay to the counterparties a fixed rate of interest and the counterparties agreed to pay the Commission a floating rate of interest on the first day of each month, commencing May 1, 2008. Under certain conditions, the Initial Swaps may be terminated, at which time the Commission may be required to make a termination payment to the applicable counterparty. Termination payments payable in accordance with the provisions of the Initial Swaps are secured by a lien on the Sales Tax Revenues subordinate to the lien which secures the Bonds, any parity obligations allowed pursuant to the Indenture and other Subordinate Obligations. A portion of the proceeds of the Series 2012 Bonds refunded $151.5 million of the Series 2008 Bonds and a corresponding notional amount of the Initial Swaps were terminated. As of ________, 2021, if the Initial Swaps were terminated in full, the Commission would owe approximately $_________.

The swap counterparties under the Initial Swaps, the fixed rate of interest paid by the Commission, and the floating rate of interest paid by the swap counterparties are as follows:

Name of Counterparty	**Current Notional Amount**	**Rate**	**Floating Rate Received by Commission**
Goldman Sachs Mitsui Marine Derivative Products, L.P.	$134,100,000	3.8165%	USD SIFMA Swap Index
Bank of America, N.A.	$134,100,000	3.8165%	USD SIFMA Swap Index
Bank of America, N.A.	$134,100,000	3.4100%	65% of USD One-Month LIBOR

Basis Rate Swap Overlays. In March 2009, the Commission entered into two SIFMA/LIBOR floating-to-floating swaps (the "Basis Rate Swap Overlays"), each with Barclays Bank PLC ("Barclays") and each with the initial notional amount of $156,600,000. Pursuant to the terms of the Basis Rate Swap Overlays, the Commission agreed to pay to Barclays the SIFMA Swap Index and Barclays agreed to pay the Commission 107.4% of 3-month LIBOR on the first day of each month, commencing on May 1, 2018. The Commission's obligation to make regularly scheduled swap payments to Barclays under the Basis Rate Swap Overlays is payable from and secured by Sales Tax Revenues on parity with the Bonds. Under certain circumstances, the Basis Rate Swap Overlays may be terminated, at which time the Commission may be required to make a termination payment to the applicable counterparty. As of _________, 2021, if the Basis Rate Swap Overlays were terminated in full, the Commission would receive approximately $__________. Under the terms of the Basis Rate Swap Overlays, the Commission may terminate the agreement and cash settle with prior written notice. Termination payments payable in accordance with the provisions of the Basis Rate Swap Overlays are secured by a lien on the Sales Tax Revenues subordinate to the lien that secures the Bonds, any parity obligations and Subordinate Obligations.

LIBOR Retirement. The Financial Conduct Authority ("FCA") of the United Kingdom, which has regulated LIBOR since April of 2013, has announced its intention to retire the benchmark interest rate setting mechanism ("LIBOR Retirement"). FCA has announced it will consult on its intention to cease the publication of the one week and two month USD LIBOR settings immediately following the LIBOR publication on December 31, 2021, and the remaining USD LIBOR settings immediately following the LIBOR publication on June 30, 2023. Extending the publication of certain USD LIBOR tenors until June 30, 2023 is expected to allow most legacy USD LIBOR contracts to mature before LIBOR experiences disruptions. Certain agreements that rely on LIBOR without an alternative index upon LIBOR Retirement may need to be amended with the consent of the parties and/or bondholders. The Commission is reviewing its agreements and will take appropriate action as the situation with respect to LIBOR Retirement develops. The Commission cannot predict the financial implications, if any, from LIBOR Retirement.

Liquidity Facilities

The 2008 Series A Bonds and the 2008 Series B Bonds are supported by the JPMorgan Chase Bank Liquidity Facility. The JPMorgan Chase Bank Liquidity Facility will expire on March 24, 2023, prior to the final maturity of the 2008 Series A Bonds and the 2008 Series B Bonds, unless extended or terminated in accordance with its terms.

The 2008 Series C Bonds are supported by the Bank of America Liquidity Facility. The Bank of America Liquidity Facility will expire on August 26, 2024, prior to the final maturity of the 2008 Series C Bonds, unless extended or terminated in accordance with its terms.

The 2008 Series D Bonds are supported by the State Street Liquidity Facility. The State Street Liquidity Facility will expire on June 4, 2024, prior to the final maturity of the 2008 Series D Bonds, unless extended or terminated in accordance with its terms.

See "THE LIQUIDITY FACILITIES" herein.

The Commission is unable to predict the cost or availability of alternate credit or liquidity arrangements to replace any of the 2008 Liquidity Facilities upon their expiration or termination. See "RISK FACTORS – Acceleration of Liquidity Facility Bonds."

Subordinate Obligations

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

2021 Short-Term Notes (Limited Tax Bonds). On March 23, 2021, the Commission issued its $537,480,000 Subordinate Sales Tax Revenue Short-Term Notes (Limited Tax Bonds), 2021 Series A (the "2021 Short-Term Notes") pursuant to the Subordinate Indenture, to refinance certain costs of the Commission's Mid-Coast Corridor Transit Project. The 2021 Short-Term Notes are due on October 1, 2022 and will not be subject to redemption prior to their maturity. The Commission financed a portion of interest on the 2021 Short-Term Notes from the proceeds of the 2021 Short-Term Notes.

The Commission does not expect to collect and retain Sales Tax Revenues in an amount sufficient to pay the principal of the 2021 Short-Term Notes at maturity. Instead, the Commission expects to pay the principal of the 2021 Short-Term Notes from the proceeds of a draw on the loan made under the TIFIA Loan Agreement, described below under "– *Junior Subordinate TIFIA Loan*."

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

Subordinate Commercial Paper Notes and CP Letter of Credit. In 2005, the Commission authorized the issuance from time to time of Subordinate Commercial Paper Notes secured by a lien on the Sales Tax Revenues that is subordinate to the lien of the Bonds and any Parity Obligations. The total principal amount of Subordinate Commercial Paper Notes that are authorized to be issued may not exceed $100,000,000. As the date of this Remarketing Memorandum, $_________ in aggregate principal amount of Subordinate Commercial Paper Notes was outstanding. The payment of principal of and interest on the Subordinate Commercial Paper Notes up to $100,000,000 is supported by an irrevocable, transferable direct-pay letter of credit issued by Bank of America, N.A. (the "CP Letter of Credit"). The CP Letter of Credit is stated to expire on August 26, 2024. The Commission's obligation to reimburse Bank of America, N.A. for draws under the CP Letter of Credit is secured by a lien on the Sales Tax Revenues on a parity with the lien securing the Subordinate Commercial Paper Notes and the 2021 Short-Term Notes. Commission staff has recommended that the Commission increase the authorization of Subordinate Commercial Paper Notes to a maximum of $200,000,000.

Under a Memorandum of Understanding, dated as of June 1, 2008 (the "Certificate Purchase MOU"), by and between the Commission and NCTD, the Commission agreed to issue $34,000,000 in Subordinate Commercial Paper Notes to purchase outstanding Certificates of Participation evidencing payments by NCTD under a Lease Agreement, dated as of July 1, 2004 (the "NCTD Certificates"), the proceeds of which funded the NCTD "SPRINTER" rail line. Under the Certificate Purchase MOU, while the Commission holds the NCTD Certificates, they bear interest at a rate equal to the weighted average interest rate on the Subordinate Commercial Paper Notes and are subject to an amortization schedule of approximately level debt service payments through September 1, 2034, corresponding to the amortization schedule of an interest rate swap agreement NCTD entered into in connection with the NCTD Certificates. The Commission is not obligated to make any payments under such interest rate swap agreement. The NCTD Certificates are currently outstanding in an aggregate principal amount of $_________.

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

Junior Subordinate TIFIA Loan

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

To achieve interest rate savings the Commission entered into a replacement TIFIA Loan Agreement with the TIFIA Lender on January 14, 2021 (the "TIFIA Loan Agreement") and terminated the 2017 TIFIA Loan Agreement, which was not drawn. Pursuant to the TIFIA Loan Agreement the TIFIA Lender has agreed to extend credit to the Commission in the amount of $537,484,439, plus up to five years of capitalized interest (the "Junior Subordinate TIFIA Loan"). The proceeds of the Junior Subordinate TIFIA Loan are expected to be applied to the payment of federally eligible costs of the Project, including repayment of the 2021 Short-Term Notes. The Junior Subordinate TIFIA Loan bears interest at a fixed rate of 1.75% and will mature no later than October 1, 2045. The Junior Subordinate TIFIA Loan is secured by a third lien pledge of Sales Tax Revenues that is subordinate to the liens and charges securing the Bonds and the Subordinate Obligations. The Junior Subordinate TIFIA Loan is not secured by a springing lien.

The proceeds of the Junior Subordinate TIFIA Loan are expected to be fully drawn in a single disbursement no later than October 1, 2022, and such proceeds are expected to be applied to pay the 2021 Short-Term Notes on or prior to their maturity date. The Subordinate Indenture provides that unless the 2021 Short-Term Notes have been previously paid or defeased pursuant to the provisions of the Subordinate Indenture, the Commission agrees to use its best efforts, on or before October 1, 2022, to draw on the TIFIA Loan Agreement or, to the extent sufficient funds are not available or eligible thereunder, to issue Bonds under the Indenture, or Notes or other Parity Debt under the Subordinate Indenture or to otherwise obtain financing to provide funds sufficient to pay the principal of the 2021 Short-Term Notes on October 1, 2022.

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

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

https://www.sandag.org/organization/about/investors/BondDocuments/BondOfficialStatements/2021TIFIA.pdf.

THE LIQUIDITY FACILITIES

The following is a summary of certain provisions of the Liquidity Facilities. This summary does not purport to be a complete description or restatement of the material provisions of any Liquidity Facility. The Liquidity Facilities provide liquidity support for the Series 2008 Bonds. The Liquidity Facilities are substantially similar in form and substance. Accordingly, the majority of the discussion below is generic and applies equally to each Liquidity Facility. Reference should be made to each Liquidity Facility for the complete text thereof, and the discussion herein is qualified by such reference. Investors should obtain and review a copy of the respective Liquidity Facility in order to understand all of the terms of that document. Unless otherwise noted in this Remarketing Memorandum, all defined terms in this summary of the Liquidity Facilities shall have the meaning ascribed to such terms in the respective Liquidity Facility. For information regarding the Liquidity Providers, see APPENDIX F – "LIQUIDITY PROVIDERS."

General

The 2008 Series A Bonds and the 2008 Series B Bonds are supported by a Standby Bond Purchase Agreement by and among JPMorgan Chase Bank, the Commission and the Trustee (the "JPMorgan Chase Bank Liquidity Facility"). The JPMorgan Chase Bank Liquidity Facility is scheduled to expire on March 24, 2023, prior to the final maturity of the 2008 Series A Bonds and 2008 Series B Bonds, unless extended or terminated in accordance with the terms of the JPMorgan Chase Bank Liquidity Facility.

The 2008 Series C Bonds are supported by a Standby Bond Purchase Agreement by and among Bank of America, N.A., the Commission and the Trustee (the "Bank of America Liquidity Facility") that will expire on August 26, 2024, prior to the final maturity of the 2008 Series C Bonds., unless extended or terminated in accordance with the terms of the Bank of America Liquidity Facility.

The 2008 Series D Bonds are supported by a Standby Bond Purchase Agreement by and among State Street, the Commission and the Trustee (the "State Street Liquidity Facility") that will expire on June 4, 2024, prior to the final maturity of the 2008 Series D Bonds., unless extended or terminated in accordance with the terms of the State Street Liquidity Facility.

During its term, and subject to the terms and conditions set forth therein, each Liquidity Facility will provide funds for the purchase of the respective Series 2008 Bonds to which it relates, that are delivered to the Trustee but not remarketed by the applicable Remarketing Agent. In addition, each Liquidity Facility will provide funds for the mandatory purchase of tendered bonds (i) upon certain changes in interest rate periods, (ii) upon the expiration (without extension) of such Liquidity Facility, (iii) except as otherwise provided in the Indenture, upon the replacement of such Liquidity Facility with an Alternate Liquidity Facility and (iv) at the direction of the applicable Liquidity Provider following the occurrence of certain Events of Termination. Subject to the terms and conditions of the respective Liquidity Facility, the Commission has the right and may elect to terminate a Liquidity Facility in its discretion.

UNDER CERTAIN CIRCUMSTANCES THE OBLIGATION OF A LIQUIDITY PROVIDER TO PURCHASE APPLICABLE SERIES 2008 BONDS TENDERED BY THE OWNERS THEREOF OR SUBJECT TO MANDATORY TENDER MAY BE TERMINATED OR SUSPENDED AUTOMATICALLY AND IMMEDIATELY WITHOUT NOTICE BY THE APPLICABLE LIQUIDITY PROVIDER. IN SUCH EVENT, NO FUNDS WILL BE AVAILABLE UNDER THE LIQUIDITY FACILITY TO PURCHASE THE RESPECTIVE SERIES 2008 BONDS THAT ARE TENDERED AND NOT REMARKETED, AND SUFFICIENT FUNDS MAY NOT BE AVAILABLE TO PURCHASE SUCH SERIES 2008 BONDS TENDERED BY THE OWNERS THEREOF OR SUBJECT TO MANDATORY PURCHASE. IN ADDITION, THE LIQUIDITY FACILITIES DO NOT PROVIDE SECURITY FOR THE PAYMENT OF PRINCIPAL OR INTEREST OR PREMIUM, IF ANY, ON THE SERIES 2008 BONDS. THE LIQUIDITY FACILITIES PROVIDE FOR THE PURCHASE OF TENDERED SERIES 2008 BONDS ONLY.

Purchase of Tendered Bonds by Liquidity Provider

Each Liquidity Provider has agreed to purchase during the Purchase Period, Eligible Bonds which have been tendered for optional purchase or which are tendered for mandatory purchase and which are not remarketed as provided in the Indenture. The Purchase Period begins on the date the Liquidity Facility becomes effective and ends on the earliest of (a) the respective dates set forth in the first, second and third paragraphs under "General" above or the last day of any extension of such date pursuant to the terms of the applicable Liquidity Facility; (b) the date of receipt by the Liquidity Provider of a certificate signed by the Trustee stating that the Liquidity Facility has been terminated because (i) an Alternate Liquidity Facility has been provided and become effective in accordance with the terms of the Indenture; (ii) none of the respective Series 2008 Bonds are outstanding under the Indenture; (iii) the respective Series 2008 Bonds have been converted to a Non-Covered Interest Rate; (c) the date specified in a written notice delivered by the Commission to the applicable Liquidity Provider that the Commission has elected to terminate the applicable Liquidity Facility pursuant to the terms of such Liquidity Facility; or (d) the date on which the applicable Liquidity Provider's commitment has been terminated in its entirety and is no longer obligated to purchase Series 2008 Bonds. The price to be paid by the applicable Liquidity Provider for such Bonds will be equal to the aggregate principal amount on such Series 2008 Bonds without premium, plus interest accrued thereon from and including the Interest Payment Date next preceding the Purchase Date thereof to the Purchase Date, unless, in the case of interest, the Purchase Date is an Interest Payment Date in which case the Purchase Price shall not include accrued and unpaid interest. As described below, under certain circumstances the obligation of the Liquidity Provider to purchase tendered bonds will be automatically suspended or terminated, without prior notice or demand, and the Trustee will be unable to require the purchase of the respective Series 2008 Bonds under the applicable Liquidity Facility.

