Supplement No. 1 Dated August 23, 2012 to Information Statement Dated June 29, 2012

EXISTING ISSUE
REOFFERING—BOOK-ENTRY ONLY

Investors must review the Authority's Information Statement dated June 29, 2012 attached hereto together with this Supplement No. 1 to make an informed investment decision concerning the securities described herein.

RATINGS:
(See "SUMMARY OF REOFFERING" and "RATINGS")

On the respective dates of issuance of the Reoffered Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, delivered an opinion with respect to the Series of the Reoffered Bonds issued on such date to the effect 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 such Series of Reoffered 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. Each of Bond Counsel's opinions further stated that interest on such Series of Reoffered 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 Reoffered Bonds. In connection with the conversion of the interest rate mode and remarketing of the Reoffered Bonds, Bond Counsel will deliver its opinion that such conversion and remarketing will not, in and of itself, adversely affect the tax-exempt status of the Reoffered Bonds. Bond Counsel is not rendering any opinion on the current tax status of the Reoffered Bonds. See "TAX MATTERS" herein for additional information.

$305,000,000
BAY AREA TOLL AUTHORITY
SAN FRANCISCO BAY AREA TOLL BRIDGE REVENUE BONDS
2006 Series C-2, C-3 and C-4 Term Rate Bonds
and 2008 Series D-1 Index Rate Bonds
(2012 Reoffering)

The Bay Area Toll Authority (the "Authority") Information Statement dated June 29, 2012 and this Supplement No. 1 together comprise the Reoffering Circular (collectively, the "Reoffering Circular") for the Authority's San Francisco Bay Area Toll Bridge Revenue Bonds, 2006 Series C-2, C-3 and C-4 (the "2006 Reoffered Bonds"); and 2008 Series D-1 (the "2008 Reoffered Bonds" and, collectively with the 2006 Reoffered Bonds, the "Reoffered Bonds") reoffered hereby. Investors must read the entire Reoffering Circular to obtain information essential to making an informed investment decision.

The Authority administers the toll revenues from the seven state-owned toll bridges in the San Francisco Bay area. Information about the Authority, the Authority's bridge system, the Authority's capital projects, the security and sources of payment for the Reoffered Bonds and the Authority's other obligations is contained in the Information Statement. The Reoffered Bonds were issued and are outstanding pursuant to a Master Indenture, dated as of May 1, 2001 (as amended and supplemented, the "Indenture"), between the Authority and Union Bank, N.A., as trustee.

The Authority is converting on September 4, 2012 (the "Conversion Date") the Interest Rate Mode for the 2006 Reoffered Bonds from a Weekly Rate to a Term Rate and for the 2008 Reoffered Bonds from a Weekly Rate to an Index Rate as shown in the SUMMARY OF REOFFERING following this cover page. In connection with this Conversion, the Reoffered Bonds are subject to a mandatory tender and remarketing as described in this Reoffering Circular. The proceeds of this remarketing will pay the purchase price of the tendered Reoffered Bonds.

The 2006 Reoffered Bonds will bear interest at a Term Rate and the 2008 Reoffered Bonds will bear interest at an Index Rate. The interest rates for each Series will be determined by the remarketing agent for that Series and, with respect to the 2008 Reoffered Bonds, by the remarketing agent and the index agent. The aggregate principal amount, interest rate determination method, Term Rate or Index Rate, interest payment dates, Term Rate Period or Index Rate Period, maturity date, authorized denominations, and other information relating to each Series of the Reoffered Bonds are summarized in the SUMMARY OF REOFFERING following this cover page. Investors may purchase Reoffered Bonds in book-entry form only.

The Reoffered Bonds are subject to mandatory sinking fund redemption by the Authority prior to maturity as described in the Reoffering Circular. The Reoffered Bonds also are subject to optional redemption by the Authority prior to maturity as described in the Reoffering Circular.

No letter of credit or other credit or liquidity facility will be in effect for the Reoffered Bonds after the Conversion Date. The 2006 Reoffered Bonds are subject to mandatory tender and remarketing at the end of the Term Rate Period and the 2008 Reoffered Bonds are subject to mandatory tender and remarketing at the end of the Index Rate Period. The Authority expects funds from such remarketing to be applied to pay the purchase price of the Reoffered Bonds upon mandatory tender. The Authority is not obligated to provide any other funds for the purchase of the Reoffered Bonds other than remarketing proceeds and can give no assurance that sufficient remarketing proceeds will be available to pay the Reoffered Bonds upon mandatory tender. If there are insufficient funds to purchase any Series of Reoffered Bonds at the end of any Term Rate Period or Index Rate Period, the owners of such Reoffered Bonds will retain such Reoffered Bonds and such Reoffered Bonds will bear interest at the Stepped Rate. See "DESCRIPTION OF THE REOFFERED BONDS—Insufficient Funds; Stepped Rate."

The Authority is not obligated to pay the Reoffered Bonds except from Revenue as defined and provided in the Indenture. The Reoffered Bonds are limited obligations of the Authority and do not constitute an obligation of the State, the Metropolitan Transportation Commission or of any other political subdivision of the State other than the Authority, or a pledge of the full faith and credit of the State or of any other political subdivision of the State or of any other entity, including the Authority.

By purchasing the Reoffered Bonds, investors are deemed to have consented to certain amendments to the Indenture concerning matters related to the Term Rate Period and Index Rate Period as further described herein.

Certain legal matters will be passed upon for the Authority by Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, and by its general counsel, and for the Remarketing Agents by their counsel, Nixon Peabody LLP. The Authority expects that the remarketed Reoffered Bonds will be available for delivery through DTC on September 4, 2012.

Citigroup
2006 Series C-2 Bonds

BofA Merrill Lynch
2006 Series C-3 Bonds
2008 Series D-1 Bonds

Barclays
2006 Series C-4 Bonds

J.P. Morgan
Co-Remarketing Agent

Stone & Youngberg,
a Division of Stifel Nicolaus
Co-Remarketing Agent

SUMMARY OF REOFFERING
$305,000,000
BAY AREA TOLL AUTHORITY
SAN FRANCISCO BAY AREA TOLL BRIDGE REVENUE BONDS
Term Rate Bonds and Index Rate Bonds (2012 Reoffering)

	$100,000,000 2006 Series C-2 Bonds	$25,000,000 2006 Series C-3 Bonds	$25,000,000 2006 Series C-4 Bonds	$155,000,000 2008 Series D-1 Bonds
Maturity Date:	**April 1, 2045**	**April 1, 2045**	**April 1, 2045**	**April 1, 2045**
Price:	**100%**	**100%**	**100%**	**100%**
Authorized Denominations:	**$5,000 or any integral multiple thereof**	**$5,000 or any integral multiple thereof**	**$5,000 or any integral multiple thereof**	**$5,000 or any integral multiple thereof**
Reoffered Interest Rate Determination Method*:	**Term Rate**	**Term Rate**	**Term Rate**	**Index Rate**
Reoffered Term Rate/Index Rate:	**1.45%**	**1.45%**	**1.45%**	**67% of 3-month LIBOR plus 0.80%†**
Interest Payment Dates:	**April 1 and October 1 of each year during the Term Rate Period commencing October 1, 2012**	**April 1 and October 1 of each year during the Term Rate Period commencing October 1, 2012**	**April 1 and October 1 of each year during the Term Rate Period commencing October 1, 2012**	**First Business Day of January, April, July and October of each year during the Index Rate Period commencing October 1, 2012**
Record Date for Interest Payments:	**Fifteenth day of the month preceding an Interest Payment Date**	**Fifteenth day of the month preceding an Interest Payment Date**	**Fifteenth day of the month preceding an Interest Payment Date**	**Business Day next preceding an Interest Payment Date**
End of Term Rate/Index Rate Period:**	**August 1, 2017**	**August 1, 2017**	**August 1, 2017**	**August 1, 2017**
First Optional Redemption:	**February 1, 2017**	**February 1, 2017**	**February 1, 2017**	**February 1, 2017**
Remarketing Agent:	**Citigroup Global Markets Inc.**	**Merrill Lynch, Pierce, Fenner & Smith Incorporated**	**Barclays Capital Inc.**	**Merrill Lynch, Pierce, Fenner & Smith Incorporated**
Co-Remarketing Agents:	**J.P. Morgan Securities LLC Stone & Youngberg, a Division of Stifel Nicolaus**	**J.P. Morgan Securities LLC Stone & Youngberg, a Division of Stifel Nicolaus**	**J.P. Morgan Securities LLC Stone & Youngberg, a Division of Stifel Nicolaus**	**J.P. Morgan Securities LLC Stone & Youngberg, a Division of Stifel Nicolaus**
Long Term Ratings Moody's/S&P/Fitch:	**Aa3/AA/AA-**	**Aa3/AA/AA-**	**Aa3/AA/AA-**	**Aa3/AA/AA-**
CUSIP No.‡:	**072024 RB0**	**072024 RD6**	**072024 RC8**	**072024 RE4**

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* Upon satisfaction of certain conditions set forth in the Indenture, the Reoffered Bonds may bear interest calculated pursuant to a different Interest Rate Determination Method, provided however, that all Reoffered Bonds of a Series must have the same Interest Rate Determination Method. See "DESCRIPTION OF THE REOFFERED BONDS." **This Reoffering Circular is not intended to provide information about the Reoffered Bonds after conversion to another Interest Rate Determination Method**.