Events of Termination

Each of the following is an "Event of Termination" under each Liquidity Facility:

(a) Any failure to pay principal of or interest on any of the related Series 2008 Bonds when due (including any payments on Purchased Bonds other than payments on Purchased Bonds due solely as a result of acceleration caused by the Liquidity Provider under the Liquidity Facility) or on any payments required by the express terms of any Parity Debt when due; or

(b) The Commission shall (i) commence a voluntary case or other proceeding seeking liquidation, reorganization, arrangement, adjustment, winding up, dissolution, composition or other similar relief with respect to itself or its debts under any bankruptcy, insolvency, reorganization or other similar law for the relief of debtors now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official for it or a substantial part of its property, (ii) consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, (iii) make a general assignment for the benefit of creditors, (iv) become insolvent within the meaning of Section 101(32) of the United States Bankruptcy Code, or (v) take any official action to authorize any of the foregoing; or

(c) Any of the following shall occur with respect to the Commission: (i) if applicable law permits the institution of such proceeding, an involuntary case or other proceeding shall be commenced against the Commission seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and such case shall not be dismissed within ninety (90) days, (ii) an order for relief shall be entered against the Commission under the federal bankruptcy laws as now or hereafter in effect or pursuant to any other State or federal laws concerning insolvency or of similar purpose, (iii) a debt moratorium, debt adjustment, debt restructuring or comparable extraordinary restriction with respect to the payment of any Parity Debt (as defined in the respective Liquidity Facility) shall be declared or imposed by the Commission, (iv) any Governmental Authority having appropriate jurisdiction over the Commission shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which results in a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of all Parity Debt; or

(d) The occurrence of (x) an Incipient Invalidity Event, which means (i) the validity or enforceability of any provision of the Law or the Ordinance that impacts the Commission's ability or obligation to levy or impose its one half of one cent retail transactions and use tax in the incorporated and unincorporated territory of the County of San Diego (the "Sales Tax") in accordance with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code or to collect Sales Tax Revenues or to pay the Sales Tax Revenues directly to the Trustee or the California Department of Tax and Fee Administration's ability or obligation to collect the Sales Tax or to pay the Sales Tax Revenues to the Trustee is contested by duly authorized action of the Commission or the State or any instrumentality of the State with appropriate jurisdiction or is determined by a court or the State or any instrumentality of the State with appropriate jurisdiction in a proceeding subject to further appeals to be invalid or unenforceable, or (ii) the validity or enforceability of any Payment and Collateral Obligation, or of any Series 2008 Bond or any provision of any Related Document ("Related Document" means any of the Liquidity Facility, the Fee Letter, the 2008 Series C Bonds, the Indenture, and all amendments, supplements and modifications thereto) related to the payment of principal and interest on any of the related Series 2008 Bonds (including Purchased Bonds) or the pledge of Revenues securing the payment of principal or interest on any of the related Series 2008 Bond (including Purchased Bonds) is contested by duly authorized action of the Commission or is declared invalid or unenforceable by duly authorized action in a proceeding subject to further appeals by the State or any instrumentality of the State with appropriate jurisdiction; or (y) an Invalidity Event, which means (i) the Law or the Ordinance is repealed, (ii) a court or the State or any instrumentality of the State with appropriate jurisdiction determines in a final non-appealable order or judgment, as the case may be, that a provision or provisions of the Law or the Ordinance regarding (A) Commission's ability or obligation to levy or impose the Sales Tax or collect Revenues (which are pledged to pay principal and interest on the Series 2008 Bonds) or to pay the Revenues (which are pledged to pay principal and interest on the Series 2008 Bonds) directly to the Trustee or (B) the State California Department of Tax and Fee Administration's ability or obligation to collect the Sales Tax or make payment of the Sales Tax directly to the Trustee, or the pledge of and lien on Sales Tax Revenues securing the payment of the principal of or interest on the Series 2008 Bonds, is null and void, (iii) the Law or the Ordinance is ruled to be null and void by a court or the State or any instrumentality of the State with appropriate jurisdiction, (iv) any provision of the Liquidity Facility, any Series 2008 Bond or any other Related Document relating to the Commission's obligation with respect to the payment of monies for principal and interest on the Series 2008 Bonds (including Purchased Bonds) under the Related Documents or the pledge of the Revenues to secure the payment of principal and interest on the Series 2008 Bonds (each such provision, a "Payment and Collateral Obligation") is ruled to be null and void by a court or the State or any instrumentality of the State with appropriate jurisdiction in a final nonappealable order or judgment by such court or the State or any instrumentality of the State, as applicable, or (v) the Commission by duly authorized action denies that the Commission has any or further liability or obligation with respect to payments of monies for principal and interest on the Series 2008 Bonds under the Law or the Ordinance or any Payment and Collateral Obligation; or

(e) Each of Moody's and S&P either (i) withdraw or suspend the underlying rating of the Series 2008 Bonds or any additional Bonds ranking on a parity with the Series 2008 Bonds for credit related reasons or (ii) reduce such rating, in the case of S&P, below BBB and in the case of Moody's, below Baa3; or

(f) A final non-appealable judgment by any court of competent jurisdiction in a principal amount of $10,000,000 is entered against the Commission and payable from the Revenues ranking on a parity with the Series 2008 Bonds and such judgment is not satisfied or stayed for a period of 60 days; or

(g) There is a default on any payment obligation (other than as described in paragraphs (a) or (i) under this subheading "Events of Termination") of the Commission under the Related Documents; or

(h) Any material representation or warranty made by the Commission under or in connection with the Liquidity Facility (including without limitation representations and warranties incorporated therein by reference) shall prove to be untrue in any material respect on the date as of which it was made or deemed made; or

(i) Non-payment of any fees or certain other amounts payable under the Liquidity Facility or related Fee Letter (as defined in the respective Liquidity Facility) (together with interest thereon at the Default Rate) within 10 days after the Trustee and the Commission have received written notice from the Liquidity Provider that the same were not paid when due; or

(j) Non-payment of any other fees or amounts payable under the Liquidity Facility or the related Fee Letter (together with interest thereon at the Default Rate) within 20 days after written notice thereof to the Commission and the Trustee by the Liquidity Provider; or

(k) The breach by the Commission of certain covenants under the Liquidity Facility; or

(l) The breach by the Commission of any terms or provisions of the Liquidity Facility or the Fee Letter which is not remedied within 20 days after written notice thereof shall have been received by the Commission and the Trustee from the Liquidity Provider; or

(m) The occurrence of any "event of default" as defined in the related Series 2008 Bonds or the Indenture (which is not waived pursuant to the terms thereof) which is not otherwise described under this subheading "Events of Termination", other than the failure of the Liquidity Provider to provide funds for the purchase of Tendered Bonds when required by the terms and conditions of the Liquidity Facility; or

(n) Any provision of the Law or the Ordinance is supplemented, modified or amended in a manner that materially adversely impairs (A) the Commission's ability or obligation to impose or levy the Sales Tax in the incorporated and unincorporated territory of the County of San Diego or collect Revenues and/or pay the Revenues directly to the Trustee or (B) the California Department of Tax and Fee Administration's obligation to collect of the sales Tax or the California Department of Tax and Fee Administration's ability or obligation to make payment of the Sales Tax Revenues to the Trustee.

Remedies upon an Event of Termination

If any Event of Termination (without regard to any specified grace period) shall have occurred and be continuing, each Liquidity Provider has the following remedies under its Liquidity Facility:

Immediate Termination. In the case of an Event of Termination specified in paragraphs (a), (b), (c), (d)(y), (e) or (f) under the subheading "Events of Termination" above, the Available Commitment and Purchase Period and the obligation of the Liquidity Provider to purchase the respective Series 2008 Bonds shall immediately terminate without notice or demand, and thereafter the Liquidity Provider shall be under no obligation to purchase the respective Series 2008 Bonds. Promptly upon the Liquidity Provider obtaining knowledge of any such Event of Termination, the Liquidity Provider shall give written notice of the same to the Trustee, the applicable Remarketing Agent and the Commission; provided that, the Liquidity Provider shall incur no liability or responsibility whatsoever by reason of its failure to give such notice, and such failure shall in no manner affect the termination of the Liquidity Provider's Available Commitment and of its obligation to purchase the respective Series 2008 Bonds pursuant to its Liquidity Facility.

Termination with Notice. In the case of an Event of Termination specified in any of paragraphs (g), (h), (i), (j), (k), (l), (m) or (n) under the subheading "Events of Termination" above, the Liquidity Provider may terminate the Available Commitment and Purchase Period by giving written notice (a "Notice of Termination") to the Trustee, Commission and the applicable Remarketing Agent, specifying the date on which the Available Commitment and Purchase Period shall terminate, which shall be not less than 30 days from the date of receipt of such notice by the Trustee and on and after the Purchase Termination Date, the Liquidity Provider shall be under no further obligation to purchase the respective Series 2008 Bonds under its Liquidity Facility.

Suspensions. During the pendency of an Event of Termination pursuant to paragraph (c)(i) under the subheading "Events of Termination" above (prior to the expiration of the 90 day grace period specified in paragraph (c)(i)) or (d)(x) under the subheading "Events of Termination" above (each a "Suspension Event"), the Liquidity Provider's obligations to purchase the respective Series 2008 Bonds shall be immediately suspended without notice or demand and thereafter the Liquidity Provider shall be under no obligation to purchase the respective Series 2008 Bonds until the Available Commitment is reinstated as described in this paragraph. Promptly upon the Liquidity Provider obtaining knowledge of any such Suspension Event, the Liquidity Provider shall give written notice of the same to the Commission, the Trustee, and the applicable Remarketing Agent of such suspension; provided, however, that the Liquidity Provider shall incur no liability or responsibility whatsoever by reason of its failure to give such notice and such failure shall in no way affect the suspension of the Liquidity Provider's obligations under the Liquidity Facility. In the event such Suspension Event is cured, the Liquidity Provider's obligations shall be automatically reinstated and the terms of the Liquidity Facility will continue in full force and effect (unless the Liquidity Facility shall otherwise have terminated or been suspended by its terms). If such Potential Termination Event becomes an Event of Termination (through Expiration of the 90 day grace period specified above or otherwise) the provisions under the sub-caption "Immediate Termination" above shall apply.

Other Remedies. In addition to the rights and remedies described in the three preceding paragraphs, in the case of any Event of Termination specified under the subheading "Events of Termination" above, upon the election of the Liquidity Provider: (i) all amounts payable under the Liquidity Facility and the related Fee Letter (including but not limited to principal of and interest on any Purchased Bonds and payments of Excess Bond Interest), shall, upon notice to the Commission, become immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are expressly waived by the Commission in the related Liquidity Facility; and (ii) the Liquidity Provider shall have all the rights and remedies available to it under the Liquidity Facility, the other Related Documents or otherwise pursuant to law or equity; provided, however, that the Liquidity Provider shall not have the right to terminate its obligation to purchase the respective Series 2008 Bonds or to declare any amount due under the related Liquidity Facility due and payable except as expressly provided therein.

Extension, Reduction, Adjustment or Termination of the Liquidity Facility

Each Liquidity Facility will expire on the respective dates set forth under the subheading "General" above unless earlier terminated or, with the consent of the applicable Liquidity Provider in its sole and absolute discretion, extended for an additional period or periods, in each case in accordance with the provisions of its Liquidity Facility.

Upon (i) any redemption, defeasance or other payment of all or any portion of the principal amount of the Series 2008 Bonds or (ii) any purchase by the applicable Liquidity Provider of Series 2008 Bonds tendered or deemed tendered in accordance with the terms of the Indenture, the applicable Liquidity Provider's purchase commitment under its Liquidity Facility with respect to principal of Series 2008 Bonds shall automatically be reduced by the principal amount of the Series 2008 Bonds so redeemed, defeased or otherwise paid or purchased, as the case may be. Each Liquidity Provider's commitment with respect to interest shall be equal to 35 days' interest on the principal amount of the applicable series of Series 2008 Bonds (assuming an interest rate of 12% per annum). The commitment with respect to interest will be adjusted downward by an amount in proportion to the reduction of the commitment as to principal because of the redemption, defeasance or other payment of such Series 2008 Bonds or the purchase by the applicable Liquidity Provider of Series 2008 Bonds tendered or deemed tendered in accordance with the terms of the Indenture.

Limitations of the Liquidity Facility

The ability to obtain funds under each Liquidity Facility in accordance with its terms may be limited by federal or state law. Bankruptcy, conservatorship, receivership and similar laws governing financial institutions or any issuer of a standby bond purchase agreement may prevent or restrict payment under the Liquidity Facility. To the extent the short-term rating on the Series 2008 Bonds depends on the rating of the applicable Liquidity Provider, the short-term ratings on the Series 2008 Bonds could be downgraded or withdrawn if such Liquidity Provider were to be downgraded, placed on credit watch or have its ratings suspended or withdrawn or were to refuse to perform under its Liquidity Facility.

The obligation of the applicable Liquidity Provider to purchase unremarketed Bonds pursuant to its Liquidity Facility is subject to the conditions and limitations set forth therein, and is also subject to all rights and defenses available to contracting parties generally. Each Liquidity Facility is not a guaranty to pay the Purchase Price of Series 2008 Bonds tendered for purchase. Each Liquidity Facility is a general contract, subject to certain conditions and limitations, and is not a letter of credit. Purchasers of the Series

2008 Bonds should consult their legal counsel for an explanation of the differences between a general contract and a letter of credit or guaranty. See "RISK FACTORS - Limitations of Liquidity Facility and Related Risks."

Substitution of Alternate Liquidity Facility

Pursuant to the provisions of the Indenture, the Commission may, at any time, deliver a replacement for the Liquidity Facility (such replacement being hereinafter referred to as an "Alternate Liquidity Facility") upon satisfaction of certain conditions set forth in the Indenture. The Commission shall provide written notice to the Trustee of any proposed substitution of an Alternate Liquidity Facility, and the Trustee shall mail notice of such proposed substitution to each Bond owner at least 10 calendar days prior to the effective date of such substitution.

Pursuant to the provisions of the Indenture, the Series 2008 Bonds are subject to mandatory purchase on the date such Alternate Liquidity Facility shall take effect; provided there shall be no mandatory purchase of the Series 2008 Bonds on the effective date of the provision of the Alternate Liquidity Facility if the Commission has received confirmation of the ratings on the Series 2008 Bonds by each rating agency then providing a rating with respect to the Series 2008 Bonds. The Commission is not required to maintain the Liquidity Facility with respect to any Series of the Series 2008 Bonds in an Auction Rate Period, an Index Rate Period, a Term Rate Period for which there is no Liquidity Facility, or a Fixed Rate Period. In the event that the Commission allows the Liquidity Facility or any Alternate Liquidity Facility provided in the form of a standby bond purchase agreement to terminate, the affected Series 2008 Bonds shall be subject to the mandatory tender provisions of the Indenture.

ADDITIONAL TERMS OF THE SERIES 2008 BONDS

Interest Rate Determination Methods

General. Each Series of the Series 2008 Bonds will initially bear interest at a Weekly Rate. The Commission has the right to change the Interest Rate Determination Method for any Series of the Series 2008 Bonds to a different Interest Rate Determination Method (which may be a Daily Rate, a Weekly Rate, a Commercial Paper Rate, an Auction Period Rate, an Index Rate, a Term Rate or a Fixed Rate). See "Conversion of Interest Rate Determination Method for Certain Series 2008 Bonds" below.

Each Series of Series 2008 Bonds will initially have a Remarketing Agent, each of which is referred to herein as "Remarketing Agent." See "CERTAIN CONSIDERATIONS AFFECTING THE SERIES 2008 BONDS."

No Daily Rate or Weekly Rate on the Series 2008 Bonds will exceed 12% per annum.

Daily Rate. Upon a successful conversion of a Series of Series 2008 Bonds to the Daily Rate Period, the Series 2008 Bonds of such Series will bear interest at a Daily Rate. During each Daily Rate Period, the Remarketing Agent for such Series is to set a Daily Rate for the Series by 9:30 a.m., New York City time, on each Business Day, which Daily Rate is to be the rate of interest that, if borne by the Series 2008 Bonds in the Daily Rate Period, would, in the judgment of the Remarketing Agent, having due regard for the prevailing financial market conditions for Tax-Exempt Securities that are of the same general nature as the Series 2008 Bonds or Tax-Exempt Securities that are competitive as to credit and maturity (or period for tender) with the credit and maturity (or period for tender) of the Series 2008 Bonds for which the Daily Rate is to be determined, be the lowest interest rate that would enable the Remarketing Agent to place the Series 2008 Bonds at a price equal to 100% of the aggregate principal amount of such Series 2008 Bonds (plus accrued interest, if any) on such Business Day. The Daily Rate for any non-Business Day will be the rate for the last Business Day on which a Daily Rate was set.