† The initial Index Rate from the Conversion Date to the first Interest Payment Date on October 1, 2012 is 1.08599%.

** The Term Rate Period and Index Rate Period for the Reoffered Bonds each end on July 31, 2017 and the Reoffered Bonds are subject to mandatory tender and remarketing on August 1, 2017.

‡ CUSIP information herein is provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw Hill Companies, Inc. CUSIP numbers are provided for convenience of reference only. Neither the Authority nor the Remarketing Agents assume any responsibility for the accuracy of such numbers.

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IMPORTANT NOTICES

The Authority is providing information about the Reoffered Bonds in two related documents: (1) the accompanying Information Statement dated June 29, 2012 attached hereto, which provides information about the Authority, and (2) this Supplement No. 1, which describes the specific terms of the Reoffered Bonds. Together, these documents and all appendices thereto comprise the Reoffering Circular for the San Francisco Bay Area Toll Bridge Revenue Bonds, 2006 Series C-2, C-3 and C-4; and 2008 Series D-1 reoffered hereby and are referred to collectively as the "Reoffering Circular." **All references to the "Information Statement" mean the Information Statement dated June 29, 2012.**

The Information Statement includes a detailed discussion of the revenues pledged as security for the Reoffered Bonds, the outstanding Bay Area Toll Authority San Francisco Bay Area Toll Bridge Revenue Bonds and Parity Obligations, other obligations the Authority may issue or enter into in the future, its rights to issue additional Bonds, the financial tests that are imposed as preconditions to their issuance, and other matters relating to the Authority and the Bridge System.

The Reoffering Circular does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Reoffered 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 Authority, the State of California Department of Transportation ("Caltrans") and other sources that are believed by the Authority to be reliable. The Remarketing Agents have provided the following sentence for inclusion in the Reoffering Circular. The Remarketing Agents have reviewed the information in the Reoffering Circular 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 the Reoffering Circular. If given or made, such other information or representations must not be relied upon as having been authorized by the Authority or the Remarketing Agent.

The Reoffering Circular is not to be construed as a contract with the purchasers of the Reoffered Bonds.

This Supplement No. 1 speaks only as of its date and the Information Statement speaks only as of its date. The information and expressions of opinion herein are subject to change without notice and neither delivery of the Reoffering Circular 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 Authority or other matters described herein since the respective dates hereof. The Reoffering Circular is submitted with respect to the reoffering of the Reoffered 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 Authority. Preparation of the Reoffering Circular and its distribution have been duly authorized and approved by the Authority.

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. Capitalized terms used but not defined herein are defined in APPENDIX A – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE–Definitions" in the Information Statement.

In connection with the reoffering of the Reoffered Bonds, the Remarketing Agents may over-allot or effect transactions that stabilize or maintain the market prices of the Reoffered Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Remarketing Agents may offer and sell the Reoffered Bonds to dealers, institutional investors and others at prices lower than the public offering prices stated in the Summary of Reoffering and such public offering prices may be changed from time to time by the Remarketing Agents.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THE REOFFERING CIRCULAR

Some statements contained in the Reoffering Circular reflect not historical facts but forecasts and "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," expect," "intend," "believe," "plan," "budget," and similar expressions are intended to identify forward-looking statements. Projections, forecasts, assumptions, expressions of opinions, estimates and other forward-looking statements are not to be construed as representations of fact and are qualified in their entirety by the cautionary statements set forth in the Reoffering Circular.

The achievement of results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that 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. The Authority does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur or do not occur.

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SUPPLEMENT NO. 1 TO INFORMATION STATEMENT DATED JUNE 29, 2012

$305,000,000
BAY AREA TOLL AUTHORITY
SAN FRANCISCO BAY AREA TOLL BRIDGE REVENUE BONDS
Term Rate Bonds and Index Rate Bonds (2012 Reoffering)

INTRODUCTION

This Reoffering Circular, consisting of the Information Statement dated June 29, 2012 including all Appendices thereto (the "Information Statement") attached hereto and this Supplement No. 1 including all Appendices hereto (collectively, the "Reoffering Circular"), provides information concerning the remarketing by the Bay Area Toll Authority (the "Authority") of $305,000,000 aggregate principal amount of Bay Area Toll Authority San Francisco Bay Area Toll Bridge Revenue Bonds (the "Reoffered Bonds"). Investors must review the entire Reoffering Circular to make an informed investment decision concerning the Reoffered Bonds. The Reoffered Bonds are comprised of:

Amount ($)	Series	Reoffered Interest Rate Mode
100,000,000	2006 Series C-2	Term Rate
25,000,000	2006 Series C-3	Term Rate
25,000,000	2006 Series C-4	Term Rate
155,000,000	2008 Series D-1	Index Rate

The 2006 Series C-2, C-3 and C-4 Bonds are collectively referred to herein as the "2006 Reoffered Bonds," and the 2008 Series D-1 Bonds are referred to herein as the "2008 Reoffered Bonds."

The Authority administers toll revenue collections and finances improvements for seven state-owned toll bridges in the San Francisco Bay area: the Antioch Bridge, the Benicia-Martinez Bridge, the Carquinez Bridge, the Dumbarton Bridge, the Richmond-San Rafael Bridge, the San Francisco-Oakland Bay Bridge and the San Mateo-Hayward Bridge (the "Bridge System"). Principal of and interest and mandatory sinking fund payments on the Reoffered Bonds are payable from Revenue, as summarized in the Information Statement. Further information about the Authority, its finances, its projects, the Bridge System and the security for the Reoffered Bonds appears in the Information Statement.

The Reoffered Bonds are being remarketed by the Authority upon a mandatory tender of such Bonds in connection with the conversion of the Interest Rate Mode from a Weekly Rate to a Term Rate with respect to the 2006 Reoffered Bonds, and to an Index Rate with respect to the 2008 Reoffered Bonds. The proceeds of the remarketing will be used to pay the purchase price of the tendered Reoffered Bonds.

AMENDMENT OF INDENTURE

By purchasing the Reoffered Bonds, such Owners are consenting to the amendment of certain provisions in the Indenture proposed by the Authority. Such amendments will:

(i) allow for the expiration date of a Term Rate Period, any optional redemption provisions applicable to the Variable Rate Bonds during such Term Rate Period, and the rates of interest applicable to the Variable Rate Bonds bearing interest at the Term Rate upon a failure to remarket the Variable Rate Bonds at the end of such Term Rate Period to be specified in a Pricing Notice to the Trustee no less than two Business Days prior to the Conversion to or continuation of such Term Rate Period;

(ii) allow for the expiration date of an Index Rate Period, the proposed next Purchase Date, if any, the proposed Index Rate Index, the frequency with which the Index Rate shall be recalculated, the proposed Interest Payment Dates, when the Remarketing Agent will determine the Applicable Spread, any optional redemption provisions applicable to the Index Rate Bonds during such Index Rate Period, and the rates of interest applicable to the Index Rate Bonds bearing interest at the Index Rate upon a failure to remarket the Index Rate Bonds at the end of such Index Rate Period to be specified in a Pricing Notice to the Trustee no less than five Business Days prior to the Conversion to or continuation of such Index Rate Period, as applicable;

(iii) make any Series of Variable Rate Bonds bearing interest at a Term Rate subject to optional redemption or mandatory tender for purchase at the option of the Authority, at the applicable redemption price or Purchase Price, specified in a Pricing Notice to the Trustee;

(iv) make the Index Rate Bonds bearing interest at an Index Rate subject to optional redemption or mandatory tender for purchase at the option of the Authority, at the applicable redemption price or Purchase Price, specified in a Pricing Notice to the Trustee;

(v) provide that each subseries of the 2006 Series C Bonds shall be treated as a standalone Series of Bonds (as that term is defined in the Indenture), each capable of bearing interest at a different Interest Rate Mode and having separate optional and mandatory sinking fund redemption and optional and mandatory tender provisions.

The Definitions and Summary of Certain Provisions of the Senior Indenture that appear as Appendix A to the Information Statement have been updated to reflect the amendments described above, which will be effected pursuant to an Eighteenth Supplemental Indenture, to be entered into by the Authority and the Trustee. The Amendments will become effective on August 30, 2012.

DESCRIPTION OF THE REOFFERED BONDS

General

Chapters 4, 4.3 and 4.5 of Division 17 of the California Streets and Highways Code and Chapter 6 of Part 1 of Division 2 of Title 5 of the California Government Code (collectively, as amended from time to time, the "Act") authorize the Authority to issue revenue bonds, including the Reoffered Bonds, to finance and refinance the construction, improvement and equipping of the Bridge System and other transportation projects authorized by the Act.

The Reoffered Bonds were issued and are outstanding pursuant to a Master Indenture, dated as of May 1, 2001, as supplemented and amended (the "Indenture"), between the Authority and Union Bank, N.A., as trustee (the "Trustee"), and currently bear interest at a Weekly Rate. The Reoffered Bonds will bear interest from September 4, 2012 (the "Conversion Date") at the rates and for the Reoffered Term Rate Period or Index Rate Period shown in the SUMMARY OF REOFFERING. References herein to a "Series" of Reoffered Bonds refer to Reoffered Bonds of a given Series.