Weekly Rate. So long as a Series of Series 2008 Bonds is in the Weekly Rate Period, the Series 2008 Bonds of such Series will bear interest at a Weekly Rate. During each Weekly Rate Period, the Remarketing Agent for such Series is to set a Weekly Rate for the Series, by 5:00 P.M., New York City time, on each Wednesday (or the immediately succeeding Business Day, if such Wednesday is not a Business Day) for the next period of seven (7) days from and including Thursday of any week to and including Wednesday of the next following week (a "Calendar Week"); provided, that, the Weekly Rate for the first Calendar Week (or portion thereof) following a Conversion Date resulting in a change in the Interest Rate Determination Method to a Weekly Rate is to be set by the Remarketing Agent on the Business Day immediately preceding such Conversion Date. Each Weekly Rate is to be the rate of interest that, if borne by the Series 2008 Bonds in the Weekly Rate Period, would, in the judgment of the Remarketing Agent, having due regard for the prevailing financial market conditions for Tax-Exempt Securities that are of the same general nature as the Series 2008 Bonds for which the Weekly Rate is to be determined, or Tax-Exempt Securities that are competitive as to credit and maturity (or period for tender) with the credit and maturity (or period for tender) of the Series 2008 Bonds for which the Weekly Rate is to be determined, be the lowest interest rate that would enable the Remarketing Agent to place the Series 2008 Bonds of each Series at a price equal to 100% of the aggregate principal amount of such Series 2008 Bonds (plus accrued interest, if any) on the first day of such Weekly Rate Period.

Failure to Determine Rate for Certain Rate Periods. If, for any reason, the Daily Rate or the Weekly Rate on any of the Series 2008 Bonds is not established as described above, or there is no Remarketing Agent for those Series 2008 Bonds, or any Daily Rate or Weekly Rate so established is held to be invalid or unenforceable with respect to such rate period, then the interest rate for such Rate Period will be 100% of the SIFMA Swap Index on the date such Daily Rate or Weekly Rate was (or would have been) determined, as provided pursuant to the provisions of the Indenture described above. "SIFMA Swap Index" is an index published or made available by the Securities Industry and Financial Markets Association (formerly the Bond Market Association) and is defined in APPENDIX C-1 – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

Conversion of Interest Rate Determination Method for Series 2008 Bonds

Right of Conversion. The Interest Rate Determination Method for any Series of Series 2008 Bonds is subject to conversion from one Interest Rate Determination Method to another from time to time by the Commission, with such right to be exercised by delivery of a Conversion Notice to the Notice Parties for the Series 2008 Bonds of such Series to be converted as follows: (1) at least four Business Days prior to the fifteenth day preceding the effective date of such proposed Conversion, in the event of a Conversion to a Daily Rate, Weekly Rate, Commercial Paper Rate, Index Rate or Auction Period Rate; and (2) at least five Business Days prior to the fifteenth day preceding the effective date of such proposed Conversion, in the event of a Conversion to a Term Rate or a Fixed Rate.

The Conversion Notice must be accompanied by (i) a Favorable Opinion of Bond Counsel stating that the Conversion is authorized and permitted under the Indenture and will not, in and of itself, adversely affect the Tax-Exempt status of the interest on any of the Series 2008 Bonds to be converted, and (ii) a notice of the new Liquidity Provider or Credit Provider, if applicable, and the new Liquidity Facility or Credit Enhancement, if at the same time as such Series 2008 Bonds are being converted there will be a change of Liquidity Provider or Liquidity Facility, or the Commission enters into an agreement with a Credit Provider to provide Credit Enhancement with respect to such Series 2008 Bonds.

See APPENDIX C-1 – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

Conversion to a different Interest Rate Determination Method means that all Bonds of the Series being converted must be tendered for purchase on the Conversion Date. See "Mandatory Tender Provisions" below.

Notice of Conversion. Upon receipt of a Conversion Notice, as soon as possible, but in any event not less than 15 days prior to the proposed Conversion Date, the Trustee is to give DTC notice by first-class mail. 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 of Series 2008 Bonds will be governed by arrangements among them, and the Commission and the Trustee will not have any responsibility or obligation to send a Conversion Notice to Beneficial Owners of Series 2008 Bonds.

Failure to Convert. The Indenture includes provisions setting forth the procedures and conditions for the exercise by the Commission of its right of conversion of Series 2008 Bonds from one Interest Rate Determination Method to another. Under certain circumstances, a planned conversion may not be completed. However, once a notice of conversion is provided to DTC as described in the preceding paragraph, all Series 2008 Bonds covered by that notice, must be tendered for purchase (whether or not the planned conversion is completed). See "Funding Optional and Mandatory Tenders of Series 2008 Bonds" concerning payment for Series 2008 Bonds so tendered for purchase.

The Indenture provides that a failed conversion of a Series of 2008 Bonds to another Interest Rate Determination Method means that the 2008 Bonds of that Series will continue to bear interest at the Interest Rate Determination Method in effect prior to the proposed Conversion Date (as if no proceedings for Conversion had taken place) and the rate of interest thereon shall be determined on the proposed Conversion Date. If the failed conversion is due to insufficient funds, that interest rate is required by the Indenture to be the lesser of the SIFMA Swap Index plus 3% and the Maximum Interest Rate of 12% from the date of such failed purchase until all such Series 2008 Bonds are purchased as required in accordance with the Indenture, and all tendered Series 2008 Bonds will be returned to their respective owners. See "Funding Optional and Mandatory Tenders of Series 2008 Bonds" below.

Optional Tender Provisions

The Series 2008 Bonds (other than Series 2008 Bonds registered in the name of a Liquidity Provider) bearing interest at a Daily Rate or a Weekly Rate are subject to tender for purchase and remarketing at the option of the Beneficial Owner thereof, who may elect to have such Series 2008 Bonds (or portions thereof in Authorized Denominations) purchased at the Purchase Price

Series 2008 Bonds bearing interest at a Daily Rate may be tendered for purchase on any Business Day at the applicable Purchase Price, payable in immediately available funds, upon (A) delivery by the Holder or the Beneficial Owner of such Series 2008 Bonds to the Remarketing Agent and to the Trustee at its Principal Office of an irrevocable written or electronic notice by 11:00 A.M. (New York City time) on the Purchase Date, that states the principal amount to be tendered for purchase and the Purchase Date, and (B) delivery of such Series 2008 Bonds to the Trustee on the Purchase Date in accordance with the Indenture.

Series 2008 Bonds bearing interest at a Weekly Rate may be tendered for purchase on any Business Day at the applicable Purchase Price, payable in immediately available funds, upon (A) delivery by the Holder or the Beneficial Owner of such Series 2008 Bonds to the Remarketing Agent and to the Trustee at its Principal Office of an irrevocable written or electronic notice by 5:00 P.M. (New York City time) on any Business Day at least seven days prior to the Purchase Date, which states the principal amount of such Series 2008 Bond to be tendered for purchase and the Purchase Date, and (B) delivery of such Series 2008 Bonds to the Trustee on the Purchase Date in accordance with the Indenture.

Any instrument delivered to the Trustee in accordance with the provisions of the Indenture described above shall be irrevocable with respect to the purchase for which such instrument was delivered and shall be binding upon DTC and any subsequent Holder or Beneficial Owner of the Series 2008 Bonds to which it relates, including any Series 2008 Bond issued in exchange therefore or upon the registration or transfer thereof, and as of the date of such instrument, DTC or the Beneficial Owner shall not have any right to optionally tender for purchase such Series 2008 Bonds prior to the date of purchase specified in such notice. The Commission, the Remarketing Agent and the Trustee may conclusively assume that any person (other than DTC) providing notice of optional tender pursuant to the Indenture is the Beneficial Owner of the Series 2008 Bonds to which such notice relates, and none of the Commission, the Remarketing Agent or the Trustee shall assume any liability in accepting such notice from any person whom it reasonably believes to be a Beneficial Owner of Series 2008 Bonds.

See "Funding Optional and Mandatory Tenders of Series 2008 Bonds" concerning possible failure to complete the purchase of Series 2008 Bonds tendered for purchase for lack of funds.

Mandatory Tender Provisions

The Series 2008 Bonds of each Series bearing interest at a Daily Rate or a Weekly Rate will be subject to mandatory tender for purchase at the applicable Purchase Price on the Conversion Date (or on the proposed Conversion Date if the conversion fails to occur) of Bonds of that Series to a new Interest Rate Determination Method specified in a Conversion Notice as described above under "Conversion of Interest Rate Determination Method for Series 2008 Bonds."

The Liquidity Facility is available to provide funds for the purchase of Series 2008 Bonds that are not successfully remarketed upon optional tender by Bond owners for purchase and remarketing, and for the purchase of Series 2008 Bonds that are not successfully remarketed upon mandatory tender. The Series 2008 Bonds will be subject to mandatory tender for purchase at the applicable Purchase Price (i) on the fifth Business Day preceding the scheduled expiration or the termination of the Liquidity Facility by the Commission, and (ii) on the date of provision of an Alternate Liquidity Facility and resultant termination of the Liquidity Facility. No such mandatory tender is required if an Alternate Liquidity Facility is provided to the Trustee and a Rating Confirmation is delivered by each Rating Agency then rating the Series of Series 2008 Bonds with respect to which the Alternate Liquidity Facility is being provided. The Trustee is to mail notice to DTC not later than 15 days prior to any such termination, substitution or expiration.

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 of Series 2008 Bonds will be governed by arrangements among them, and the Commission will not have any responsibility or obligation to send any notice to Beneficial Owners of Series 2008 Bonds.

The Commission will designate which Series and which maturities of such Series of Series 2008 Bonds bearing interest at a Daily Rate or a Weekly Rate are to be tendered. If less than all of the Series 2008 Bonds of a Series maturing by their terms on any one date are to be tendered at any one time, DTC's practice is to determine by lot the amount of the interest of each DTC Direct Participant in the Series to be tendered. For purposes of such selection, the Series 2008 Bonds of such Series shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately tendered.

Funding Optional and Mandatory Tenders of Series 2008 Bonds

The Commission expects funds to be made available to purchase Series 2008 Bonds tendered for purchase pursuant to the optional and mandatory tender provisions described above by having

Remarketing Agents remarket the tendered Series 2008 Bonds and having the proceeds applied to purchase the tendered Series 2008 Bonds. See "CERTAIN CONSIDERATIONS AFFECTING THE SERIES 2008 BONDS."

Funds for payment of the Purchase Price for any Series 2008 Bonds tendered for purchase and not successfully remarketed are expected to be provided under the Liquidity Facility as described under "THE LIQUIDITY FACILITIES." If insufficient funds are available under the Liquidity Facility, the Commission has the option, but no obligation under the Indenture, to pay the shortfall to the Trustee.

The Indenture provides that if sufficient funds are not available for the purchase of all Series 2008 Bonds tendered or deemed tendered and required to be purchased on any Purchase Date, all Outstanding Bonds of such Series shall bear interest at the lesser of the SIFMA Swap Index plus 3% and the Maximum Interest Rate from the date of such failed purchase until all such Bonds are purchased as required in accordance with the Indenture, and all tendered Series 2008 Bonds of such Series are returned to their respective Owners. Thereafter, the Trustee is to continue to take all such action available to it to obtain remarketing proceeds from the Remarketing Agent and sufficient other funds from the Liquidity Providers for such Series 2008 Bonds. The Indenture provides that such failed purchase and return shall not constitute an Event of Default.

Mechanics and Timing of Optional and Mandatory Tenders

The mechanics and timing of delivery and payment for Series 2008 Bonds tendered for purchase are addressed in the Indenture. See APPENDIX C-1 – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

Mandatory Tender for Commission Purchase of Series 2008 Bonds at Election of Commission

The Series 2008 Bonds of each Series bearing interest at a Daily Rate or a Weekly Rate are also subject to mandatory tender for purchase by the Commission, in whole or in part (in Authorized Denominations), on any date such Series of Series 2008 Bonds would be subject to optional redemption (each, an "Optional Purchase Date") at a purchase price equal to the principal amount of such Series of Series 2008 Bonds to be purchased on the Optional Purchase Date, plus accrued interest to the Optional Purchase Date, at the option of the Commission exercised on such Optional Purchase Date, of the Series 2008 Bonds to be purchased (the "Optional Purchase Price"). In the event that the Commission determines to purchase any Series 2008 Bonds of a Series on any Optional Purchase Date, the Commission will provide the Trustee with written notice of such determination at least 15 days prior to the Optional Purchase Date, which notice will specify the Series of Series 2008 Bonds and the principal amount of the Series 2008 Bonds of such Series of each maturity which are to be purchased and the Optional Purchase Date on which such purchase is to occur.

When the Trustee receives notice from the Commission of its determination to purchase Series 2008 Bonds of a Series pursuant to the provisions described above, the Trustee shall give notice to DTC, the Remarketing Agent and the Liquidity Provider, in the name of the Commission, of the mandatory tender for purchase of such Series 2008 Bonds, which notice shall be mailed, by first class mail, postage prepaid, not more than 90 nor less than 10 days before the Optional Purchase Date. Receipt of such notice of mandatory tender for purchase shall not be a condition precedent to the mandatory tender for purchase of the Series 2008 Bonds and failure of DTC to receive any such notice or any defect in such notice shall not affect the validity of the proceedings for the mandatory tender for purchase of such Series 2008 Bonds pursuant to the provisions of the Indenture described herein. 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 of Series 2008 Bonds will be governed by arrangements among them, and the Commission and the Trustee will not have any responsibility or obligation to send any notice to Beneficial Owners of Series 2008 Bonds.

If at the time the Trustee sends any notice of mandatory tender for purchase of the 2008 Bonds at the election of the Commission, the Commission has not deposited with the Trustee an amount sufficient to pay the full Optional Purchase Price of the 2008 Bonds, or the portions thereof, to be purchased, such notice will state that the mandatory tender for purchase is conditional upon the receipt by the Trustee on or prior to the Optional Purchase Date fixed for such purchase of moneys sufficient to pay the Optional Purchase Price of such 2008 Bonds, or the portions thereof to be purchased, and that if such moneys are not so received such notice shall be of no force and effect and the Commission will not be required to purchase such 2008 Bonds. In the event that the notice of mandatory tender for purchase contains such a condition and such moneys are not so received, no purchase of the 32008 Bonds identified in the notice of mandatory tender for purchase shall be made and the Trustee shall, within a reasonable time thereafter, give notice to the Remarketing Agent and to the persons and in the manner in which the notice of tender was given, that such moneys were not so received and that there will be no purchase of 2008 Bonds pursuant to the notice of mandatory tender for purchase.

If less than all of the Series 2008 Bonds of a Series maturing by their terms on any one date are to be tendered at any one time, DTC's practice is to determine by lot the amount of the interest of each DTC Direct Participant in the Series to be tendered. For purposes of such selection, the Series 2008 Bonds of such Series shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately tendered. If at the time the Trustee sends any notice of mandatory tender for purchase of any Series 2008 Bonds as described in the preceding paragraph, the Commission has not deposited with the Trustee an amount sufficient to pay the full Optional Purchase Price of such Series 2008 Bonds, or the portions thereof, to be purchased, such notice shall state that such mandatory tender for purchase is conditional upon the receipt by the Trustee on or prior to the Optional Purchase Date fixed for such purchase of moneys sufficient to pay the Optional Purchase Price of such Series 2008 Bonds, or the portions thereof to be purchased, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Commission shall not be required to purchase such Series 2008 Bonds.

Funding for purchases of Series 2008 Bonds pursuant to the mandatory tender at the election of the Commission as described under this heading is not supported by the Liquidity Facilities described under "THE LIQUIDITY FACILITIES" nor is it addressed in the Commission's agreements with Remarketing Agents for Series 2008 Bonds.

PROJECTED DEBT SERVICE SCHEDULE

The following table shows the annual debt service requirements with respect to Outstanding Bonds.

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PROJECTED DEBT SERVICE SCHEDULE
OUTSTANDING SENIOR BONDS

Fiscal Year Ending June 30	2008 Series A Bonds[(1)]	2008 Series B Bonds[(1)]	2008 Series C Bonds[(1)]	2008 Series D Bonds[(1)]	Series 2010 Bonds[(2)]	Series 2012 Bonds	Series 2014 Bonds	Series 2016 Bonds	2019 Series A Bonds	2020 Series A Bonds	2021 Series A Bonds	Cumulative Total
2022	$3,838,445	$3,838,445	$3,702,166	$3,429,608	$13,423,068	$22,013,250	$6,783,750	$20,665,500	$13,617,419	$5,096,750	$ 3,838,527	100,246,927
2023	8,488,445	8,488,445	8,352,166	8,079,608	13,423,068	-	6,785,750	20,663,750	20,052,419	5,100,750	3,775,600	103,210,000
2024	8,460,978	8,460,978	8,330,999	8,071,043	13,423,068	-	6,783,000	20,668,250	20,138,629	5,095,500	3,775,600	103,208,044
2025	8,502,786	8,502,786	8,379,311	8,132,363	13,423,068	-	-	20,668,000	19,955,743	5,101,250	13,435,600	106,100,906
2026	8,536,007	8,536,007	8,419,341	8,186,010	13,423,068	-	-	20,667,500	19,803,445	5,092,250	13,434,842	106,098,470
2027	8,410,640	8,410,640	8,301,089	8,081,985	13,423,068	-	-	20,666,000	20,274,891	5,094,000	13,436,233	106,098,546
2028	8,507,412	8,507,412	8,405,075	8,200,403	13,423,068	-	-	20,667,750	19,866,145	5,091,400	13,437,293	106,105,957
2029	8,517,734	8,517,734	8,423,019	8,233,590	13,423,068	-	-	20,666,750	19,806,736	5,089,150	13,435,225	106,113,006
2030	8,519,468	8,519,468	8,432,681	8,259,105	13,423,068	-	-	20,667,250	19,765,613	5,096,650	13,434,045	106,117,348
2031	8,512,616	8,512,616	8,434,060	8,276,948	13,423,068	-	-	20,663,250	20,356,310	4,588,150	13,438,271	106,205,288
2032	8,497,176	8,497,176	8,427,157	8,287,118	13,423,068	-	-	20,664,000	20,389,819	4,589,150	13,437,029	106,211,693
2033	8,548,150	8,548,150	8,486,972	8,364,615	13,423,068	-	-	20,663,250	20,158,906	4,590,150	13,434,605	106,217,865
2034	8,512,674	8,512,674	8,460,743	8,356,883	13,423,068	-	-	20,665,000	20,270,088	4,590,900	13,435,305	106,227,334
2035	8,543,610	8,543,610	8,501,233	8,416,478	13,423,068	-	-	20,668,000	20,117,496	4,591,150	13,433,497	106,238,141
2036	8,563,098	8,563,098	8,530,679	8,465,843	13,423,068	-	-	20,666,000	20,007,308	4,590,650	13,437,918	106,247,660
2037	8,571,135	8,571,135	8,549,083	8,504,978	13,423,068	-	-	20,668,000	19,941,843	4,589,150	13,434,761	106,253,153
2038	8,642,724	8,642,724	8,631,443	8,608,883	13,423,068	-	-	20,667,500	19,619,503	4,591,400	13,434,685	106,261,930
2039	-	-	-	-	41,863,068	-	-	20,663,250	25,498,282	4,586,900	13,433,245	106,044,745
2040	-	-	-	-	41,831,823	-	-	20,664,000	39,594,904	4,590,650	-	106,681,377
2041	-	-	-	-	41,792,215	-	-	20,668,000	39,600,410	4,586,900	-	106,647,526
2042	-	-	-	-	41,757,858	-	-	20,663,500	39,599,411	4,590,650	-	106,611,420
2043	-	-	-	-	41,721,773	-	-	20,664,250	39,601,094	4,591,150	-	106,578,267
2044	-	-	-	-	41,682,176	-	-	20,663,250	39,599,323	4,588,150	-	106,532,899
2045	-	-	-	-	41,642,286	-	-	20,663,750	39,598,123	4,591,400	-	106,495,560
2046	-	-	-	-	41,600,124	-	-	20,663,750	39,601,358	4,589,400	-	106,454,632
2047	-	-	-	-	41,553,708	-	-	20,666,250	39,607,727	4,591,200	-	106,418,886
2048	-	-	-	-	41,506,060	-	-	20,664,000	39,605,933	4,586,400	-	106,362,393
Totals	$140,173,096	$140,173,096	$138,767,216	$135,955,455	$645,143,254	$22,013,250	$20,352,500	$557,969,750	$716,048,877	$128,471,200	$212,922,278	$2,857,989,972

Totals may not add due to rounding.

(1) Interest on the Series 2008 Bonds is calculated based on the fixed interest rates payable by the Commission to the swap counterparties pursuant to the Initial Swaps; the fixed interest rates payable under the Initial Swaps range from 3.41% to 3.8165%.

(2) 2010 Series A Bonds projected debt service is net of Subsidy Payments. See "RISK FACTORS – Loss of Subsidy Payments."

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION

General

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

On January 1, 2003, Senate Bill 1703 took effect, changing the structure of SANDAG from a Joint Powers Authority to a State-created regional government agency. The effect of this legislation was to make SANDAG a permanent rather than voluntary association of local governments and to increase SANDAG's responsibilities and powers. The SANDAG Board of Directors consists of voting representatives from the County and 18 incorporated cities within the County. Supplementing these voting members are advisory representatives from Imperial County, the U.S. Department of Defense, Caltrans, San Diego Unified Port District, MTS, NCTD, San Diego County Water Authority, Southern California Tribal Chairmen's Association, and Mexico. Policy Advisory Committees assist the SANDAG Board of Directors in carrying out the agency's work program. The SANDAG Board of Directors is also assisted by a professional staff of approximately 250 planners, engineers, research specialists, and supporting staff. Senate Bill 1703 also required the consolidation of the planning, programming, project development, and construction functions of MTS and NCTD into SANDAG. SANDAG is responsible for transit planning, project implementation, and construction of regional transit projects in the County. Neither the Commission nor SANDAG operates transit services. Transit operations in the County are the responsibility of MTS and NCTD.

On October 9, 2015, the SANDAG Board of Directors adopted the 2050 Regional Transportation Plan ("2050 RTP"), which describes a plan for investing local, State and federal transportation funds expected to come into the region over the next 40 years. Per California Assembly Bill 1730 (Gonzales-Fletcher, 2019) the 2050 RTP, as well as its sustainable communities strategy and environmental impact, will remain in effect for all purposes under State law until SANDAG adopts its next update to its regional transportation plan on or before December 31, 2021. While work progresses on the regional transportation plan update, SANDAG prepared a 2019 Federal Regional Transportation Plan (2019 Federal RTP) that complies with federal requirements for the development of regional transportation plans, retains air quality conformity approval from the U.S. Department of Transportation, and preserves funding for the region's transportation investments. The SANDAG Board of Directors released the Draft 2021 Regional Plan for public comment in May 2021 and anticipates adoption of the plan in late 2021.

Reducing greenhouse gas emissions is a major goal for the State of California, and the nation. Rising emissions, chiefly carbon dioxide from the burning of fossil fuels, are increasing average temperatures around the globe. And those emissions are leading to numerous changes, including rising sea levels and shifting weather patterns. In the southwestern United States, climate scientists project that the effects of climate change include increasingly higher temperatures and more intense and frequent droughts, among other consequences.

Sustainable Communities Strategy

Along with the 2050 RTP, the Board adopted the Sustainable Communities Strategy ("SCS'). SANDAG's target in the 2050 RTP is to reduce the region's per capita emissions of greenhouse gases from cars and light trucks by 13 percent per capita by 2035. Five strategies are being employed consistent with the SCS in the region to foster sustainability.

• A land use pattern that accommodates the region's future employment and housing needs, and protects sensitive habitats, cultural resources, and resource areas.

• A transportation network of public transit, Managed Lanes and highways, local streets, bikeways, and walkways built and maintained with reasonably expected funding.

• Managing demands on the transportation system (also known as Transportation Demand Management, or TDM) in ways that reduce or eliminate traffic congestion during peak periods of demand.

• Managing our transportation system (also known as Transportation System Management, or TSM) through measures that maximize the overall efficiency of the transportation network.

• Innovative pricing policies and other measures designed to reduce the number of miles people travel in their vehicles, as well as traffic congestion during peak periods of demand.

As noted under the caption "General" above, SANDAG is developing an update to the 2050 RTP. SANDAG anticipates adoption of such Draft 2021 Regional Plan in late 2021. If adopted in its current form, the Draft 2021 Regional Plan would provide a revised SCS to satisfy requirements in California Senate Bill 375, for the San Diego region. The draft revised SCS describes coordinated transportation and land use planning that exceeds the target for reducing per capita GHG emissions set by the California Air Resources Board for the San Diego region. The Draft 2021 Regional Plan also puts forth a forecasted development pattern that is driven by regional goals for sustainability, mobility, housing affordability, and economic prosperity. The package of projects, policies, and programs will be organized and implemented around three core strategies:

• *Invest in a reimagined transportation system*: Build a network and fund services that include multimodal roadways; an expanded network of fast, frequent, and low-cost transit; 21st-century technology that manages the entire transportation system and connects people to on-demand services; and zero-emission options for vehicles and micromobility.

• *Incentivize sustainable growth and development*: Collaborate with local jurisdictions and fund programs to accelerate housing production while also addressing equity, climate resilience, and mobility.

• *Implement innovative demand and system management*: Reduce solo driving and congestion through increased remote work, carsharing, vanpooling, pricing strategies, and parking-management programs that leverage partnerships and technology.

The Expenditure Plan

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

https://www.sandag.org/uploads/publicationid/publicationid_1283_6596.pdf.

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

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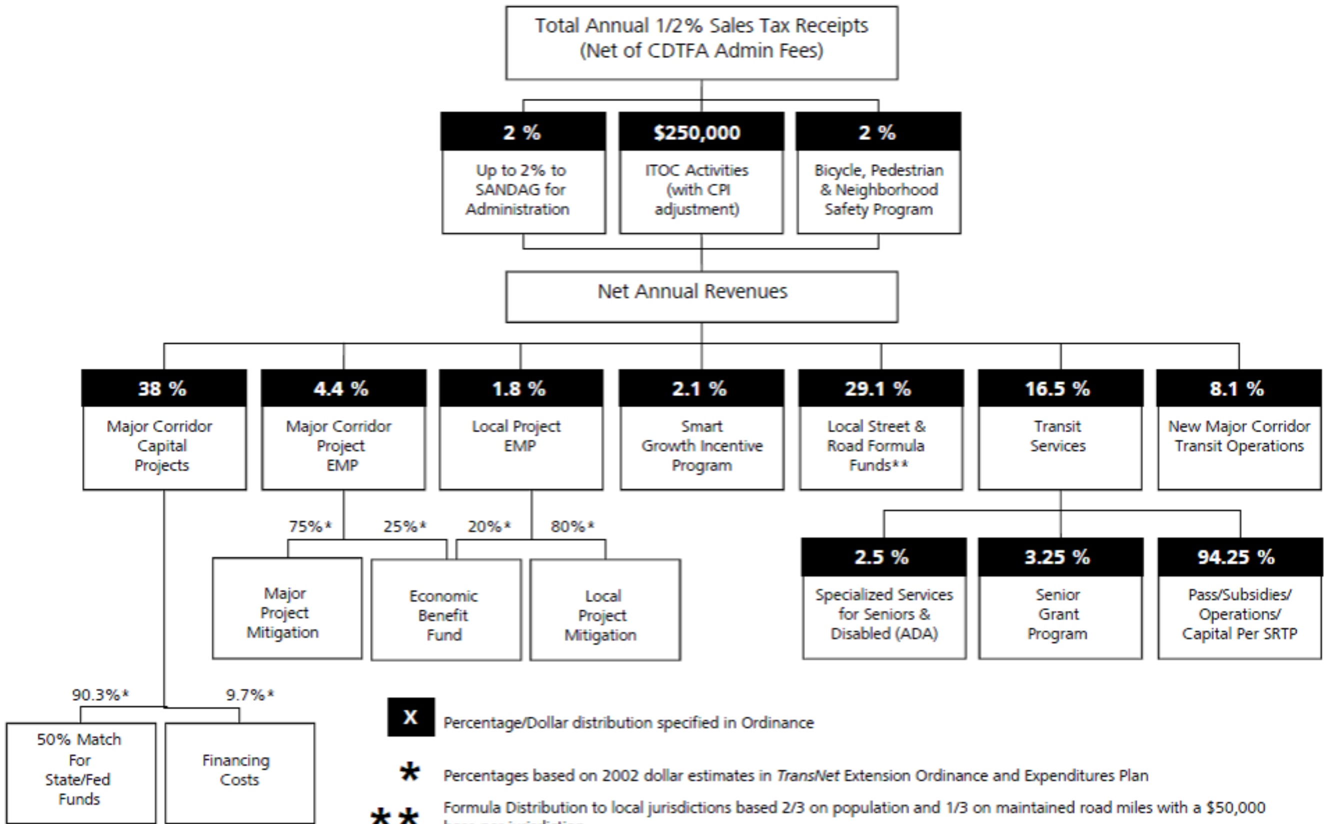
TransNet Extension

KeepSanDiegoMoving.com

Flow of Funds — FY 2009 to FY 2048*



SANDAG

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

Revised May 2021

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

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

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

The SANDAG Board of Directors was presented with a *TransNet* Program Update at its February 22, 2019 meeting, continuing the implementation of major transportation projects in the region.

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

Future Financings

The Commission manages the implementation of its capital program based on project readiness and the availability of federal and State funds, and may advance or slow down the delivery of projects in response to current conditions. The Commission has no current plan to issue additional Bonds within the next three years. No assurance can be given regarding the amount of additional Bonds that may be issued by the Commission in the future, subject to the limitations of the Indenture.

The Commission is authorized to issue up to $100,000,000 in the aggregate principal amount of Subordinate Commercial Paper Notes. See "OUTSTANDING OBLIGATIONS – Subordinate Commercial Paper Notes and CP Letter of Credit." Commission staff has recommended that the Commission increase the authorization of Subordinate Commercial Paper Notes to a maximum of $200,000,000.

Executive Staff

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

Hasan Ikhrata, *Chief Executive Officer*. Hasan Ikhrata is the Chief Executive Officer of SANDAG appointed to such position in December 2018. Mr. Ikhrata has more than 30 years of experience in the arena of Transportation Planning in the Southern California Region, in both the public and private sector. As Chief Executive Officer of SANDAG, Mr. Ikhrata directs day-to-day operations of the agency and implements policies set by its governing board. In addition, he is the Executive Officer of the SANDAG Service Bureau, the nonprofit public benefit corporation chartered by SANDAG. Mr. Ikhrata holds a Bachelor's and a Master's Degree in Civil and Industrial Engineering from Zaporozhye University in the former Soviet Union, a Master's Degree in Civil Engineering from UCLA, and a PhD Candidacy in Urban Planning and Transportation from the University of Southern California in Los Angeles. Mr. Ikhrata is an adjunct professor in the business school at California State University, Northridge. Prior to joining SANDAG in 2018, Mr. Ikhrata worked for the Southern California Association of Governments (SCAG), Los Angeles County Metropolitan Transportation Authority (MTA) and South Coast Air Quality Management District (SCAQMD).

John F. Kirk, *General Counsel*. Mr. Kirk was appointed General Counsel for SANDAG and the Commission in January 2012. Mr. Kirk was originally hired by SANDAG as Deputy General Counsel in June 2006. Between 1990 and 2006 Mr. Kirk served the City of San Diego as a Deputy City Attorney. Mr. Kirk holds a Bachelors' degree from Wabash College and a Juris Doctorate from Pepperdine University's School of Law.

Betsy Blake, *Senior Legal Counsel*. Ms. Blake was hired as Senior Legal Counsel for SANDAG in July 2021. Prior to joining SANDAG, Ms. Blake worked as a Senior Deputy Attorney for the City of Ann Arbor, Michigan where she acted as the primary advisor to Financial and Administrative Services Department. For eight years, Ms. Blake worked at a boutique public law firm that exclusively represented public entities in matters of economic development, public finance, special counsel litigation, and general advice. From 2012 until 2015, she clerked for the Hon. Ralph B. Guy, Jr., on the US Court of Appeals for the Sixth Circuit. She holds a Bachelor's degree (2002) and a Juris Doctor degree (2005), both from the University of Kansas.

André Douzdjian, *Chief Financial Officer*. Mr. Douzdjian serves as SANDAG's Chief Financial Officer and directs all financial and budgeting functions for SANDAG and the Commission. Mr. Douzdjian returned to SANDAG in June of 2012. During the previous 12 years, Mr. Douzdjian worked in the capacity of Chief Financial Officer for two privately-held staffing companies, where he was a co-founder and shareholder of those businesses. Prior to that, Mr. Douzdjian was the Financial Services Manager at SANDAG, a position that he held for almost ten years, from 1991 to 2000. Prior to his employment at SANDAG, Mr. Douzdjian was a Senior Accountant for KPMG, LLP, a certified accounting firm. Mr. Douzdjian received a Bachelor of Business Administration (B.A.) degree in Accounting in 1988 from the University of San Diego and a Master's degree in Business Administration (M.B.A.) with an emphasis in Finance in 1996 from San Diego State University and is a Certified Public Accountant. Mr. Douzdjian is a member of the Government Finance Officers Association.