The Reoffered Bonds may be purchased in book-entry form only. The Reoffered Bonds have been registered in the name of a nominee of The Depository Trust Company ("DTC"), which acts as securities depository for the Reoffered Bonds. Beneficial Owners of the Reoffered Bonds will not receive certificates representing their ownership interests in the Reoffered Bonds purchased. The Authority will make payments of principal of and interest on the Reoffered Bonds to DTC, and DTC is to distribute such payments to its Direct Participants. Disbursement of such payments to Beneficial Owners of the Reoffered Bonds is the responsibility of DTC's Direct and Indirect Participants and not the Authority. See APPENDIX I – "BOOK-ENTRY ONLY SYSTEM."

Upon remarketing, the 2006 Reoffered Bonds will bear interest at the Term Rates, and the 2008 Reoffered Bonds will bear interest at the Index Rate, shown in the SUMMARY OF REOFFERING and determined as described below under "— Interest Rate Determination Methods." The Reoffered Bonds will be remarketed in fully registered form in denominations of $5,000 and any integral multiple thereof.

None of the Reoffered Bonds will be supported by a Credit Support Instrument following the remarketing.

Each Series of the 2006 Reoffered Bonds will be subject to mandatory tender and remarketing at the end of the Term Rate Period shown in the SUMMARY OF REOFFERING. The 2008 Reoffered Bonds will be subject to mandatory tender and remarketing at the end of the Index Rate Period shown in the SUMMARY OF REOFFERING. The Authority expects funds from such remarketing to be applied to pay the purchase price of the Reoffered Bonds. The Authority is not obligated to provide any other funds for the purchase of the Reoffered Bonds other than remarketing proceeds and can give no assurance that sufficient remarketing proceeds will be available to pay the Reoffered Bonds upon such mandatory tender. If there are insufficient funds to purchase any Series of Reoffered Bonds at the end of any Term Rate Period or Index Rate Period, the owners of such Reoffered Bonds will retain such Reoffered Bonds and such Reoffered Bonds will bear interest at the Stepped Rate. See "DESCRIPTION OF THE REOFFERED BONDS—Insufficient Funds; Stepped Rate."

The Reoffered Bonds are limited obligations of the Authority and do not constitute an obligation of the State, the Metropolitan Transportation Commission or of any other political subdivision of the State other than the Authority, or a pledge of the full faith and credit of the State or of any other political subdivision of the State or of any other entity, including the Authority.

The interest rate for each Series of 2006 Reoffered Bonds will be set by the remarketing agent for that Series. Interest on the 2006 Reoffered Bonds while bearing interest at a Term Rate will be payable on April 1 and October 1 of each year during the Term Rate Period, and on the Interest Payment Date following the end of the Term Rate Period. The next Interest Payment Date for the 2006 Reoffered Bonds is October 1, 2012. Interest on the 2006 Reoffered Bonds bearing interest at a Term Rate will be computed on the basis of a 360-day year and of twelve 30-day months. The record date for the 2006 Reoffered Bonds while bearing interest at the Term Rate will be the fifteenth day (whether or not a Business Day) of the month immediately preceding each Interest Payment Date.

The interest rate for the 2008 Reoffered Bonds will be determined by the remarketing agent for the 2008 Reoffered Bonds who will determine the applicable spread over the Index (the "Applicable Spread"), and the Trustee acting as Index Agent who will determine the index rate to which the Applicable Spread will be applied. Interest on the 2008 Reoffered Bonds while bearing interest at an Index Rate will be payable on the first Business Day of January, April, July and October of each year during the Index Rate Period, and on the Interest Payment Date following the end of the Index Rate Period. The next Interest Payment Date for the 2008 Reoffered Bonds is October 1, 2012. Interest on the

2008 Reoffered Bonds bearing interest at an Index Rate will be computed on the basis of a 365/366-day year and actual days elapsed. The record date for the 2008 Reoffered Bonds while bearing interest at the Index Rate will be the Business Day next preceding each Interest Payment Date.

Other Interest Payment Dates for the Reoffered Bonds are (i) each Conversion Date, (ii) each mandatory tender date on which substitution of a Credit Support Instrument providing support for Bonds bearing interest at the Daily Rate or the Weekly Rate occurs, and (iii) in all events the final maturity date or redemption date.

Upon satisfaction of conditions set forth in the Indenture, including mandatory tender and remarketing, the Reoffered Bonds may be changed at the election of the Authority 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 Term Rate and the Fixed Rate for all Reoffered Bonds, the Auction Rate (2006 Reoffered Bonds only) and the Index Rate (2008 Reoffered Bonds only), *provided however*, that all Reoffered Bonds of a Series must have the same Interest Rate Determination Method and (except for any Reoffered Credit Provider Bonds and Reoffered Bonds bearing interest at a Commercial Paper Rate) all Reoffered Bonds of a Series must bear interest at the same interest rate.

This Reoffering Circular is not intended to provide information about the Reoffered Bonds after conversion to another Interest Rate Determination Method.

Redemption Terms of the Reoffered Bonds

Optional Redemption. The 2006 Reoffered Bonds bearing interest at the Term Rate are subject to redemption at the option of the Authority in whole or in part, in Authorized Denominations, on: (1) the day following the last day of any Term Rate Period, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest, if any, without premium; and (2) any day designated by the Authority in the Pricing Notice relating to the current Term Rate Period, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest, if any, with premium, if any, as designated by the Authority in the Pricing Notice. In its Pricing Notice for the 2006 Reoffered Bonds, the Authority designated any date on or after February 1, 2017 as a date the 2006 Reoffered Bonds may be redeemed at the option of the Authority at a redemption price equal to the principal amount thereof, plus accrued but unpaid interest, if any, without premium. See "SUMMARY OF REOFFERING" for specific redemption terms of the 2006 Reoffered Bonds.

The 2008 Reoffered Bonds bearing interest at the Index Rate are subject to redemption at the option of the Authority in whole or in part, in Authorized Denominations, on: (1) the day following the last day of any Index Rate Period, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest, if any, without premium; and (2) any day designated by the Authority in the Pricing Notice relating to the current Index Rate Period, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest, if any, with premium, if any, as designated by the Authority in the Pricing Notice. In its Pricing Notice for the 2008 Reoffered Bonds, the Authority designated any date on or after February 1, 2017 as a date the 2008 Reoffered Bonds may be redeemed at the option of the Authority at a redemption price equal to the principal amount thereof, plus accrued but unpaid interest, if any, without premium. See "SUMMARY OF REOFFERING" for specific redemption terms of the 2008 Reoffered Bonds.

Mandatory Redemption. The Reoffered Bonds are subject to mandatory redemption by the Authority on each date a Sinking Fund Installment is due, in the principal amount equal to such Sinking Fund Installment, at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

2006 Series C-2 Bonds

Redemption Date (April 1)	*Sinking Fund Installment*	*Redemption Date (April 1)*	*Sinking Fund Installment*
2032	$5,530,000	2039	$7,190,000
2033	5,730,000	2040	7,470,000
2034	5,965,000	2041	7,750,000
2035	6,200,000	2042	8,050,000
2036	6,435,000	2043	8,350,000
2037	6,680,000	2044	8,685,000
2038	6,930,000	2045†	9,035,000

† Final Maturity

2006 Series C-3 Bonds

Redemption Date (April 1)	*Sinking Fund Installment*	*Redemption Date (April 1)*	*Sinking Fund Installment*
2032	$1,385,000	2039	$1,800,000
2033	1,435,000	2040	1,865,000
2034	1,495,000	2041	1,940,000
2035	1,550,000	2042	2,010,000
2036	1,610,000	2043	2,090,000
2037	1,670,000	2044	2,175,000
2038	1,735,000	2045†	2,240,000

† Final Maturity

2006 Series C-4 Bonds

Redemption Date (April 1)	*Sinking Fund Installment*	*Redemption Date (April 1)*	*Sinking Fund Installment*
2032	$1,385,000	2039	$1,800,000
2033	1,435,000	2040	1,865,000
2034	1,495,000	2041	1,940,000
2035	1,550,000	2042	2,010,000
2036	1,610,000	2043	2,090,000
2037	1,670,000	2044	2,175,000
2038	1,735,000	2045†	2,240,000

† Final Maturity

2008 Series D-1 Bonds

Redemption Date (April 1)	*Sinking Fund Installment*	*Redemption Date (April 1)*	*Sinking Fund Installment*
2032	$ 8,590,000	2039	$11,155,000
2033	8,915,000	2040	11,575,000
2034	9,260,000	2041	12,015,000
2035	9,605,000	2042	12,475,000
2036	9,975,000	2043	12,945,000
2037	10,355,000	2044	13,440,000
2038	10,745,000	2045†	13,950,000

† Final Maturity

Purchase In Lieu of Redemption

In lieu of mandatory redemption, the Authority may surrender to the Trustee for cancellation Reoffered Bonds purchased by it, and such Reoffered Bonds shall be cancelled by the Trustee. If any Reoffered Bonds are so cancelled, the Authority may designate the Sinking Fund Installments or portions thereof within the Reoffered Bonds so purchased that are to be reduced as a result of such cancellation.

General Redemption Provisions

Selection for Redemption. The Authority will designate which maturities of Reoffered Bonds are to be redeemed. If less than all the Reoffered Bonds of a Series maturing by their terms on any one date are to be redeemed at any one time, the Trustee shall select the Bonds of such maturity date to be redeemed in any manner that it deems appropriate and fair. DTC's practice is to determine by lot the amount of the interest of each DTC Direct Participant in each Series or subseries to be redeemed. For purposes of such selection, the Reoffered Bonds of a Series shall be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed. The Authority may designate the Sinking Fund Installments, or portions thereof, that are to be reduced as a result of such redemption.