Ray Traynor, *Chief Strategy and Innovation Officer.* Mr. Traynor's responsibilities include regional planning, transportation modeling, mobility management and innovation. Prior to joining SANDAG in 2012, Ray served as Vice President General Manager of Axiom xCell, a software development company, where he managed all aspects of the business. Prior to joining Axiom xCell, Mr. Traynor served as SANDAG's Manager of Mobility which included overseeing the agency's toll operations; demand management and intelligent transportation systems programs. Prior to his experience at SANDAG, Ray was a Product Manager at Novatel Wireless (now Inseego Corp.), a global provider of solutions for the Internet of Things and fleet telematics markets; in this role Ray managed the development of wireless data modems. Earlier in his career, Ray worked at Caltrans where he served as Project Manager and was responsible for the delivery of the region's Border Capital Program, which included leading the development of State Route 7 and State Route 905. Mr. Traynor holds a Master's degree in Business Administration from San Diego State University, and a Bachelor's degree in Landscape Architecture from Cal Poly San Luis Obispo.

Jim Linthicum, *Chief Capital Programs and Regional Services Officer.* Mr. Linthicum is responsible for the implementation of SANDAG's $9 billion capital improvement program and the management of regional services such as toll operations on I-15 and SR-125, regional transportation demand management services such as carpool/vanpool programs and freeway service patrol, and the region's Automated Regional Justice Information System (ARGIS). Mr. Linthicum has over 40 years' experience delivering transportation programs and projects. Prior to joining SANDAG, Mr. Linthicum was employed by the San Diego Metropolitan Transit System and the California Department of Transportation for 24 years. Mr. Linthicum holds a B.S. degree in Civil Engineering from the Pennsylvania State University and successfully completed the Engineering and Management program at the University of California Los Angeles.

Ray Major, *Chief Data Analytics Officer and Chief Economist*. Mr. Major originally joined SANDAG in 1987 as a Research Analyst and economist responsible for SANDAG's econometric and economic impact models, custom analytic research projects, and for developing the San Diego region's comprehensive Economic Prosperity Strategy. He left SANDAG in 1994 and joined the Nielsen companies where he served as a senior executive holding numerous positions including Chief Marketing Officer, Chief Customer Officer, and product strategist. Mr. Major oversaw the product development of Claritas, a major provider of demographic and segmentation data. As General Manager of Integras, he ran the division of Claritas specializing in Business Intelligence (BI) and predictive analytics, geo-spatial and economic modeling services. In 2010, Mr. Major moved to Halo BI, a state-of-the-art business intelligence and predictive modeling software and service provider where he served as CMO, COO, and CEO. Mr. Major rejoined SANDAG in 2015 where he now serves as the Chief Economist. Mr. Major holds both graduate and undergraduate degrees in economics from San Diego State University, with an emphasis in developmental economics, and econometrics.

Leeanne Wallace, *Director of Accounting and Finance*. Ms. Wallace oversees the activities and operations of the Accounting and Finance Department, including accounting, payroll, financial reporting, investment management, and grant administration. She coordinates assigned services and activities with other SANDAG departments, the Board of Directors, Policy Advisory Committees, member agencies, and outside organizations. Ms. Wallace has over nine years of finance experience with SANDAG. Prior to her time at SANDAG, she served a Director of Accounting and Financial Reporting with a publicly traded real estate investment trust ("REIT") managing the accounting and financial reporting functions for the REIT, and worked an Assistant Controller for a commercial real estate company where she managed accounting and financial reporting of commercial real estate assets, budgeting, forecasting, and auditing. Ms. Wallace holds a certified public accountant license with the State of California and she earned her M.B.A. degree from Auburn University.

THE SALES TAX

Authorization, Application and Collection of the Sales Tax

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

Collection of the Sales Tax is administered by the CDTFA, as successor to the BOE for this purpose. The CDTFA, after deducting a fee for administering the Sales Tax, remits the remaining Sales Tax Revenues to the Trustee which are then applied to satisfy the Commission's obligations with respect to the Bonds and Parity Obligations. The remaining Sales Tax Revenues are then remitted to the Subordinate Trustee for the Commission's Subordinate Obligations. After payment of debt service requirements on the Subordinate Obligations, any remaining unapplied Sales Tax Revenues are then remitted to the Subordinate Trustee for payment of certain fees and expenses and the Junior Subordinate TIFIA Loan and thereafter to the Commission. The fee charged by the CDTFA is determined by the CDTFA pursuant to statute. The fee charged by the CDTFA to the Commission for collection of the Sales Tax for Fiscal Year 2020-21 was $2,553,430. The fee that the CDTFA is authorized to charge for collection of the Sales Tax is determined by State legislation and may be increased or decreased by legislative action. There can be no assurances that the amount of this fee or the method for determining the amount of the fee will remain the same. The CDTFA collects and subsequently distributes sales and use tax revenues to sales taxing jurisdictions such as the Commission. The CDTFA disburses sales taxes three times a quarter. For a given quarter the first two monthly payments correspond to an estimated advance plus the current distributions processed during the month. The third monthly payment then trues-up the total quarterly allocation against payments disbursed in the prior two months, net of administrative fees. The methodology for calculating the estimated advances has been recently improved to more closely track actual tax receipts and to accelerate the allocations to sales taxing jurisdictions such as the Commission. The methodology includes 2 steps. First, the CDTFA calculates the share of a jurisdiction's total allocation for the same quarter of the prior year. Second, this share is applied to the total prepayment collected in the current month.

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

Many categories of transactions are exempt from the Statewide sales and use tax and from the Sales Tax. The most important are: sales of food products for home consumption; prescription medicine; edible livestock and their feed; seed and fertilizer used in raising food for human consumption; and gas, electricity and water when delivered to consumers through mains, lines, and pipes. In addition, "Occasional Sales" (i.e., sales of property not held or used by a seller in the course of activities for which he or she is required to hold a seller's permit) are generally exempt from the statewide sales and use tax and from the Sales Tax. Action by the State legislature or by voter initiative could change the transactions and items upon which the Statewide sales and use tax and the Sales Tax are imposed. Such changes or amendments could have either an adverse or beneficial impact on the Sales Tax Revenues. The Commission is not currently aware of any proposed legislative change, which would have a material adverse effect on Sales Tax Revenues. See also "RISK FACTORS – Proposition 218."

Historical Sales Tax Revenues

Annual Sales Tax Revenues. The Commission began receiving distributions of the Sales Tax from the BOE in June 1988. The CDTFA now handles most of the taxes and fees previously collected by the BOE. The following table shows the Sales Tax remitted to the Commission during the Fiscal Years ended June 30, 1990 through June 30, 2021.

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SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
HISTORICAL SALES TAX REVENUES

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

[1] Amount for Fiscal Year ended June 30, 2021 is unaudited; cash basis, net of BOE/CDTFA administrative fee.
[2] Reflects, in part, effect of increase in BOE administration fee in 1994.
[3] In May 2018, CDTFA implemented a new automated system for processing, reporting, and distributing sales tax revenues to agencies throughout the State. As a result, several thousand tax returns were not processed in a timely manner. Approximately $7 million of Fiscal Year 2018 revenue was recorded in Fiscal Year 2019. Assuming the $7 million figure was properly accounted for in Fiscal Year 2018, annual sales tax revenues would have been $301.5 million for Fiscal Year 2018 and $305.3 million in Fiscal Year 2019.
Source: San Diego County Regional Transportation Commission.

Sales Tax Revenues for the Fiscal Year ended June 30, 2021 (unaudited) are approximately __ times Maximum Annual Debt Service on the Outstanding Bonds, based on the debt service and assumptions shown in the table "PROJECTED DEBT SERVICE SCHEDULE."

On April 3, 2020, the CDTFA announced a program that allows all businesses with less than $5 million in annual taxable sales the ability to defer payment of up to $50,000 in sales and use tax liability without incurring any penalties or interest. Under the program, qualifying businesses can enter into payment plans to distribute up to $50,000 of sales tax liability over a 12-month period, interest-free.

For taxpayers choosing to defer their 1st quarter 2020 liability, for example, up to $50,000 of the obligation would now be paid in twelve equal monthly installments. The first payment was due on July 31, 2020. See "RISK FACTORS – COVID-19 Pandemic."

Monthly Sales Tax Revenues. The following table presents Sales Tax Revenues remitted each month by CDTFA for the account of the Commission in the Fiscal Years ended June 30, 2019, 2020 and 2021 and the first three months of the Fiscal Year ending June 30, 2022.

MONTHLY SALES TAX DISBURSEMENTS
FISCAL YEARS ENDED JUNE 30, 2019, 2020 AND 2021 AND ENDING JUNE 30, 2022

Month	Fiscal Year Ended June 30, 2019[(1)(3)]	Fiscal Year Ended June 30, 2020[(1)(2)]	Year Over Year % Change (2020 v. 2019)	Fiscal Year Ended June 30, 2021[(1)(2)]	Year Over Year % Change (2021 v. 2020)	Fiscal Year Ending June 30, 2022[(1)(2)]	Year Over Year % Change (2022 v. 2021)
July	$ 24,659,716	$ 29,354,890	19.0%	$ 30,054,981	2.4%	$ 43,209,697	43.7%
August	22,950,125	23,334,037	1.7	23,241,853	0.4	24,271,096	4.4
September	24,709,504	26,713,941	8.1	28,184,070	5.5	32,823,354	16.4
October	31,809,475	30,751,885	(3.3)	33,250,387	8.1	-	-
November	27,896,830	25,441,663	(8.8)	21,727,813	(14.6)	-	-
December	27,056,790	25,442,731	(6.0)	27,118,087	6.6	-	-
January	26,345,902	25,559,448	(3.0)	27,774,372	8.7	-	-
February	27,031,941	37,094,485	37.2	29,002,151	(21.8)	-	-
March	26,003,652	22,984,289	(11.6)	25,119,644	9.2	-	-
April	26,170,697	22,498,364	(14.0)	27,532,810	22.3	-	-
May	22,874,423	15,411,299	(32.6)	29,440,191	91.0	-	-
June	24,794,614	21,264,183	(14.2)	31,552,208	48.3	-	-
Totals	$312,303,669	$305,851,214	(2.1%)	$333,998,568	9.2	-	-

(1) Amounts for Fiscal Year ended June 30, 2021 and Fiscal Year ending June 30, 2022 are unaudited; cash basis; net of CDTFA administrative fee.

(2) See "RISK FACTORS – COVID-19 Pandemic."

(3) In May 2018, CDTFA implemented a new automated system for processing, reporting, and distributing sales tax revenues to agencies throughout the State. As a result, several thousand tax returns were not processed in a timely manner. Approximately $7 million of Fiscal Year 2018 revenue was recorded in Fiscal Year 2019, and so the growth forecast going forward will be calculated on a base of $305.3 million, as opposed to the $312.3 million collected.

Recent Developments Regarding Sales Tax Collection

In June 2018, the United States Supreme Court published its decision in *South Dakota v. Wayfair* (the "Wayfair Decision"), in which the Supreme Court held that sales to a customer in a particular state alone are sufficient to create a nexus for purposes of determining whether a seller is required to collect sales taxes of the applicable state. Prior to the Wayfair Decision, courts had interpreted the dormant Commerce Clause of the United States Constitution to require that a company have physical nexus in a state in order for the seller to be liable for the collection of that state's sales tax. Physical nexus is defined as having either property or payroll in the state, including a resident employee working from home or inventory stored in that state.

The State of California has issued guidance in response to the Wayfair Decision. Under such guidance, retailers located outside of the State are required to register with the CDTFA, collect the California use tax, and pay the tax to the CDTFA based on the amount of their sales into California, even if they do not have a physical presence in the state. The new collection requirements apply to retailers if during the preceding or current calendar year certain sales thresholds are met. The new collection requirements started to apply to taxable sales of tangible personal property to California consumers on and after April 1, 2019, and were not retroactive. Additionally, the State's passage of Assembly Bill 147, signed by the Governor on April 25, 2019, provides the implementation rules for the Wayfair Decision in California. The Commission is unable to predict the ultimate benefit that the Wayfair Decision may have on Sales Tax Revenues. Among the Commission's top Sales Tax generators, however, are companies that conduct sales only through the internet.

Other Sales Taxes Imposed in the County

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

In addition to the statewide sales and use tax and the Sales Tax, the following sales and use taxes are imposed in certain cities within the County. No portion of the statewide sales and use tax or the following taxes imposed in certain cities within the County are pledged to the repayment of the Series 2008 Bonds.

Sales and Use Tax	Tax Rate	Effective Date	Termination Date
City of Chula Vista	0.50%	04/01/17	03/31/27
City of Chula Vista	0.50	10/01/18	Upon Repeal
City of Del Mar	1.00	04/01/17	Ongoing
City of El Cajon Service Preservation Transactions and Use Tax	0.50	04/01/09	03/31/29
City of La Mesa Transactions and Use Tax	0.75	04/01/09	03/31/29
City of National City Transactions and Use Tax	1.00	10/01/06	09/30/36
City of Oceanside	0.50	04/01/19	03/31/26
City of Vista Transactions and Use Tax	0.50	04/01/07	03/31/37

Source: *California City and County Sales and Use Tax Rates* (October 1, 2021), CDTFA.

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

COMMISSION INVESTMENT PORTFOLIO

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

Funds held by the Trustee are invested in Investment Securities (as defined in APPENDIX C-1 and APPENDIX C-2) in accordance with instructions from the Commission. The instructions from the Commission currently restrict those investments to investments permitted by the investment policy adopted by the Commission Board described above (except that the Trustee is permitted to invest a greater percentage of funds in specific securities than the investment policy would otherwise permit).

The value of the various investments in the portfolio will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Further, such values may vary based on credit quality, ratings, or other factors. Therefore, there can be no assurance that the values of the various investments in the portfolio will not vary significantly from the values described below. Further, the values specified in the following tables were based upon estimates of market values provided to the Commission by a third party as of June 30, 2021. Accordingly, there can be no assurance that if these securities had been sold on June 30, 2021, the portfolio would have received the values specified. In addition, under certain provisions of the Indenture, funds and accounts held thereunder must be invested in certain specified Investment Securities that include investment agreements and other investments not described above.

INVESTMENT PORTFOLIO INFORMATION
As of June 30, 2021

Investments	Par Value	Market Value
Cash and Cash Equivalents	N/A	$ 764,901,269.78
United States Agencies	$145,150,000.00	148,045,531.30
Corporate Medium Term Notes	64,245,000.00	67,085,005.67
Supra-National Agency Bond/Note	17,700,000.00	18,267,769.98
Asset-Backed Securities	2,134,143.76	2,143,867.77
Certificates of Participation	21,750,000.00	21,750,000.00
TOTAL	$250,979,143.76	$1,022,293,444.50

Source: The Commission.

CERTAIN CONSIDERATIONS AFFECTING THE SERIES 2008 BONDS

The Remarketing Agent has internal practices and procedures pertaining to variable rate demand securities. The resale of 2008 Series C Bonds and the rates of interest thereon may be affected by those practices and procedures.

The Remarketing Agent for the 2008 Series A Bonds is Barclays Capital Inc., for the 2008 Series B Bonds is Goldman Sachs & Co. LLC, for the 2008 Series C Bonds is J.P. Morgan Securities LLC and for the 2008 Series D Bonds is Stifel, Nicolaus & Company, Incorporated (each a "Remarketing Agent" and collectively the "Remarketing Agents").

Each of the Remarketing Agents has agreed to comply with the Commission's Variable Rate Demand Bond procedures, which are included in the Indenture. See APPENDIX C-1 – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

The Remarketing Agents also have internal practices and procedures pertaining to variable rate demand securities. The resale of Series 2008 Bonds and the rates of interest thereon may be affected by those practices and procedures.

Remarketing Agent Practices and Procedures

The remaining information under this caption "Remarketing Agent Practices and Procedures," to the extent it reflects its internal practices and procedures, has been provided by the Remarketing Agents for inclusion in this Remarketing Memorandum and the Commission makes no representation regarding its completeness or accuracy. See APPENDIX C-1 - "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE." The Remarketing Agents are paid by the Commission.