Notice of Redemption. Each notice of redemption is to be mailed by the Trustee not less than 30 nor more than 60 days prior to the redemption date to 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 Reoffered Bonds will be governed by arrangements among them, and the Authority 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. Any notice of optional redemption of the Reoffered Bonds may be conditional and if any condition stated in the notice of redemption is not satisfied on or prior to the redemption date, said notice will be of no force and effect and the Authority will not redeem such Reoffered Bonds. The Trustee will within a reasonable time thereafter give notice, to the persons and in the manner in which the notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled.

In addition, the Authority may, at its option, prior to the date fixed for redemption in any notice of redemption, rescind and cancel such notice of redemption by Written Request of the Authority to the Trustee, and the Trustee is to mail notice of such cancellation to DTC.

Any optional redemption of the Reoffered Bonds and notice thereof will be rescinded and cancelled 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 and interest due on the Reoffered 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 Reoffered Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice the Reoffered 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. Thereafter, interest on such Reoffered Bonds shall cease to accrue, and said Reoffered Bonds (or portions thereof) shall cease to be entitled to any benefit or security under the Indenture.

Interest Rate Determination Methods

General. From the Conversion Date until the end of the respective Term Rate Period or Index Rate Period shown in the SUMMARY OF REOFFERING, the 2006 Reoffered Bonds will bear interest at a Term Rate and the 2008 Reoffered Bonds will bear interest at an Index Rate. The Authority has the right to change the Interest Rate Determination Method for all (but not less than all) of any Series of the Reoffered Bonds to a different Interest Rate Determination Method (which may be the Daily Rate, the Weekly Rate, the Commercial Paper Rate, the Term Rate or the Fixed Rate for all Reoffered Bonds, the Auction Rate (2006 Reoffered Bonds only) and the Index Rate (2008 Reoffered Bonds only). See "–Conversion of Interest Rate Determination Method" below.

Each Series of the Reoffered Bonds will initially have a remarketing agent, each of which is referred to herein as "Remarketing Agent" and collectively as "Remarketing Agents." See "REMARKETING AGENTS." The 2008 Reoffered Bonds will also have an Index Agent, which initially will be the Trustee.

The Reoffered Bonds are not subject to tender for purchase and remarketing at the option of the Owner or Beneficial Owners of such Reoffered Bonds. The Reoffered Bonds are subject to mandatory tender for purchase as described below under "—Mandatory Tender Provisions." There is no Credit Support Instrument for any of the Reoffered Bonds.

2006 Reoffered Bonds Term Rate. The day following the last day of the reoffered Term Rate Period for each Series of the Reoffered Bonds is shown in the SUMMARY OF REOFFERING. So long as the 2006 Reoffered Bonds are in the reoffered Term Rate Period and until conversion to another Interest Rate Determination Method or the establishment of a new Term Rate Period and a new Term Rate, each Series of the 2006 Reoffered Bonds will bear interest at the reoffered Term Rate for such Series shown in the SUMMARY OF REOFFERING.

The Authority selects the duration of each Term Rate Period for each Series of 2006 Reoffered Bonds. Each Term Rate Period for the 2006 Reoffered Bonds commences on the Term Rate Conversion Date and ends on a day that precedes a Business Day selected by the Authority that is a minimum of 180 days after the Term Rate Conversion Date, but in no event later than the maturity date of the 2006 Reoffered Bonds. Upon such selection, such Business Day will be an Interest Payment Date for such Series of 2006 Reoffered Bonds.

The duration of the Term Rate Period and the Stepped Rate (defined below) to be applicable to such 2006 Reoffered Bonds should insufficient funds be available for their purchase at the end of such

Term Rate Period, shall be as specified in the Pricing Notice given with respect to the Conversion of each Series of 2006 Reoffered Bonds to the reoffered Term Rate Period or with respect to any new Term Rate and Term Rate Period for such Series of 2006 Reoffered Bonds then bearing interest at a Term Rate. See "Term Rate Continuation" and "Insufficient Funds; Stepped Rate" below.

With respect to each Term Rate Period, the applicable Remarketing Agent will set the Term Rate for the Reoffered Bonds by 5:00 p.m., New York City time, on the applicable Term Rate Computation Date. Each Term Rate is the rate of interest that, if borne by such Reoffered Bonds in such Term 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 Reoffered Bonds for which the Term 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 Reoffered Bonds for which the Term Rate is to be determined, be the lowest interest rate that would enable such Remarketing Agent to place such Reoffered Bonds at a price of par on the first day of such Term Rate Period.

Term Rate Continuation. As of the day following the last day of a Term Rate Period for any Series of 2006 Reoffered Bonds, unless the Authority has given a Conversion Notice with respect to the Conversion of such Series of 2006 Reoffered Bonds to another Interest Rate Determination Method, the Authority may establish a new Term Rate Period and Term Rate for such Series of 2006 Reoffered Bonds with such right to be exercised by delivery of a written notice (a "Term Rate Continuation Notice") to the Trustee, the Remarketing Agent and the Credit Provider (if any) for such Series of 2006 Reoffered Bonds no less than 31 days prior to the effective date of the new Term Rate Period. **There is no Credit Provider for any of the 2006 Reoffered Bonds during the reoffered Term Rate Period**.

The Authority must also deliver a Pricing Notice to the Trustee no later than two Business Days prior to the effective date of the new Term Rate Period, which must specify: (1) the duration of the Term Rate Period, (2) the optional redemption provisions applicable to such 2006 Reoffered Bonds during such Term Rate Period, if any, and (3) the Stepped Rate to be applicable to such 2006 Reoffered Bonds bearing interest at the Term Rate upon any failure to remarket such Bonds at the end of such Term Rate Period. See "Insufficient Funds; Stepped Rate" below.

Upon receipt of a Term Rate Continuation Notice from the Authority, and in any event not less than 30 days prior to the first day of the proposed Term Rate Period, the Trustee will give notice by first-class mail to the Owners of the affected Series of Reoffered Bonds which notice will state in substance:

– that a new Term Rate Period and Term Rate is to be established for such Series of Reoffered Bonds on the applicable Term Rate Conversion Date if the conditions specified in the Indenture (and generally described in such notice) are satisfied on or before such date;

– the first day of the new Term Rate Period;

– that a new Term Rate Period and Term Rate for such Series of Reoffered Bonds will not be established unless an Opinion of Bond Counsel is delivered to the Trustee on (and as of) the first day of the new Term Rate Period and all such Series of Reoffered Bonds are successfully remarketed in the new Term Rate Period and at the new Term Rate on the first day thereof;

– the CUSIP numbers or other identification information of such Series of Reoffered Bonds;

– that all affected Reoffered Bonds are subject to mandatory tender for purchase on the first day of the new Term Rate Period at the purchase price of 100% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the first day of the new Term Rate Period (the "Purchase Price"); and

– that, to the extent that there shall be on deposit with the Trustee on the first day of the new Term Rate Period an amount of money sufficient to pay the Purchase Price thereof, all such affected Reoffered Bonds not delivered to the Trustee on or prior to such date will be deemed to have been properly tendered for purchase and will cease to constitute or represent a right on behalf of the Owner thereof to the payment of principal thereof or interest thereon and will represent and constitute only the right to payment of the Purchase Price on deposit with the Trustee, without interest accruing thereon after such date.

Limitations on the Establishment of New Term Rates and New Term Rate Periods. Any establishment of a new Term Rate and Term Rate Period for any Series of the Reoffered Bonds must comply with the following:

– the first day of such new Term Rate Period must be an Interest Payment Date on which such Series of Reoffered Bonds are subject to mandatory tender pursuant to the applicable provisions of the Indenture;

– the first day of such new Term Rate Period must be a Business Day;

– the Credit Support Instrument (if any) for such Series of Reoffered Bonds after the establishment of a new Term Rate and Term Rate Period must cover: accrued interest (computed at the new Term Rate then in effect on the basis of a 360 day year of twelve 30-day months) for the maximum number of days between Interest Payment Dates permitted under the Term Rate, plus such additional number of days, if any, as shall be required by each Rating Agency then rating such Series of Reoffered Bonds; and

– no new Term Rate shall become effective unless an Opinion of Bond Counsel is delivered on (and as of) the first day of the new Term Rate Period and all such Outstanding Reoffered Bonds of such Series are successfully remarketed in the new Term Rate Period at the new Term Rate on the first day of the new Term Rate Period.

End of Term Rate. In the event the Authority has not given a Term Rate Continuation Notice or a Conversion Notice with respect to a Series of 2006 Reoffered Bonds bearing interest at a Term Rate at the time required, or if the conditions to the effectiveness of a new Term Rate Period and new Term Rate or the conditions to Conversion to another Interest Rate Determination Method are not satisfied, including as a result of the Remarketing Agent failing to establish a Term Rate or failing to remarket all such 2006 Reoffered Bonds at the new Term Rate, then on the day following the last day of the current Term Rate Period, a Weekly Rate Period shall automatically commence for such Series of Reoffered Bonds; provided that unless a Credit Support Instrument is in effect with respect to any such 2006 Reoffered Bonds, such 2006 Reoffered Bonds shall not be subject to optional tender by the Owners thereof and shall bear interest at the Stepped Rate. See "Insufficient Funds; Stepped Rate" below.