The Remarketing Agents' responsibilities include determining the interest rate from time to time and remarketing Series 2008 Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the Remarketing Agreement), all as further described in this Remarketing Memorandum. The Remarketing Agents are appointed by the Commission and are paid by the Commission for their services. As a result, the interests of the Remarketing Agents may differ from those of existing holders and potential purchasers of Series 2008 Bonds.

Under Certain Circumstances, the Remarketing Agents May Be Removed, Resign or Cease Remarketing the Series 2008 Bonds, Without a Successor Being Named

Under certain circumstances each Remarketing Agent may be removed or have the ability to resign or cease its remarketing efforts, without a successor having been named, subject to the terms of the Remarketing Agreement.

The Remarketing Agents Routinely Purchase Series 2008 Bonds for Their Own Accounts

Each Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, routinely purchases such obligations for its own account in order to achieve a successful remarketing of the obligations (i.e., because there are otherwise not enough buyers to purchase the obligations) or for other reasons. Each Remarketing Agent is permitted, but not obligated, to purchase tendered Series 2008 Bonds for its own account and, if it does so, it may cease doing so at any time without notice. Each Remarketing Agent may also make a market in the Series 2008 Bonds by routinely purchasing and selling Series 2008 Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agents are not required to make a market in the Series 2008 Bonds. Each Remarketing Agent may also sell any Series 2008 Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Series 2008 Bonds. The purchase of Series 2008 Bonds by a Remarketing Agent may create the appearance that there is greater third party demand for the Series 2008 Bonds in the market than is actually the case. The practices described above also may result in fewer Series 2008 Bonds being tendered in a remarketing.

Series 2008 Bonds May be Offered at Different Prices on Any Date Including an Interest Rate Determination Date

Pursuant to the Remarketing Agreement, each Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Series 2008 Bonds bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable Rate Determination Date. The interest rate will reflect, among other factors, the level of market demand for the Series 2008 Bonds (including whether the Remarketing Agent is willing to purchase Series 2008 Bonds for its own account). There may or may not be Bonds tendered and remarketed on a rate determination date, the Remarketing Agent may or may not be able to remarket any Series 2008 Bonds tendered for purchase on such date at par and the Remarketing Agent may sell Series 2008 Bonds at varying prices to different investors on such date or any other date. The Remarketing Agents are not obligated to advise purchasers in a remarketing if they do not have third party buyers for all of the Series 2008 Bonds at the remarketing price. If a Remarketing Agent owns any Series 2008 Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Series 2008 Bonds on any date, including the rate determination date, at a discount to par to some investors.

The Ability to Sell the Series 2008 Bonds other than through Tender Process May Be Limited

The Remarketing Agents may buy and sell Series 2008 Bonds other than through the tender process. However, they are not obligated to do so and may cease doing so at any time without notice and may require holders that wish to tender their Series 2008 Bonds to do so through the Trustee with appropriate notice. Thus, investors who purchase the Series 2008 Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Series 2008 Bonds other than by tendering the Series 2008 Bonds in accordance with the tender process.

RISK FACTORS

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

The Series 2008 Bonds are secured by a pledge of Sales Tax Revenues, which consist of the Sales Tax less an administrative fee paid to the CDTFA. The level of Sales Tax Revenues collected at any time is dependent upon the level of retail sales within the County, which level of retail sales is, in turn, dependent upon the level of economic activity in the County and in the State generally.

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 . . ."

According to the Commission's economic staff, the COVID-19 related recession resulted in a sharp increase in unemployment in the County that is estimated to have peaked at 15.2% in early May 2020 and is currently hovering around 8%. Job losses have been concentrated in high contact sectors such as tourism, retail and education, which are estimated to account for 80% of the job losses in the region. Traditional sectors like professional services, construction and finance have fared much better than in past recessions, while military has proven an essential buffer to the unemployment numbers in the County.

The Commission is unable to predict the duration or severity of the current economic recession. The recession may have a material adverse effect on the Commission's collection of Sales Tax Revenues, which may adversely affect the ability of the Commission to pay principal of and interest on the Series 2008 Bonds. For information relating to economic conditions within the County and the State, see APPENDIX A – "INFORMATION REGARDING THE COUNTY OF SAN DIEGO."

COVID-19 Pandemic

The Pandemic is currently affecting many parts of the world, including the United States and California. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, and then-President Trump declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

At the onset of the Pandemic in March 2020, the County of San Diego announced stay-at-home emergency orders, which directed individuals to stay home, except for limited travel for the conduct of essential services. Most retail establishments (including restaurants, bars and nightclubs, entertainment venues and gyms) were closed and large gatherings were banned in response to the order. The Governor of the State announced a similar emergency order effective for the entire State.

Since the initial orders, the State and the County of San Diego have eased the earlier restrictions and instead restricted retail and other business establishments and mass gatherings to various degrees over time, based on local performance against public health indicators. Many of these restrictions are focused on "social distancing," or limiting instances where the public can congregate or interact with each other, which affects the operation of businesses and impacts enterprise operations and the economy.

Although the administration of several highly effective vaccines has begun across the United States, including California, the Commission cannot predict the speed with which vaccinations can occur, as well as any public health and associated economic impacts of subsequent variants and strains of COVID-19.

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 United States. While federal and state governments (including California) have enacted legislation and taken executive actions seeking to mitigate the negative public health and economic impacts of the Pandemic, the Commission offers no assurances that these interventions will have the intended effects.

These negative economic impacts may reduce or otherwise negatively affect Sales Tax Revenues. The consequences of the Pandemic are expected to continue to reduce economic activity within the County that generates Sales Tax Revenues. The Commission cannot accurately predict the magnitude of this impact on Sales Tax Revenues, but the impacts could be material and adverse.

On March 12, 2020, the Governor issued Executive Order N-25-20, requiring CDTFA, which administers sales and use taxes in the State, to use its administrative powers where appropriate to provide extensions for filing, payment, audits, billing, notices, assessments, claims for refund, and relief from subsequent penalties and interest to individuals and businesses impacted by complying with a state or local public health official's imposition or recommendation of social distancing measures related to COVID-19. On March 30, 2020, the Governor issued Executive Order N-40-20, which provided a three-month extension for tax returns and tax payments for all businesses filing a return for less than $1,000,000 in taxes. Such extension remained effective through the reporting of taxes or fees due or the payment of taxes that were due on or before July 31, 2020. That order also extended the statute of limitations to file a claim for refund for taxes and fees administered by CDTFA and it extended the timeframe to file for appeal with CDTFA. On April 3, 2020, the Governor issued an Executive Order that allows all businesses with less than $5 million in annual taxable sales the ability to defer payment of up to $50,000 in sales and use tax liability without incurring any penalties or interest. Under the program, qualifying businesses can enter into payment plans to distribute up to $50,000 of sales tax liability over a 12-month period, interest-free. For taxpayers choosing to defer their 1st quarter 2020 liability, for example, up to $50,000 of the obligation would instead be paid in twelve equal monthly installments. The first payment was not due until July 31, 2020.

The Commission 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 Commission. While the overall potential impact of the Pandemic on the Commission and Sales Tax Revenues cannot be quantified at this time, the adverse impact on 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 Sales Tax is imposed. Such changes or amendments could have either an adverse or beneficial impact on the Sales Tax Revenues. The State Legislature from time to time may adopt legislation that impacts the collection or the distribution of sales taxes or that otherwise may impact the operations or finances of the Commission. The Commission cannot predict whether any such legislation will negatively impact Sales Tax Revenues. The Commission is not currently aware of any proposed legislative change, which would have a material adverse effect on Sales Tax Revenues.

Other Sales Taxes

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

No Acceleration of Series 2008 Bonds

The Indenture does not contain any provision allowing for the acceleration of any Series 2008 Bonds. In the event of a default by the Commission, each Holder of a Series 2008 Bond will have the rights to exercise the remedies, subject to the limitations thereon, set forth in the Indenture.

Acceleration of Liquidity Facility Bonds

The amortization period applicable to the Liquidity Facility Bonds may be accelerated under certain circumstances. "Liquidity Facility Bonds" are Series 2008 Bonds tendered for purchase and not successfully remarketed, that are then purchased by a Liquidity Provider pursuant to the applicable 2008 Liquidity Facility. Such Liquidity Provider purchases may occur as a result of, among other things, adverse market conditions leading to failed remarketings or the Commission's inability to obtain replacement credit or liquidity arrangements upon the expiration or termination of the existing 2008 Liquidity Facilities. See "OUTSTANDING OBLIGATIONS – Liquidity Facilities." The Commission's obligation to reimburse the Liquidity Providers on account of their purchase of any of the Series 2008 Bonds may, under specified circumstances, be paid over a period of five years or, if earlier, by no later than the last day of the purchase period, and may, under certain circumstances, become immediately due and payable on the one hundred eightieth (180^{th}) day following the date on which any Series 2008 Bond became a Liquidity Facility Bond. Liquidity Facility Bonds are payable on a parity with the Bonds.

Parity with Variable Rate Bonds

The Series 2008 Bonds are variable rate bonds issued on parity with the 2010 Series A Bonds, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2016 Bonds, the 2019 Series A Bonds, the 2020 Series A Bonds and the 2021 Series A Bonds. The calculation of interest on the Series 2008 Bonds is set weekly. Potential fluctuations in interest rates could result in higher net interest rates on the Series 2008 Bonds. The Series 2008 Bonds are subject to tender provisions and remarketing by the remarketing agents for such Series 2008 Bonds. Upon a failure to remarket the Series 2008 Bonds, the Series 2008 Bonds will be purchased pursuant to the 2008 Liquidity Facilities, in which event the Series 2008 Bonds could bear interest at materially higher interest rates. Furthermore, in the event of early termination of the Initial Swaps, the Commission would no longer receive the variable rate payments from the counterparties thereunder and the Commission may be liable for substantial termination fees which could have a material adverse effect on the Commission.

Limitations of Liquidity Facilities and Related Risks

The ability to obtain funds under any Liquidity Facility in accordance with its terms may be limited by federal or State law. Bankruptcy, conservatorship, receivership and similar laws governing financial institutions or any issuer of a Liquidity Facility may prevent or restrict payment under such Liquidity Facility. To the extent the short-term rating on any Series of the Series 2008 Bonds depends in any manner on the rating of the applicable Liquidity Provider, the short-term ratings on such Series of Series 2008 Bonds could be downgraded or withdrawn if such Liquidity Provider were to be downgraded, placed on credit watch or have its ratings suspended or withdrawn or were to refuse to perform under its Liquidity Facility. The obligation of the Liquidity Providers under its respective Liquidity Facility to purchase unremarketed Series 2008 Bonds of the applicable Series is subject to the conditions and limitations set forth therein, and is also subject to all rights and defenses available to contracting parties generally. The Liquidity Facilities are not a guaranty to pay the purchase price of any Series of Series 2008 Bonds tendered for purchase. Each Liquidity Facility is a general contract, subject to certain conditions and limitations, and is not a letter of credit.

The obligation of a Liquidity Provider under its Liquidity Facility to purchase unremarketed Series 2008 Bonds of the applicable Series is subject to the conditions and limitations set forth therein, and is also subject to all rights and defenses available to contracting parties generally. The Liquidity Facilities are not guaranties to pay the Purchase Price of the applicable Series of Series 2008 Bonds tendered for purchase. Each Liquidity Facility is a general contract subject to certain conditions and limitations, and is not a letter of credit. Purchasers of the Series 2008 Bonds should consult their legal counsel for an explanation of the differences between a general contract and a letter of credit or guaranty. The information set forth in this Remarketing Memorandum is included as a summary of selected differences and does not purport to be complete or definitive.

In general, a letter of credit is an independent, special contract by a bank to pay a third party such as a bond trustee holding the letter of credit for the benefit of owners of bonds. Banks are required by law to honor their letters of credit except in specified circumstances. If a dispute were to develop between a bank and its borrower, except in limited circumstances, the dispute should not jeopardize payment under the letter of credit because (a) the letter of credit would be independent of the disputed contract between the borrower and the bank and (b) the beneficiary of the letter of credit (typically, the bond trustee) would have direct rights under the letter of credit. Further, and although there are defenses to payment of letters of credit, such defenses are limited by law to specified circumstances.

In contrast, each Liquidity Facility is a general contract only. No law expressly requires performance of the contract, although the non-breaching party would be entitled to allowable damages if there were a breach of contract. Although the Trustee is authorized to draw funds in accordance with the Liquidity Facilities, the Liquidity Providers have no independent obligation to the Trustee. If a dispute were to develop, a Liquidity Provider will have all defenses allowed by law or in equity to their payment under or other performance of the applicable Liquidity Facility, including but not limited to disputes (whether valid or not) regarding the authority of any party to enter into or perform the Liquidity Facility. Laws regarding contracts allow more of such defenses than laws regarding letters of credit do.

A Liquidity Provider or the Commission may seek to have any future dispute resolved in court and appealed to final judgment before the Liquidity Provider performs under the applicable Liquidity Facility. Further, even if the Commission were to prevail against the Liquidity Provider, a court would not necessarily order the Liquidity Provider to perform under the Liquidity Facility; it could instead award damages for breach of contract to the Commission. Any such award would not necessarily be in an amount sufficient to pay the Purchase Price of the Series 2008 Bonds.

Loss of Subsidy Payments

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

Bankruptcy Considerations

The Commission may be authorized to file for Chapter 9 municipal bankruptcy under certain circumstances. Should the Commission file for bankruptcy, there could be adverse effects on the holders of the Series 2008 Bonds.

If the Sales Tax Revenues are "special revenues" under the Bankruptcy Code, then Sales Tax Revenues collected after the date of the bankruptcy filing should be subject to the lien of the Indenture. "Special revenues" are defined to include taxes specifically levied to finance one or more projects or systems, excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the governmental entity. The Sales Tax was levied to finance the projects described in the San Diego County Transportation Improvement Program *TransNet* Ordinance and Expenditure Plan (under this caption, the "Projects"), and some of these Projects are described in broad terms. In addition, the Projects are not owned by the Commission. No assurance can be given that a court would not hold that the Sales Tax Revenues are not special revenues. Were the Sales Tax Revenues determined not to be "special revenues," then Sales Tax Revenues collected after the commencement of a bankruptcy case would likely not be subject to the lien of the Indenture. The holders of the Series 2008 Bonds may not be able to assert a claim against any property of the Commission other than the Sales Tax Revenues, and were these amounts no longer subject to the lien of the Indenture following commencement of a bankruptcy case, then there could thereafter be no amounts from which the holders of the Series 2008 Bonds are entitled to be paid.

The Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system from which the special revenues are derived, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. The law is not clear as to whether, or to what extent, Sales Tax Revenues would be considered to be "derived" from the Projects. To the extent that Sales Tax Revenues are determined to be both special revenues and derived from the Projects, the Commission may be able to use Sales Tax Revenues to pay necessary operating expenses connected with the Projects, before the remaining Sales Tax Revenues are turned over to the Trustee to pay amounts owed to the holders of the Series 2008 Bonds. It is not clear precisely which expenses would constitute necessary operating expenses.

If the Commission is in bankruptcy, the parties (including the holders of the Series 2008 Bonds) may be prohibited from taking any action to collect any amount from the Commission or to enforce any obligation of the Commission, unless the permission of the bankruptcy court is obtained. These restrictions may also prevent the Trustee from making payments to the holders of the Series 2008 Bonds from funds in the Trustee's possession. The procedure pursuant to which Sales Tax Revenues are paid directly by the CDTFA to the Trustee may no longer be enforceable, and the Commission may be able to require the CDTFA to pay Sales Tax Revenues directly to the Commission.

The Commission as a debtor in bankruptcy may be able to borrow additional money that is secured by a lien on any of its property (including Sales Tax Revenues), which lien could have priority over the lien of the Indenture, or to cause some Sales Tax Revenues to be released to it, free and clear of lien of the Indenture provided that the bankruptcy judicial determines that the rights of the Trustee and the holders of the Series 2008 Bonds will be adequately protected. The Commission may also be able, without the consent and over the objection of the Trustee and the holders of the Series 2008 Bonds, to alter the priority, interest rate, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Indenture and the Series 2008 Bonds, provided that the bankruptcy court determines that the alterations are fair and equitable.

There may be delays in payments on the Series 2008 Bonds while the court considers any of these issues. There may be other possible effects of a bankruptcy of the Commission that could result in delays or reductions in payments on the Series 2008 Bonds, or result in losses to the holders of the Series 2008 Bonds. Regardless of any specific adverse determinations in a Commission bankruptcy proceeding, the fact of a Commission bankruptcy proceeding could have an adverse effect on the liquidity and value of the Series 2008 Bonds.