There is no Credit Support Instrument for any of the 2006 Reoffered Bonds during the Term Rate Period. Any failure to remarket any Series of 2006 Reoffered Bonds at a new Term Rate or to convert any Series of 2006 Reoffered Bonds to another Rate Period does not constitute an event of default under the Indenture.

2008 Reoffered Bonds Index Rate. Until such time as the 2008 Reoffered Bonds are successfully converted to another Interest Rate Determination Method, such 2008 Reoffered Bonds will bear interest at the Index Rate determined by the Index Agent. The initial Index Rate for each Index Rate Period with respect to a 2008 Reoffered Bond shall apply to the period commencing on the first day of such Index Rate Period and ending on the day immediately prior to the first Interest Payment Date and thereafter, each Index Rate shall apply to the period commencing on and including an Interest Payment Date (whether or not a Business Day) to but not including the following Interest Payment Date.

The duration of the Index Rate Period, the Stepped Rate to be applicable to such 2008 Reoffered Bonds should insufficient funds be available for their purchase at the end of such Index Rate Period, the next Purchase Date, the Index Rate Index, the frequency with which the Index Rate will be recalculated, the Interest Payment Dates applicable to the 2008 Reoffered Bonds and any alternative Index Rate Determination Dates shall be as specified in the Pricing Notice given with respect to the Conversion of such 2008 Reoffered Bonds to the Index Rate Period or with respect to any new Index Rate and Index Rate Period for any Reoffered Bonds then bearing interest at an Index Rate. See "Index Rate Continuation" and "Insufficient Funds; Stepped Rate" below.

Determination of Applicable Spread. The Index Rate for the 2008 Reoffered Bonds will be based on the Index Rate Index, which must be designated by the Authority not less than five Business Days prior to the Conversion Date or Purchase Date. The Index Rate Index for the initial Index Rate Period is 67% of Three-Month LIBOR Rate. The Remarketing Agent determines the Applicable Spread to be used in calculating the Index Rate on or before the Index Rate Determination Date preceding the Conversion Date or Purchase Date. The "Applicable Spread" will be the amount that, when added to or subtracted from the Index Rate Index, will result in the minimum Index Rate that, in the judgment of the Remarketing Agent under then-existing market conditions, will result in the remarketing of such 2008 Reoffered Bonds on their Conversion Date or Purchase Date at a price equal to 100% of the principal amount thereof. The Remarketing Agent for the 2008 Reoffered Bonds has determined the Applicable Spread for the Index Rate Period ending August 1, 2017 is 0.80%. The day following the last day of the Index Rate Period is an Interest Payment Date and a date the Authority may designate as a Conversion Date to another Interest Rate Determination Method. See "—Conversion of Interest Rate Determination Method" below.

Calculation of Index Rate. The Index Rate for the 2008 Reoffered Bonds will be calculated on each Index Rate Determination Date (preceding the date on which such Index Rate is to become effective) and will be equal to: (A) the Index Rate Index on the Index Rate Determination Date, plus (B) the Applicable Spread that was determined by the Remarketing Agent as described above, and such Index Rate will be rounded to the nearest one hundred thousandth of one percent (0.00001%). The initial Index Rate shall apply to the period commencing on the Conversion Date or the Purchase Date and ending on the day immediately prior to the first Interest Payment Date and may be calculated by the Remarketing Agent, with the approval of the Authority, on any Business Day not more than sixty (60) Business Days nor less than two (2) Business Days prior to such Conversion Date; and thereafter, each Index Rate, as determined above by the Index Agent, shall apply to the period commencing on and including an Interest Payment Date (whether or not a Business Day) to but not including the following Interest Payment Date (each an "Index Rate Interest Accrual Period"). The Index Agent will furnish the Index Rate to the Trustee (if the Trustee is not also the Index Agent) and the Authority by Electronic means no later than the Business Day next succeeding each Index Rate Determination Date. Upon the request of an Owner, the Trustee shall confirm by Electronic means the Index Rate then in effect. Alternatively, the Trustee may make such information available by readily accessible Electronic means.

The determinations of the initial Index Rate and all subsequent Index Rates shall be conclusive and binding upon the Authority, the Trustee, the Remarketing Agent, the Index Agent and the Owners.

Index Rate Continuation. On any date 2008 Reoffered Bonds in an Index Period are subject to optional redemption, or as of the Purchase Date of any 2008 Reoffered Bonds in an Index Rate Period, unless the Authority has given a Conversion Notice with respect to the Conversion of the 2008 Reoffered Bonds to another Interest Rate Determination Method, the Authority may establish a new Index Rate Period for such 2008 Reoffered Bonds by delivery of a written notice (an "Index Rate Continuation Notice") to the Trustee, the Index Agent (if the Trustee is not the Index Agent), and the Remarketing Agent for such 2008 Reoffered Bonds no less than 35 Business Days prior to the effective date of the new Index Rate Period.

The Conversion Notice and the Index Rate Continuation Notice must contain: (1) the proposed Conversion Date; (2) the new Interest Rate Determination Method to take effect; (3) whether any Credit Support Instrument then in effect will remain in effect and, if applicable, the terms upon which the Owners of such 2008 Reoffered Bonds shall have the option to tender such 2008 Reoffered Bonds for purchase during the new Interest Rate Determination Method; (4) if a new Credit Support Instrument will be in effect for such 2008 Reoffered Bonds after the proposed Conversion Date, the form and terms of such Credit Support Instrument for such 2008 Reoffered Bonds; and (5) if the Conversion is to the Fixed Rate, the redemption dates and redemption prices applicable to such Fixed Rate Period.

The Authority will also deliver a Pricing Notice to the Trustee no later than five Business Days prior to the effective date of the new Index Rate Period. The Pricing Notice delivered in connection with a Conversion to or continuation of an Index Rate must specify: (1) the duration of the Index Rate Period, (2) the optional redemption provisions applicable to such 2008 Reoffered Bonds during such Index Rate Period, if any, (3) the Stepped Rate to be applicable to such 2008 Reoffered Bonds should insufficient funds be available to purchase such bonds at the end of such Index Rate Period, (4) the proposed next Purchase Date, if any, (5) the Index Rate Index, if other than 67% of the Three-Month LIBOR Rate, (6) the frequency with which the Index Rate shall be recalculated, (7) the proposed Interest Payment Dates applicable to such 2008 Reoffered Bonds while bearing interest in an Index Rate Period, and (8) alternative Index Rate Determination Dates, if any.

The first day of such new Index Rate Period shall be a Purchase Date on which such 2008 Reoffered Bonds are subject to optional redemption or to mandatory tender pursuant to the applicable provisions of the Indenture. Each such 2008 Reoffered Bond will be subject to mandatory tender on the first day of such new Index Rate Period for purchase at its Purchase Price. No new Index Rate Period shall become effective unless an Opinion of Bond Counsel delivered on (and as of) the first day of the new Index Rate Period and unless all such Outstanding 2008 Reoffered Bonds are successfully remarketed in the new Index Rate Period at the new Index Rate on the first day of the new Index Rate Period.

Notice to Owners. Not less than 30 days prior to the first day of the proposed new Index Rate Period, the Trustee must give notice by first-class mail to the Owners of the affected 2008 Reoffered Bonds, the Index Agent (if the Trustee is not the Index Agent) and the Remarketing Agent, which notice will (1) state in substance that a new Index Rate Period is to be established for such 2008 Reoffered Bonds on the applicable Index Rate Conversion Date if the conditions specified in the Indenture (and generally described in such notice) are satisfied on or before such date, (2) state that a new Index Rate Period shall not be established unless an Opinion of Bond Counsel is delivered to the Trustee on (and as of) the first day of the new Index Rate Period and all such 2008 Reoffered Bonds are successfully remarketed in the new Index Rate Period and at the new Index Rate on the first day thereof.

End of Index Rate. In the event the Authority has not given an Index Rate Continuation Notice or a Conversion Notice with respect to 2008 Reoffered Bonds bearing interest at an Index Rate at the time required, or if the conditions to the effectiveness of a new Index Rate Period and new Index Rate or the conditions to Conversion to another Interest Rate Determination Method are not satisfied, then on the day following the last day of the current Index Rate Period, a Weekly Rate Period shall automatically commence for such 2008 Reoffered Bonds, provided that, unless a 2008-1 Liquidity Instrument is in effect with respect to such 2008 Reoffered Bonds, such 2008 Reoffered Bonds shall not be subject to optional tender and such 2008 Reoffered Bonds shall bear interest at a rate of interest equal to the Stepped Rate until they are successfully remarketed.

The 2008 Reoffered Bonds will not have a 2008-1 Liquidity Instrument in effect on the Conversion Date. Any failure to remarket all such 2008 Reoffered Bonds at a new Index Rate or to convert any such 2008 Reoffered Bonds to another Rate Period does not constitute an Event of Default under the Indenture. See "Insufficient Funds; Stepped Rate" below.

Insufficient Funds; Stepped Rate

For any Series of Reoffered Bonds bearing interest in an Index Rate Period or a Term Rate Period and not supported by a Credit Support Instrument, if sufficient funds are not available for the purchase of all Reoffered Bonds of such Series tendered or deemed tendered and required to be purchased on any Purchase Date, all Reoffered Bonds of such Series shall automatically convert to a Weekly Rate Period and bear interest at a rate of interest equal to the Stepped Rate (defined below) from the date of such failed purchase (the "Failed Tender Date") until all such Reoffered Bonds are purchased, and all tendered Reoffered Bonds of such Series shall be returned to their respective Owners. No Opinion of Bond Counsel shall be required in connection with this automatic adjustment to a Weekly Rate Period. Such failed purchase and return shall not constitute an Event of Default. In addition, the Remarketing Agent shall remain obligated to remarket such Series of Reoffered Bonds and such Series of Reoffered Bonds shall remain subject to optional and mandatory redemption, mandatory tender for purchase, and Conversion as provided in the Indenture. **None of the Reoffered Bonds will be supported by a Credit Support Instrument or Liquidity Instrument following the remarketing**.

The Stepped Rate applicable to any Series of Reoffered Bonds shall be calculated by the Trustee or the Index Agent on any Failed Tender Date with respect to such Series of Reoffered Bonds for the period from and including the Failed Tender Date to but excluding the earlier of (x) the date all Reoffered Bonds of such Series are purchased as required in accordance with the Indenture, and (y) the ninetieth (90^{th}) day following the Failed Tender Date. As applicable, on the Business Day immediately preceding the ninetieth (90^{th}) day following the Failed Tender Date, a new Stepped Rate shall be calculated by the Trustee or the Index Agent with respect to such Series of Reoffered Bonds for the period from and including the ninetieth (90^{th}) day following the Failed Tender Date to but excluding the earlier of (x) the date all Reoffered Bonds of such Series are purchased as required in accordance with the Indenture, and (y) the one hundred eightieth (180^{th}) day following the Failed Tender Date. As applicable, on the Business Day immediately preceding the one hundred eightieth (180^{th}) day following the Failed Tender Date, a new Stepped Rate shall be set by the Trustee or the Index Agent with respect to such Series of Reoffered Bonds for the period from and including the one hundred eightieth (180^{th}) day following the Failed Tender Date to but excluding the date all Reoffered Bonds of such Series are purchased as required in accordance with the Indenture.

"Stepped Rate" means the rate or rates of interest applicable with respect to any Series of Bonds should insufficient funds be available to purchase such Bonds in connection with a mandatory tender at the end of an Index Rate Period or a Term Rate Period during which such Series of Bonds is not supported by a Liquidity Instrument, as specified by the Authority in the Pricing Notice delivered in connection with the Conversion of such Series of Bonds to a Term Rate Period or an Index Rate Period or with the continuation of a Term Rate Period or Index Rate Period with respect to such Series of Bonds pursuant to the terms of the Indenture. If no Stepped Rate was specified in the Pricing Notice relating to the expiring Term Rate Period or Index Rate Period for such Series of Bonds, the Stepped Rate shall be (a) for the period from and including the Failed Tender Date to but excluding the ninetieth (90^{th}) day thereafter, a per annum interest rate equal to the Stepped Rate Index plus 2.50%; (b) for the period from and including the ninetieth (90^{th}) day after the Failed Tender Date to but excluding the one hundred eightieth (180^{th}) day after the Failed Tender Date, a per annum interest rate equal to the greater of (P) the Stepped Rate Index plus 5.00% or (Q) 7.50%; and (c) thereafter, the Maximum Interest Rate; provided that if the rates specified in either (a) or (b) above are less than the rate of interest applicable to such Series of Bonds on the Business Day prior to the Failed Tender Date, the Stepped Rate for the specified period shall be the rate of interest applicable to such Series of Bonds on the Business Day prior to the Failed Tender Date. Notwithstanding anything to the contrary in this definition or the Indenture, the Stepped Rate shall never exceed twelve percent (12%) per annum.

"Stepped Rate Index" means an index specified by the Authority in the Pricing Notice delivered in connection with the Conversion of such Series of Reoffered Bonds to a Term Rate Period or an Index Rate Period or with the continuation of a Term Rate Period or Index Rate Period with respect to such Series of Reoffered Bonds pursuant to the terms of the Indenture. If no Stepped Rate Index was specified in the Pricing Notice relating to the expiring Term Rate Period or Index Rate Period for such Series of Reoffered Bonds, the Stepped Rate Index shall be 67% of the Three-Month LIBOR Rate or, if the Three-Month LIBOR Rate is not available, 67% of the Treasury Rate. In its Pricing Notices for the Reoffered Bonds, the Authority specified that the Stepped Rate Index will be the SIFMA Swap Index.

"Failed Tender Date" means, for any Series of Bonds bearing interest at a Term Rate or an Index Rate, the date on which insufficient funds are available for the purchase of all Bonds of such Series tendered or deemed tendered and required to be purchased at the end of the Term Rate Period or Index Rate Period as described in the Indenture.

"Three-Month LIBOR Rate" means the rate for deposits in U.S. dollars with a three-month maturity that appears on Reuters Screen LIBOR01 Page (or such other page as may replace that page on that service, or such other service as may be nominated by the British Bankers Association, for the purpose of displaying London interbank offered rates for U.S. dollar deposits) as of 11:00 a.m., London time, on the Index Rate Determination Date, except that, if such rate does not appear on such page on the Index Rate Determination Date, the Three Month LIBOR Rate means a rate determined on the basis of the rates at which deposits in U.S. dollars for a three-month maturity and in a principal amount of at least U.S. $1,000,000 are offered at approximately 11:00 a.m., London time, on the Index Rate Determination Date, to prime banks in the London interbank market by three major banks in the London interbank market (herein referred to as the "Reference Banks") selected by the Index Agent (provided, however, that if the Index Agent is the Trustee, the Trustee may appoint an agent to identify such Reference Banks). The Index Agent is to request the principal London office of each of such Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the Three Month LIBOR Rate will be the arithmetic mean of such quotations. If fewer than two quotations are provided, the Three Month LIBOR Rate will be the arithmetic mean of the rates quoted by three (if three quotations are not provided, two or one, as applicable) major banks in New York City, selected by the Index Agent, at approximately 11:00 a.m., New York City time, on the Index Rate Determination Date for loans in U.S. dollars to leading European banks in a principal amount of at least U.S. $1,000,000 having a three-month maturity. If none of the banks in New York City selected by the Index Agent is then quoting rates for such loans, then the Three Month LIBOR Rate for the ensuing interest period will mean the Three Month LIBOR Rate then in effect in the immediately preceding Index Rate Interest Accrual Period.

"Treasury Rate" means the interest rate applicable to 13-week United States Treasury bills determined by the Remarketing Agent on the basis of the average per annum discount rate at which such 13-week Treasury bills have been sold at the most recent Treasury auction.

"SIFMA Swap Index" means, on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by the Securities Industry & Financial Markets Association (formerly the Bond Market Association) ("SIFMA") or any person acting in cooperation with or under the sponsorship of SIFMA.

Conversion of Interest Rate Determination Method

Right of Conversion. The Interest Rate Determination Method for each Series of the Reoffered Bonds is subject to conversion from one Interest Rate Determination Method to another from time to time at the option of the Authority, with such right to be exercised by delivery of a Conversion Notice to the Trustee and the Remarketing Agent for such Series. Upon receipt of a Conversion Notice from an Authorized Representative, as soon as possible, but in any event not less than 30 days prior to the proposed Conversion Date, the Trustee is to give notice by first-class mail to the Owners of the affected Series of the Reoffered Bonds in accordance with the Indenture. The Indenture provides that such notice may be rescinded prior to the effective date of the Conversion. See APPENDIX A – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE – THE INDENTURE – Conversion of Interest Rate Determination Method" in the Information Statement.

Failure to Convert. The Indenture includes provisions setting forth the procedures and conditions for the exercise by the Authority of its right of conversion of the Reoffered 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 the Owners of the Reoffered Bonds, all Reoffered Bonds must be tendered for purchase. See "–Mandatory Tender Provisions" below. See "–Funding Mandatory Tenders of Reoffered Bonds" below concerning payment for Reoffered Bonds so tendered for purchase.

The Indenture provides that a failed conversion of the 2006 Reoffered Bonds from a Term Rate to another Interest Rate Determination Method or to a new Term Rate means that such 2006 Reoffered Bonds will bear interest at the Stepped Rate described above.

The Indenture provides that a failed conversion of the 2008 Reoffered Bonds from an Index Rate to another Interest Rate Determination Method or to a new Index Period means that such 2008 Reoffered Bonds will bear interest at the Stepped Rate described above.

In addition, the Remarketing Agent shall remain obligated to remarket such Series of Reoffered Bonds and such Series of Reoffered Bonds shall remain subject to optional and mandatory redemption, mandatory tender for purchase, and Conversion as provided in the Indenture.

Mandatory Tender Provisions

The Reoffered Bonds 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) to a new Interest Rate Determination Method specified in a Conversion Notice as described above under "Conversion of Interest Rate Determination Method."

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

Funding Mandatory Tenders of Reoffered Bonds

The Authority expects funds to be made available to purchase Reoffered Bonds tendered for purchase pursuant to the mandatory tender provisions described above by having the applicable Remarketing Agents remarket the tendered Reoffered Bonds and having the proceeds applied to purchase the tendered Reoffered Bonds. See "REMARKETING AGENTS."