Proposition 218

On November 5, 1996, voters in the State approved an initiative known as the Right to Vote on Taxes Act ("Proposition 218"). Proposition 218 added Articles XIIIC and XIIID to the California Constitution. Article XIIIC requires majority voter approval for the imposition, extension or increase of general taxes and two-thirds voter approval for the imposition, extension or increase of special taxes by a local government, which is defined to include local or regional governmental agencies such as the Commission. In 2004, the Sales Tax Extension Ordinance received the approval of more than 2/3 of the voters as required by Article XIIIC. However, Article XIIIC 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 Commission, however, any attempt by the voters to use the initiative provisions under Proposition 218 to rescind or reduce the levy and collection of the Sales Tax in a manner which would prevent the payment of debt service on the Series 2008 Bonds would violate the Impairment Clause of the United States Constitution and, accordingly, would be precluded. However, it is likely that the interpretation and application of Proposition 218 will ultimately be determined by the courts.

Further Initiatives

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

Governance and Management – Changes in State Law

SANDAG was created in the 1970s as a Joint Powers Authority made up of various cities in the County of San Diego that desired to voluntarily carry out regional planning activities as a joint enterprise. SANDAG's governance structure was codified into State Law by State statute in 2002. The State Legislature can alter the governance and structure of SANDAG. On October 11, 2017, then Governor Jerry Brown signed into law AB 805 which changed the voting mechanisms of the Board of Directors of SANDAG and provide additional audit requirements. The State Legislature can adopt further statutory changes that could materially impact the composition of the Board of Directors or composition of management, or impose new requirements or standards, any of which could cause material changes for SANDAG policy objectives or how it operates.

Cybersecurity

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

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

Climate Change

Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, extreme temperatures will become more common, wildfires will become more common and intense, and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. For example, the Fourth National Climate Assessment, published by the U.S. Global Change Research Program, in November 2018 (NCA4) finds that more frequent and intense extreme weather and climate-related events, as well as changes in average climate conditions, are expected to continue to damage infrastructure, ecosystems and social systems over the next 25 to 100 years. Sea level rise may particularly impact coastal areas throughout California. The Commission cannot predict what impact climate change will have on Sales Tax Revenues in the future.

ABSENCE OF MATERIAL LITIGATION

No litigation is pending or, to the best knowledge of the Commission, threatened against the Commission concerning the validity of the Series 2008 Bonds. The Commission is not aware of any litigation pending or threatened against the Commission questioning the political existence of the Commission or contesting the Commission's ability to impose and collect the Sales Tax.

TAX MATTERS

On the date of original issuance and delivery of the Series 2008 Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Commission in connection with the issuance of the Series 2008 Bonds ("2008 Bond Counsel"), rendered its opinion that, 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 2008 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. It was the further opinion of 2008 Bond Counsel that interest on the Series 2008 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although 2008 Bond Counsel observed that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. The opinion of Orrick, Herrington & Sutcliffe LLP has not been updated as of the date of this Remarketing Memorandum. A copy of the opinion of Orrick, Herrington & Sutcliffe LLP delivered on March 27, 2008 is attached hereto as Appendix E.

The opinion of 2008 Bond Counsel was based on current legal authority as of the date of original issuance and delivery of the Series 2008 Bonds, covered certain matters not directly addressed by such authorities, and represented 2008 Bond Counsel's judgment as to the proper treatment of the Series 2008 Bonds for federal income tax purposes. It was and is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, 2008 Bond Counsel could not give and has not given any opinion or assurance about the activities of the Commission subsequent to the date of original issuance and delivery of the Series 2008 Bonds, or about the effect of changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS subsequent to such date.

2008 Bond Counsel is not obligated to defend the Commission or the Beneficial Owners regarding the tax-exempt status of the Series 2008 Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Commission and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Commission legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2008 Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues, may affect the market price for, or the marketability of, the Series 2008 Bonds, and may cause the Commission or the Beneficial Owners to incur significant expense.

LEGAL MATTERS

Certain legal matters are subject to the approving opinion of Norton Rose Fulbright US LLP, Bond Counsel to the Commission in connection with the Twelfth Supplemental Indenture. Norton Rose Fulbright US LLP undertakes no responsibility for the accuracy, completeness or fairness of this Remarketing Memorandum.

NO CONTINUING DISCLOSURE UNDERTAKING

The Commission was not, at the time the Series 2008 Bonds were issued, required to undertake continuing disclosure undertakings for the benefit of owners of the Series 2008 Bonds and has not made any such undertaking. [Describe late filings, if any, under other continuing disclosure undertakings.]

RATINGS

Moody's Investors Service and S&P Global Ratings have assigned long-term ratings on the Series 2008 Bonds of "[Aa2]" and "[AAA]," respectively. Moody's Investors Service has assigned a short-term rating on the Series 2008 Bonds of "VMIG 1"; S&P Global Ratings has assigned a short-term rating on the Series 2008 Bonds of "A-1". The short-term ratings on the Series 2008 Bonds are based on the delivery of the Liquidity Facilities by the Liquidity Providers.

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: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007; and S&P Global Ratings, 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 investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of any of such ratings may have an adverse effect on the market price of such Series 2008 Bonds.

MUNICIPAL ADVISOR

The Commission has retained PFM Financial Advisors, LLC, San Francisco, California, as municipal advisor (the "Municipal Advisor") in connection with the Twelfth Supplemental Indenture and release of the 2008 Bonds Reserve Fund. The Municipal Advisor is an independent registered municipal advisor. The Municipal Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Remarketing Memorandum.

RELATIONSHIP OF CERTAIN PARTIES

Bank of America, N.A. is a swap counterparty to the Commission and provider of the Bank of America Liquidity Facility and the CP Letter of Credit supporting commercial paper notes issued by the Commission.

Barclays Bank PLC is a swap counterparty to the Commission. Barclays Capital Inc. is the Remarketing Agent for the 2008 Series A Bonds. [Barclays Bank PLC is an affiliate of Barclays Capital Inc.]

Goldman Sachs Mitsui Marine Derivative Products, L.P. is a swap counterparty to the Commission. Goldman Sachs & Co. LLC is the Remarketing Agent for the 2008 Series B Bonds. Goldman Sachs Mitsui Marine Derivative Products, L.P. is an affiliate of Goldman Sachs & Co. LLC.

JPMorgan Chase Bank, National Association is the provider of the JPMorgan Chase Bank Liquidity Facility. J.P. Morgan Securities LLC is the Remarketing Agent for the 2008 Series C Bonds. [JPMorgan Chase Bank, National Association is an affiliate of J.P. Morgan Securities LLC.]

FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANTS

Financial information relating to the Commission is included in the Commission's Audited Financial Statements for the Fiscal Year Ended June 30, 2020, which are included as part of APPENDIX B to this Remarketing Memorandum. The financial statements of the Commission included in APPENDIX B have been audited by Crowe LLP, Certified Public Accountants (the "Auditors"), as stated in their report appearing in APPENDIX B. The Auditors were not requested to consent to the inclusion of their report in APPENDIX B, nor have they undertaken to update their report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Remarketing Memorandum, and no opinion is expressed by the Auditors with respect to any event subsequent to the date of their report.

MISCELLANEOUS

This Remarketing Memorandum is not to be construed as a contract or agreement between the Commission and holders of any of the Series 2008 Bonds. All quotations from and summaries and explanations of the Indenture, the Act and of other statutes and documents contained herein, do not purport to be complete, and reference is made to said documents and statutes for full and complete statements of their provisions.

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

**SAN DIEGO COUNTY REGIONAL
TRANSPORTATION COMMISSION**

By: /s/ Hasan Ikhrata
Chief Executive Officer

APPENDIX A

INFORMATION REGARDING THE COUNTY OF SAN DIEGO

Set forth below is certain information with respect to the County of San Diego (the "County"). Such information was obtained from the County and from sources the Commission believes to be reliable as of the latest date when such information was available. In particular, a portion of the information provided in this Appendix A predates the COVID-19 pandemic. The Commission takes no responsibility for the accuracy or completeness of such information.

ECONOMIC AND DEMOGRAPHIC INFORMATION

General

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

The topography of the County varies from broad coastal plains and fertile inland valleys to mountain ranges in the east which rise to an elevation of 6,500 feet. Eastern slopes of these mountains form the rim of the Anza-Borrego Desert and the Imperial Valley. The Cleveland National Forest occupies much of the interior portion of the County. The average annual rainfall in the coastal areas is approximately 10 inches.

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

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

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

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

Population

There are 18 incorporated cities in the County, and a number of unincorporated communities. In the 1990s, the population of the County grew at a greater rate than that of either the State or the nation. The County population as of January 1, 2020 was estimated to be 3,343,355, making it the second largest County by population in California.

The following table shows changes in the population in the County, the State and the United States for the years 2010 to 2021.

POPULATION
COUNTY OF SAN DIEGO AND STATE OF CALIFORNIA[1]

Year	San Diego County	Annual Growth Rate	State of California	Annual Growth Rate
2010[2]	3,095,313	0.89%	37,253,956	0.70%
2011	3,127,603	1.04	37,561,624	0.83
2012	3,161,808	1.09	37,924,661	0.97
2013	3,199,900	1.20	38,269,864	0.91
2014	3,232,762	1.03	38,556,731	0.75
2015	3,264,706	0.99	38,865,532	0.80
2016	3,283,009	0.56	39,103,587	0.61
2017	3,303,366	0.62	39,352,398	0.64
2018	3,321,118	0.54	39,519,535	0.42
2019	3,333,319	0.37	39,605,361	0.22
2020	3,331,279	(0.06)	39,648,938	0.11
2021	3,315,404	(0.48)	39,466,855	(0.46)

(1) As of January 1 of each calendar year.
(2) As of April 1.
Source: State of California Department of Finance, Demographic Research Unit. E-4 Population Estimates for Cities, Counties and State 2011-2021 with 2010 Census Benchmark. May 2021.

Employment

The following table sets forth information regarding the size of the civilian labor force, employment and unemployment rates for the County, the State and the United States for the years 2015 through 2019.

According to the Commissions economic staff, the COVID-19 related recession resulted in a sharp increase in unemployment that is estimated to have peaked at 15.2% in early May 2020 and is currently hovering around 8%. Job losses have been concentrated in high contact sectors such as tourism, retail and education, which are estimated to account for 80% of the job losses in the region. Traditional sectors like professional services, construction and finance have fared much better than in past recessions, while military has proven an essential buffer to the unemployment numbers in the County.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
ANNUAL AVERAGES 2016-2020[(1)]
By Place of Residence (In Thousands)

	2016	2017	2018	2019	2020
County of San Diego					
Labor Force	1,563	1,572	1,580	1,580	1,538
Employment	1,489	1,508	1,528	1,528	1,396
Unemployment Rate	4.7%	4.0%	3.3%	3.3%	9.2%
State of California					
Labor Force	19,012	19,174	19,264	19,354	18,821
Employment	17,965	18,247	18,442	18,550	16,913
Unemployment Rate	5.5%	4.8%	4.3%	4.2%	10.1%
United States of America					
Labor Force	159,187	160,320	162,075	163,539	160,742
Employment	151,436	153,337	155,761	157,538	147,795
Unemployment Rate	4.9%	4.4%	3.9%	3.7%	8.1%

[(1)] Data not seasonally adjusted. Unemployment rate is based on unrounded data.
Sources: County and State Data – California Employment Development Department; National Data – U.S. Department of Labor, Bureau of Labor Statistics.

The following table sets forth the average annual civilian employment within the County by employment sector, other than farm industries, for 2016 through 2020.

SAN DIEGO COUNTY
NON-AGRICULTURAL LABOR FORCE AND INDUSTRY EMPLOYMENT
ANNUAL AVERAGES
Calendar Years 2016-2020
(In Number of Jobs by Industry in Thousands)

Employment Sector	2016	2017	2018	2019	2020
Mining and Logging	0.3	0.3	0.4	0.4	0.3
Construction	76.3	79.5	83.7	84.0	81.9
Manufacturing	108.4	109.4	112.3	115.7	113.8
Trade, Transportation and Utilities	220.9	224.7	225.1	224.2	208.5
Information	23.2	23.4	23.6	23.5	22.1
Financial Activities	73.0	74.6	76.0	76.5	74.3
Professional and Business Services	234.7	239.1	249.0	255.7	247.7
Educational and Health Services	198.7	204.3	208.9	216.6	210.2
Leisure and Hospitality	190.4	195.6	199.6	201.7	144.9
Other Services	54.4	55.0	55.5	56.4	44.5
Government	242.2	246.3	248.1	248.6	237.1
Total[(1)]	3,438.5	3,469.2	3,500.2	3,522.3	4,405.3

Source: State of California Employment Development Department, Industry Employment & Labor Force – by Annual Average, March 2020 Benchmark.
[(1)] Reflects independent rounding.

Principal Employers

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

COUNTY OF SAN DIEGO
PRINCIPAL EMPLOYERS

	Employer	Description	Employees
1.	US Naval Base, San Diego	Naval Base	48,500
2.	State of California	Government	45,200
3.	University of California, San Diego	University	35,802
4.	Sharp HealthCare	Healthcare	18,770
5.	County of San Diego	Government	18,025
6.	Scripps Health	Healthcare	15,334
7.	San Diego Unified School District	Education	13,559
8.	Qualcomm, Inc.	Technology	13,000
9.	City of San Diego	Government	11,820
10.	Kaiser Permanente	Healthcare	9,630

Source: County of San Diego Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2020.

Regional Economy

Economic activity and population growth in the local economy are closely related. Helping to sustain the County's economy is the performance of many industries, including Biotechnology, Wireless Communications, Defense Manufacturing and Uniformed Personnel, and Leisure and Hospitality. The table below sets forth the County's Gross Domestic Product, which is an estimate of the value for all goods and services produced in the region, from 2015 through 2019. [updates not available as of 9-28-2021]

SAN DIEGO COUNTY
GROSS DOMESTIC PRODUCT
2015-2019

Year	Gross Domestic Product (In Billions)	Annual Percent Change (year over year)
2015	$201.2	3.8%
2016	204.7	1.7
2017	211.1	3.2
2018	217.5	3.0
2019	222.3	2.2

Sources: U.S. Bureau of Economic Analysis, retrieved from FRED, Federal Reserve Bank of St. Louis.

The table below sets forth the secured assessed valuation of property within the County subject to taxation for Fiscal Years 2011-12 through 2020-21.

ASSESSED VALUATION OF PROPERTY
SUBJECT TO AD VALOREM TAXATION
Fiscal Years 2011-12 through 2020-21
(In Thousands)

Fiscal Year	Land	Improvements	Personal Property	Gross Assessed Valuation	Exemption(1)	Net Assessed Valuation for Tax Purposes(2)
2011-12	$174,658,242	$216,383,122	$14,483,422	$405,524,786	$12,537,490	$392,987,296
2012-13	173,840,948	217,588,947	14,693,957	406,123,852	13,165,008	392,958,844
2013-14	179,943,404	224,701,971	15,195,049	419,840,424	13,856,802	405,983,622
2014-15	192,003,349	236,234,389	15,347,042	443,584,780	14,344,037	429,240,743
2015-16	203,701,281	249,298,560	15,491,395	468,491,236	15,175,726	453,315,510
2016-17	215,835,633	261,594,164	16,324,650	493,754,447	16,103,351	477,651,096
2017-18	230,572,975	276,262,039	16,807,985	523,642,999	16,816,816	506,826,183
2018-19	246,455,471	291,085,650	17,764,620	555,305,741	18,416,932	536,888,809
2019-20	261,664,752	306,648,456	18,474,208	586,787,416	19,591,977	567,195,439
2020-21	276,732,392	322,427,706	18,938,815	618,098,913	19,843,441	598,255,472

Source: County of San Diego, Auditor and Controller.
(1) Exemption figures include veterans, church, welfare, religious, college and cemetery exemptions.
(2) Net Assessed Valuation for Tax Purposes figures include local secured, unsecured manufactured home and possessory interest, state unitary and redevelopment valuation, if any.

Building Activity

Annual total building permit valuation and the annual unit total of new residential permits from 2016 through 2020 are shown in the following table.