The Authority is not obligated to provide any other funds for the purchase of the Reoffered Bonds other than remarketing proceeds and can give no assurance that sufficient remarketing proceeds will be available to pay the Reoffered Bonds upon mandatory tender. The Indenture provides that if sufficient funds are not available for the purchase of any Series of Reoffered Bonds tendered for purchase pursuant to the mandatory tender provisions described above, such Series of Reoffered Bonds shall bear interest at the Stepped Rate. See "Insufficient Funds; Stepped Rate."

If such remarketing of the Reoffered Bonds is not successful, other potential sources of payment, which the Authority, in its sole discretion, may apply to the payment of the Purchase Price of any Series of the Reoffered Bonds include bridge toll revenues and unencumbered funds of the Authority. Principal of and accrued and unpaid interest on the Reoffered Bonds are payable from Revenue on a parity with the Authority's other Outstanding Senior Bonds issued under the Indenture and any Additional Senior Bonds and Senior Parity Obligations that may hereafter be issued by the Authority in accordance with the Indenture. See APPENDIX A – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE – THE SENIOR INDENTURE – Additional Senior Bonds; Subordinate Obligations" in the Information Statement.

Mechanics and Timing of Mandatory Tenders

The mechanics and timing of delivery and payment for Reoffered Bonds tendered for purchase are addressed in the Indenture. See APPENDIX A – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE – THE SENIOR INDENTURE – Mechanics of Optional and Mandatory Tenders" in the Information Statement.

Mandatory Tender for Authority Purchase of Reoffered Bonds at Election of Authority

The Reoffered Bonds are also subject to mandatory tender for purchase by the Authority, in whole or in part (in Authorized Denominations), on any date such Reoffered Bonds would be subject to optional redemption (each, an "Optional Purchase Date") at a purchase price, with respect to the Reoffered Bonds, equal to the principal amount of such Reoffered Bonds to be purchased on the Optional Purchase Date, plus accrued interest to the Optional Purchase Date. See "DESCRIPTION OF THE REOFFERED BONDS – Redemption Terms of the Reoffered Bonds – *Optional Redemption* (in each case, the "Optional Purchase Price"). In the event that the Authority determines to purchase any Reoffered Bonds on any Optional Purchase Date, the Authority will provide the Trustee with written notice of such determination at least 45 days prior to the Optional Purchase Date, which notice will specify the principal amount of the Reoffered Bonds of each maturity that are to be purchased and the Optional Purchase Date on which such purchase is to occur.

When the Trustee receives notice from the Authority of its determination to purchase Reoffered Bonds pursuant the provisions described above, the Trustee shall give notice to the Owners of the Reoffered Bonds and the applicable Remarketing Agent, in the name of the Authority, of the mandatory tender for purchase such Reoffered Bonds, which notice shall be mailed, by first class mail, postage prepaid, not more than 60 nor less than 30 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 Reoffered Bonds and failure 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 Reoffered 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 Reoffered Bonds will be governed by arrangements among them, and the Authority and the Trustee will not have any responsibility or obligation to send any notice to Beneficial Owners of Reoffered Bonds.

If less than all of the Reoffered Bonds are to be called for mandatory tender at the election of the Authority, the Authority may select the principal amount and maturity of such Reoffered Bonds to be purchased at its sole discretion. If less than all of the Reoffered 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 Reoffered Bonds to be tendered. For purposes of such selection, the Reoffered Bonds 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 Reoffered Bonds as described in the preceding paragraph, the Authority has not deposited with the Trustee an amount sufficient to pay the full Optional Purchase Price of such Reoffered 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 Reoffered 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 Authority shall not be required to purchase such Reoffered Bonds.

REMARKETING AGENTS

The Authority has entered into a Remarketing Agreement covering each Series of the Reoffered Bonds with the Remarketing Agent and Co-Remarketing Agents for such Series as shown in the SUMMARY OF REOFFERING following the cover page. Each Remarketing Agent and Co-Remarketing Agent will undertake, among other things, to use its best efforts to remarket Reoffered Bonds of the Series assigned to it that are tendered for purchase. The Authority 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 Authority expects to appoint a replacement remarketing agent in accordance with the Indenture. Each Remarketing Agent and Co-Remarketing Agent will receive a fee for its remarketing services as described under the caption "REMARKETING."

SUMMARY OF FINANCING PLAN

Reoffering

The Authority is converting the 2006 Reoffered Bonds from a Weekly Rate to a Term Rate and the 2008 Reoffered Bonds from a Weekly Rate to an Index Rate to reduce the Authority's use of Letters of Credit needed to support optional tenders by Owners of Bonds bearing interest at a Weekly Rate.

Outstanding Senior Bonds and Senior Obligations

The Authority has outstanding bonds secured by a pledge of Revenue that is on parity with the pledge of Revenue securing the Reoffered Bonds (the "Senior Bonds") in the aggregate principal amount of $5,519,440,000 comprised of $1,457,760,000 aggregate principal amount of Variable Rate Bonds, including the Reoffered Bonds, and $4,061,680,000 aggregate principal amount of fixed rate bonds. The Authority also has outstanding interest rate swaps in the aggregate notional amount of $1,927,345,000, the scheduled payments on which are on a parity with the Senior Bonds. Any swap termination payments are subordinate to the Senior Bonds. See APPENDIX III – "PROJECTED DEBT SERVICE SCHEDULE" to this Supplement No. 1, and the information in the Information Statement under the caption "OTHER AUTHORITY OBLIGATIONS" and in APPENDIX D – "OUTSTANDING OBLIGATIONS" to the Information Statement.

The Variable Rate Bonds other than the Reoffered Bonds will be paid as to principal and interest from draws on the Letters of Credit, the proceeds of which will be segregated from other funds. The reimbursement obligations created by draws on the Letters of Credit, including draws to purchase such Variable Rate Bonds, will also be Parity Obligations to the Senior Bonds. In the event the Trustee does not have sufficient funds on hand in the Bond Fund to pay the principal of and interest on Senior Bonds and amounts due on Parity Obligations when due, the Trustee shall notify the Authority as promptly as practicable of the shortfall and apply the funds it has on hand in the Bond Fund and any additional funds received from the Authority for deposit in the Bond Fund to pay such Senior Bonds and Parity Obligations on a pro rata basis based on the respective amounts then known to the Trustee to be due on such Senior Bonds and Parity Obligations.

Outstanding Subordinate Bonds

The Authority also has outstanding $2,385,000,000 aggregate principal amount of fixed rate bonds secured by a pledge of Revenue that is subordinate to the pledge of Revenue securing the Reoffered Bonds (the "Subordinate Bonds"). See APPENDIX D – "OUTSTANDING OBLIGATIONS" to the Information Statement.

Anticipated Bond Issuances of the Authority

The Authority anticipates issuing additional toll bridge revenue bonds to fund capital projects under its current capital project programs. The Authority, by resolution of its governing board, has authorized the issuance of up to $1.2 billion of Senior Bonds or Subordinate Bonds for capital projects prior to December 31, 2013 and may authorize the issuance of additional Subordinate Bonds or Senior Bonds thereafter. The Authority has also authorized the issuance of refunding Bonds and the termination of existing interest rate swaps and the execution of new interest rate swaps. Toll bridge revenue bonds may be issued on a parity with the outstanding Senior Bonds under the Senior Indenture or as Subordinate Bonds under the Subordinate Indenture. Additional toll bridge revenue bonds could be issued for refunding or restructuring purposes, additional work on the Bridges or other purposes authorized by the Act.

The principal amount of additional toll bridge revenue bonds (and any senior obligations or subordinate obligations) to be issued by the Authority and the timing of any such issuance or issuances will be determined by the Authority based on the actual costs of its programs (which are subject to modification by the Authority and by state law) and the resources then available. The Act does not limit the principal amount of Authority obligations that may be issued. The Senior Indenture and the Subordinate Indenture limit the issuance of Senior Bonds, obligations of the Authority that are payable on a parity with the Senior Bonds, Subordinate Bonds, and obligations that are payable on a parity with the Subordinate Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS – Certain Provisions of the Senior Indenture – Toll Rate Covenants" and "—Additional Bonds Test" and "— Certain Provisions of the Subordinate Indenture – Toll Rate Covenant" and "—Additional Bonds Test" in the Information Statement.

Projected Revenue, Operations & Maintenance Expenses and Debt Service Coverage

The following table sets forth projected revenues and expenditures of the Authority and projected debt service coverage for its fiscal years ending June 30, 2012 through 2016.

The prospective financial information was not prepared with a view toward compliance with published guidelines of the United States Securities and Exchange Commission or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of prospective financial information.

The projections set forth below represent the Authority's forecast of future results based on information currently available to the Authority as well as estimates, trends and assumptions that are inherently subject to economic, political, regulatory, competitive and other uncertainties, all of which are difficult to predict and many of which will be beyond the control of the Authority. As a result, projected results may not be realized and actual results could be significantly higher or lower than projected. The Authority is not obligated to update, or otherwise revise the financial projections or the specific portions presented to reflect circumstances existing after the date when made or to reflect the occurrence of future events, even in the event that any or all of the assumptions are shown to be in error. The projected financial information was not prepared in accordance with generally accepted accounting principles and could differ from comparable presentations by other similar organizations.

The prospective financial information included in the Reoffering Circular has been prepared by, and is the responsibility of, the Authority's management. PricewaterhouseCoopers LLP has neither examined, compiled nor performed any procedures with respect to the accompanying prospective financial information and, accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto. The PricewaterhouseCoopers LLP report incorporated by reference into the Information Statement relates to the Authority's historical financial information. It does not extend to the prospective financial information and should not be read to do so.