COUNTY OF SAN DIEGO
BUILDING PERMIT ACTIVITY
2016 – 2020

	2016	**2017**	**2018**	**2019**	**2020**
Valuation ($ in Millions):					
Residential	$2,472	$2,633	$2,685	$2,084	2,648
Non-Residential	1,782	2,371	1,902	2,360	1,974
Total[(1)]	$4,255	$5,004	$4,587	$4,444	6,642
New Housing Units:					
Single Family	2,420	3,960	3,438	3,045	3,160
Multiple Family	7,680	6,056	6,190	4,405	6,326
Total[(1)]	10,100	10,016	9,628	7,450	9,486

Source: Construction Industry Research Board and California Homebuilding Foundation.
[(1)] Totals may not sum due to rounding.

Commercial Activity

The following table sets forth information regarding taxable sales in the County for the years 2016 through 2020.

COUNTY OF SAN DIEGO
TAXABLE SALES
2016 through 2020
(In Thousands)

Type of Business	**2016**	**2017**	**2018**	**2019**	**2020**
Retail and Food Services:					
Motor Vehicle and Parts Dealers	$ 7,552,837	$ 7,677,235	$ 7,639,067	$ 7,661,109	$7,539,533
Home Furnishings and Appliance Stores	2,555,890	2,460,470	2,466,975	2,375,525	$2,254,217
Building Materials and Garden Equipment					$3,475,139
and Supplies	2,744,044	2,924,640	3,037,405	3,064,896	
Food and Beverage Stores	2,326,584	2,398,405	2,505,938	2,547,020	$2,779,102
Gasoline Stations	3,460,970	3,778,678	4,304,355	4,185,909	$3,027,186
Clothing and Clothing Accessories Stores	3,573,190	3,637,218	3,818,233	3,885,456	$2,829,347
General Merchandise Stores	4,818,740	4,905,303	5,101,089	5,218,042	$4,987,828
Food Services and Drinking Places	7,374,383	7,738,971	7,999,661	8,362,160	$5,860,767
Other Retail Group	4,682,869	4,850,794	5,014,102	5,516,821	$8,583,780
Total Retail and Food Services	$39,089,506	$40,371,715	$41,886,825	$42,816,938	$41,336,898
All Other Outlets	16,831,504	17,179,645	17,154,217	18,548,339	$17,477,630
Totals All Outlets	$55,921,010	$57,551,360	$59,041,042	$61,365,277	$ $58,814,528

Source: California Department of Tax and Fee Administration. Taxable Sales – Allocated Countywide by Type of Business (updated July 14, 2021)

Personal Income

The following table summarizes the median household income for the County, the State, and the United States between 2015 and 2020. [2020 figures for County and State are not yet available.]

MEDIAN HOUSEHOLD INCOME(1)
2015 through 2020

Year	San Diego County	California	United States
2015	$67,053	$63,636	$56,516
2016	70,693	66,637	59,039
2017	76,048	70,038	61,136
2018	78,777	70,489	63,179
2019	83,576	78,105	68,703
2020			67,521

Source: U.S. Census Bureau – retrieved from FRED, Federal Reserve Bank of St. Louis.
(1) Estimated as of December 2020 in inflation-adjusted dollars.

Transportation

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

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

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

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

San Diego's harbor is one of the world's largest natural harbors. The Port of San Diego is administered by the San Diego Port District, which included the Cities of San Diego, National City, Chula Vista, Imperial Beach, and Coronado.

Visitor and Convention Activity

An excellent climate, proximity to Mexico, extensive maritime facilities, and such attractions as the San Diego Zoo and Wild Animal Park, Sea World, Cabrillo National Monument, and Palomar Observatory allow San Diego to attract visitor and convention business each year. The development of the 4,600-acre Mission Bay Park at San Diego and the construction of meeting and convention facilities at the San Diego community concourse have contributed to the growth in tourism. The visitor business is expected to continue to increase steadily.

The visitor industry is the City's third largest in terms of income generation, behind manufacturing and the military. The following table depicts total visitor spending in San Diego County for the past ten years.

SAN DIEGO COUNTY
Total Visitor Spending
2011 – 2020
(In Billions)

Year	Amount
2011	$ 7.49
2012	7.98
2013	8.39
2014	9.21
2015	9.92
2016	10.40
2017	10.82
2018	11.49
2019	11.64
2020	5.16

Source: San Diego Tourism Authority.

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

There are over 90 golf courses in the County, including the La Costa Golf Course, scene of the Tournament of Champions in 2006 and the championship Torrey Pines Golf Course, where the U.S. Open was held in 2008 and 2021.

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

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

SAN DIEGO CONVENTION CENTER
2011 – 2020

Calendar Year	Estimated Spending	Number of Conventions	Total Delegate Attendance
2011	578,931,514	74	566,658
2012	621,304,790	67	561,523
2013	559,947,727	75	524,448
2014	593,105,421	76	527,621
2015	620,092,228	71	553,283
2016	721,047,316	67	697,518
2017	650,818,239	61	545,366
2018	733,357,461	68	610,848
2019	696,800,000	71	621,820
2020	127,100,000	16	72,706

Note: Table includes only primary events held at the San Diego Convention Center, it does not include other sources of convention activity in the San Diego region.
Source: San Diego Tourism Authority.

The tourism sector has been one of the hardest hit by the COVID-19 related recession as a result of the high-contact business closures like restaurants and bars, the sharp declines in international and business travel, and the closure of many local tourist attractions. The recovery is expected to take a number of years.

Education

Forty-two independent school districts provide educational programs for the elementary and secondary public school children in the County. Each school system is governed by a locally elected board of education and administered by a superintendent or other chief administrative officer appointed by the board. In the County there are three types of school districts: elementary, union high and unified. Elementary districts educate elementary students, union high districts for the most part educate secondary students, and unified districts educate both elementary and secondary students. There are currently 12 unified, 24 elementary and 6 union high school districts in the County.

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

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

Military

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

Military and related defense spending are significant factors in the County's economy. The San Diego Military Economic Impact Study released by the San Diego Military Advisory Council in 2020 estimated that defense-related activities and spending directly generated an estimated $33.6 billion of gross regional product for the County in Fiscal Year 2019-20 with a total GRP impact of $52.4 billion and reported that the military sector was responsible for approximately 340,000 of the region's total jobs in Fiscal Year 2019-20. The level of economic activity generated by this factor is expected to be affected by various federal consolidation and budget activities.

Research and Development

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

The County is a leading health sciences and biomedical center. Approximately 35,000 persons are engaged in life sciences-related activities in the metropolitan area, with over 28,000 employed directly in health services. In addition to UCSD, other established research institutions in the La Jolla area of the City include the Salk Institute for Biological Studies, the Scripps Clinic and Research Foundation, and the Scripps Institution of Oceanography.

APPENDIX B

SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION
AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

[insert appendices C-1 and C-2]

APPENDIX C-3

SUMMARY OF CERTAIN PROVISIONS OF THE TIFIA LOAN AGREEMENT

Disbursement Requirements. The proceeds of the Junior Subordinate TIFIA Loan are expected to be fully drawn by the Commission in a single disbursement no later than October 1, 2022. Any requests to disburse the Junior Subordinate TIFIA Loan proceeds must be submitted by the Commission to the TIFIA Lender in the form of a requisition attached to the TIFIA Loan Agreement. Disbursement of Junior Subordinate TIFIA Loan proceeds is subject to certain conditions precedent, including, among others, the following:

(a) the Commission shall have delivered all required invoices and records evidencing Eligible Project Costs relating to the Mid-Coast Corridor Transit Project;

(b) all required insurance policies are in full force and effect;

(c) no event of default or prospective event of default under the TIFIA Loan Agreement has occurred and is continuing;

(d) all representations and warranties are true, correct and complete as of the date of disbursement; and

(e) no material adverse effect, or any event or condition that could reasonably be expected to result in a material adverse effect, shall have occurred and be continuing.

Events of Default and Remedies.

Certain Definitions used under this Caption.

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

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

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

"MTS Direct Agreement" means the Direct Agreement, dated January 14, 2021, by and among the TIFIA Lender, the Borrower and MTS.

"SANDAG Direct Agreement" means the Direct Agreement, dated January 14, 2021, by and among the TIFIA Lender, the Commission and SANDAG.

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

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

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

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

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

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

(1) such misrepresentation is not intentional;

(2) in the case of the Commission, such misrepresentation is not a misrepresentation in respect of Section 14(h) (No Debarment), Section 14(j) (Compliance with Federal Requirements), Section 14(k) (Transportation Improvement Program), Section 14(p) (Information), Section 14(q) (OFAC; Anti-Corruption Laws), Section 14(x) (Financial Statements) or Section 14(cc) (Patriot Act);

(3) in the case of SANDAG, such misrepresentation is not a misrepresentation in respect of Sections 5(g), 5(i), 5(m) or 5(n) of the SANDAG Direct Agreement;

(4) in the case of MTS, such misrepresentation is not a misrepresentation in respect of Sections 4(g), 4(i), 4(m) or 4(n) of the MTS Direct Agreement;

(5) in the reasonable determination of the TIFIA Lender, such misrepresentation has not had, and would not reasonably be expected to result in, a material adverse effect;

(6) in the reasonable determination of the TIFIA Lender, the underlying issue giving rise to the misrepresentation is capable of being cured;

(7) the underlying issue giving rise to the misrepresentation is cured by the applicable Commission Related Party within thirty (30) days from the date on which such Commission Related Party first became aware (or reasonably should have become aware) of such misrepresentation; and

(8) the applicable Commission Related Party diligently pursues such cure during such thirty (30) day period.

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

(vi) Cross Default. (A) Any of the representations, warranties or certifications of the Commission made in or delivered pursuant to the Indenture Documents, or made in or delivered pursuant to the documents (the "Other Loan Documents") under which any Secured Obligations is created or incurred, shall prove to be false or misleading in any material respect (each an "Other Indebtedness Misrepresentation Default"), or any default shall occur in respect of the performance of any covenant, agreement or obligation of the Commission under the Indenture Documents or the Other Loan Documents, and such default shall be continuing after the giving of any applicable notice and the expiration of any applicable grace period specified in the Indenture Documents or the Other Loan Documents (as the case may be) with respect to such default (each an "Other Indebtedness Covenant Default"), if the effect of such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default shall be to permit the immediate acceleration of the maturity of any or all of the Secured Obligations, and, in the case of any such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant

Default, the Commission shall have failed to cure such Other Indebtedness Misrepresentation Default or Other Indebtedness Covenant Default or to obtain an effective written waiver thereof in accordance with the terms of such Secured Obligations. For the avoidance of doubt, swap termination payments and term-outs of Secured Obligations that occur in accordance with the terms of such Secured Obligations shall not be considered acceleration.

(B) A Commission Related Party shall default in the timely performance of any covenant, agreement or obligation under any Related Document to which it is party or any Related Document shall be terminated prior to its scheduled expiration (unless in any case such default or termination could not reasonably be expected to have a material adverse effect), and the applicable Commission Related Party shall have failed to cure such default or to obtain an effective written waiver or revocation thereof prior to the expiration of the applicable grace period specified in any such Related Document, or to obtain an effective revocation of such termination (as the case may be); provided, however, that no Event of Default shall be deemed to have occurred or be continuing under Section 20(a)(vi)(B) of the TIFIA Loan Agreement (*Cross Default*) if, in the case of any termination of a Principal Project Contract, the applicable Commission Related Party replaces such Principal Project Contract with a replacement agreement (1) entered into with another counterparty that (x) is of similar or greater creditworthiness and experience as the counterparty being replaced was at the time the applicable Principal Project Contract was originally executed (or otherwise reasonably acceptable to the TIFIA Lender) and (y) is not, at the time of such replacement, suspended or debarred or subject to a proceeding to suspend or debar from bidding, proposing or contracting with any federal or state department or agency, (2) on substantially the same terms and conditions as the Principal Project Contract being replaced (or otherwise reasonably acceptable to the TIFIA Lender) and (3) effective as of the date of termination of the Principal Project Contract being replaced. For the avoidance of doubt, swap termination payments and term-outs of Secured Obligations that occur in accordance with the terms of such Secured Obligations shall not be considered acceleration.

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

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

(ix) Occurrence of a Bankruptcy Related Event. (A) A bankruptcy related event shall occur with respect to the Commission or (B) a bankruptcy related event shall occur with respect to any Commission Related Party (other than the Commission) or any Principal Project Party; provided, that: (1) a bankruptcy related event in connection with a Principal Project Party shall not constitute an Event of Default if the relevant Commission Related Party shall have promptly provided evidence satisfactory to the TIFIA Lender demonstrating that any substitute

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

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

(xi) Invalidity of TIFIA Loan Documents. (A) Any TIFIA Loan Document ceases to be in full force and effect (other than as a result of the termination thereof in accordance with its terms) or becomes void, voidable, illegal or unenforceable, or any Commission Related Party contests in any manner the validity or enforceability of any TIFIA Loan Document to which it is a party or denies it has any further liability under any TIFIA Loan Document to which it is a party, or purports to revoke, terminate or rescind any TIFIA Loan Document to which it is a party; or (B) any Indenture Document ceases (other than as expressly permitted thereunder) to be effective to grant a valid and binding security interest on any material portion of the Trust Estate other than as a result of actions or a failure to act by, and within the control of, the Subordinate Trustee or any Secured Party, and with the priority purported to be created thereby.

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

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

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

Whenever any Event of Default thereunder shall have occurred and be continuing, the TIFIA Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid thereunder or under the TIFIA Bond or the other TIFIA Loan Documents, and may prosecute any such judgment or final decree against the Commission and collect in the manner provided by law out of the property of the Commission the moneys adjudged or decreed to be payable, and the TIFIA Lender shall have all of the rights and remedies of a creditor, including all rights and remedies, to the extent applicable to the Trust Estate, of a secured creditor under the Uniform Commercial Code and may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by Commission under the TIFIA Loan Agreement, the TIFIA Bond or the other TIFIA Loan Documents then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Commission under the TIFIA Loan Agreement, the TIFIA Bond or the other TIFIA Loan Documents; provided, however, that any monetary judgment against the Commission shall be payable solely from the Trust Estate or from any other funds made available by the Commission, in its discretion. Whenever any Event of Default under the TIFIA Loan Agreement shall have occurred and be continuing, the TIFIA Lender may suspend or debar the Commission from further participation in any Government program administered by the TIFIA Lender and to notify other departments and agencies of such default. No action taken pursuant to this Section of the TIFIA Loan Agreement (Events of Default and Remedies) shall relieve Commission from its obligations pursuant to the TIFIA Loan Agreement, the TIFIA Bond or the other TIFIA Loan Documents, all of which shall survive any such action. The parties to the TIFIA Loan Agreement acknowledge and agree that the rights and remedies of the TIFIA Lender as the Holder of the TIFIA Bond, including any rights and remedies with respect to the payment thereof, shall be governed exclusively by the Indenture.

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

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

Disclaimer

The following information has been provided by DTC and neither of the San Diego County Regional Transportation Commission (the "Commission") nor the Remarketing Agents makes any representation as to its accuracy or completeness. For further information, beneficial owners should contact DTC in New York, New York.

The Depository Trust Company and Book-Entry System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2008 Bonds. The Series 2008 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each Series of Series 2008 Bond in the aggregate principal amount of such Series 2008 Bond, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at *www.dtcc.com*. The information set forth on such website is not incorporated herein by reference.

Purchases of Series 2008 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2008 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2008 Bond (each a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2008 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2008 Bonds, except in the event that use of the book-entry system for the Series 2008 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2008 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee. Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2008 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2008 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2008 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2008 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2008 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2008 Bond documents. For example, Beneficial Owners of Series 2008 Bonds may wish to ascertain that the nominee holding the Series 2008 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2008 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Series 2008 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2008 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Commission 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 2008 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments, redemption proceeds, distributions and dividend payments, 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 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 the Commission, DTC, or the Trustee subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, redemption proceeds, distributions and dividends, 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.

A Beneficial Owner shall give notice to elect to have its Series 2008 Bonds purchased or tendered, through its Participant, to the applicable remarketing agent, and shall effect delivery of such Series 2008 Bonds by causing the Direct Participant to transfer the Participant's interest in the Series

2008 Bonds, on DTC's records, to the applicable remarketing agent. The requirement for physical delivery of Series 2008 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2008 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2008 Bonds to the applicable remarketing agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2008 Bonds at any time by giving reasonable notice to the Commission or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

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

APPENDIX E

ORIGINAL OPINION OF BOND COUNSEL

APPENDIX F

LIQUIDITY PROVIDERS

[To come.]