PROJECTED REVENUE, OPERATIONS & MAINTENANCE EXPENSES AND DEBT SERVICE COVERAGE[1]
($ in thousands)

		Fiscal Year Ending June 30,				
		2012[2]	**2013**	**2014**	**2015**	**2016**
	Senior Obligation Debt Service					
A	Bridge Toll Revenues[3]	$624,419	$644,837	$648,061	$651,302	$654,558
B	Interest Earnings[4]	6,000	43,392	61,153	74,597	81,386
C	Other Revenues[5]	20,434	20,434	20,536	20,639	20,742
D	Total Revenue Under Senior Indenture	$650,853	$708,663	$729,751	$746,538	$756,686
E	Debt Service on Senior Bonds and Parity Obligations[6]	$284,079	$282,359	$285,086	$286,603	$293,118
F	Senior Debt Service Coverage (D/E)	2.29	2.51	2.56	2.60	2.58
	Projected Subordinate Bond Debt Service					
G	Total Revenue Under Subordinate Indenture	$650,853	$708,663	$729,751	$746,538	$756,686
H	Debt Service on Senior Bonds and Parity Obligations	284,079	282,359	285,086	286,603	293,118
I	Existing Subordinate Bond Debt Service[7]	109,700	109,700	109,700	109,700	109,700
J	Additional Subordinate Bond Debt Service[8]	–	–	40,250	71,500	71,500
K	Aggregate Debt Service	$393,779	$392,059	$435,035	$467,802	$474,317
	Gross Aggregate Debt Service Coverage (G/K)	1.65	1.81	1.68	1.60	1.60
L	Total Revenue Under Subordinate Indenture	$650,853	$708,663	$729,751	$746,538	$756,686
M	Less: Maintenance and Operations Expenses[9]	(75,918)	(81,604)	(83,041)	(84,515)	(90,127)
N	Net Available Revenue Under Subordinate Indenture	$574,935	$627,059	$646,710	$662,023	$666,559
	Net Aggregate Debt Service Coverage (N/K)	1.46	1.60	1.49	1.42	1.41

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(1) Assumes issuance of approximately $1.2 billion of additional bonds in Fiscal Years 2013-2014, as discussed above under "— Anticipated Bond Issuances of the Authority." This table does not calculate coverage ratio covenants or additional bonds tests that are discussed in the Information Statement under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS" and in "APPENDIX A – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE" and "APPENDIX B – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE."

(2) Fiscal Year 2012 information is not audited.

(3) The projected Bridge Toll Revenues assume actual Fiscal Year 2012 traffic through April of 2012 and no traffic growth from May of 2012 through Fiscal Year end 2013 and 0.50% growth annually thereafter. Increased Bridge Toll Revenues in Fiscal Year 2013 reflect phased increase in multi-axle vehicle toll rates.

(4) Assumes average interest earnings on cash balances including debt service reserve funds of 0.24% in Fiscal Year 2012, 2.08% in Fiscal Year 2013, 2.89% in Fiscal Year 2014, 3.76% in Fiscal Year 2015, and 4.64% in Fiscal Year 2016.

(5) Other Revenues include revenues from toll violations and Electronic Toll Collection Reimbursement and assume the same growth rates as toll traffic revenues.

(Footnotes continued on following page)

(6) Reflects actual interest rates for outstanding fixed rate Senior Bonds. Assumes an interest rate per annum for hedged variable rate Senior Bonds equal to the fixed rate payable under related interest rate swap arrangements. See "OUTSTANDING OBLIGATIONS" attached to the Information Statement as Appendix D. Assumes 2.12% in Fiscal Year 2012 and 2.91% for Fiscal Years 2013-2016 for unhedged variable rate bonds. Assumes the actual term rate of 1.45% through the end of the term period and then the projected Senior Bond fixed rate assumption of 5.25% from August 1, 2017 through maturity on the 2006 Series C-2, 2006 Series C-3 and 2006 Series C-4 bonds. Does not include ongoing remarketing fees, liquidity fees and any basis risk for the Senior Bonds. The annual remarketing and liquidity facility fees for Fiscal Year 2011 were $15.64 million and are expected to be $16.40 million in Fiscal Year 2012. Debt service shown is net of the 35% federal interest subsidy for bonds issued under the Build America Bond program and it is assumed that the subsidy will continue to be received throughout the life of the affected bonds.

(7) Reflects the actual interest rates for outstanding fixed rate Subordinate Bonds. Debt service shown is net of the 35% federal interest subsidy for bonds issued under the Build America Bond program and it is assumed that the subsidy will continue to be received throughout the life of the affected bonds.

(8) Assumes an issuance of $700 million in Fiscal Year 2013 and $500 million in Fiscal Year 2014 at interest rates of 5.75% and 6.25%, respectively.

(9) Includes Maintenance and Operation Expenses as defined in the Subordinate Indenture. See "APPENDIX B – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE" in the Information Statement. Assumes annual increase of 3.0%.

Source: The Authority.

The levels of traffic assumed and toll revenue projected in the foregoing are based solely upon estimates and assumptions made by the Authority. Actual levels of traffic and toll revenue will differ, and may differ materially, from the levels projected. Actual interest earnings, debt service interest rates, interest subsidy payments, swap revenues and operations and maintenance expenses could also differ materially from the forecast.

The debt service coverage ratios set forth in the foregoing table are for information purposes only. The Authority is only required to meet the coverage ratios specified in the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS – Certain Provisions of the Senior Indenture – Toll Rate Covenants" and "—Certain Provisions of the Subordinate Indenture – Toll Rate Covenant" in the Information Statement. Coverage ratios are also taken into account in determining the amount of toll bridge revenue bonds and parity obligations the Authority can issue. See "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS – Certain Provisions of the Senior Indenture – Additional Bonds Test" and "—Certain Provisions of the Subordinate Indenture – Additional Bonds Test" in the Information Statement.

RECENT DEVELOPMENTS CONCERNING THE AUTHORITY

Motor Vehicle Traffic

Total toll-paying traffic for the first eleven months of the Authority's fiscal year ended June 30, 2012 increased an estimated 1.0% from the same period in the prior fiscal year. The Authority is unable to predict whether this upward trend will continue. For more information concerning motor vehicle traffic, see "THE BRIDGE SYSTEM — Motor Vehicle Traffic" in the Information Statement.

Expansion of Board

Pursuant to Assembly Bill 57 adopted by the California legislature and signed by the Governor of California on July 13, 2012, the governing body of the Authority will expand to 21 members from the current 19 members effective January 1, 2013. One of the new members is to be appointed by the mayor of San Jose and the other new member is to be appointed by the mayor of Oakland, and in each case is to be either the mayor or a member of the respective city council. The new members will be voting members, bringing the total number of voting positions to 18 from the current 16. In addition, certain requirements regarding certain board members were added. The Bay Conservation and Development Commission ("BCDC") member must be a resident of San Francisco, a member of BCDC and be approved by the mayor of the City of San Francisco. See the information under the caption "BAY AREA TOLL AUTHORITY" in the Information Statement.

Other State Legislation

Certain state legislation opposed by the Authority failed in committees of the California legislature. Senate Bill 1545 (SB 1545) was introduced on February 24, 2012 and amended on June 26, 2012. If adopted, SB 1545 would have prohibited the Bay Area Headquarters Authority ("BAHA"), a joint exercise of powers authority of which the Authority is a member, from entering into additional contracts with respect to an office facility purchased by BAHA until a successful legal action was brought to validate (i) the statutory authority for the building purchase and (ii) the propriety of the use of Bridge toll revenues for the purchase, in the event that a California Bureau of State Audits' report (which was in process at the time of consideration and was released on August 28, 2012, as further described under the caption "—Release of Audit Report" below) does not clearly validate those actions. SB 1545 was passed by the Senate on May 10, 2012, and failed passage in the Assembly Committee on Transportation on July 2, 2012.

Senate Bill 1149 (SB 1149) was introduced on February 21, 2012, was passed by the Senate Committee on Transportation and Housing on May 8, 2012 and by the Senate Governance and Finance Committee on May 9, 2012, and was referred to the Senate Appropriations Committee on May 14, 2012. SB 1149 was withdrawn by its sponsor from the Senate Appropriations Committee and was not heard. However, the Authority cannot predict whether identical or similar legislation may be introduced in another bill in the current legislative session or in future legislative sessions. If SB 1149 were to be adopted in its current form, it would create the Bay Area Regional Commission and empower that body, among other things, to exercise a certain degree of control over both the Authority and the Metropolitan Transportation Commission and their respective finances, including potential oversight over the level and expenditure of Bridge tolls.

Release of Audit Report

On August 28, 2012, the Bureau of State Audits (the "Bureau") released the report of its audit of the BAHA's acquisition and development of a new office facility for the Authority, the Metropolitan Transportation Commission, and other public agencies, and the contribution by the Authority to BAHA of toll bridge funds for such acquisition and development. See "RELATED ENTITIES – Bay Area Headquarters Authority" in the Information Statement. The Bureau concluded in the report, among other things, that the use of toll revenues to acquire the new office facility likely was legally permissible. The Bureau also recommended that, if the State Legislature believes state law provides the Authority with too much discretion over its use of toll revenues, the Legislature should consider amending state law to more narrowly define how toll revenues that are not immediately needed for bridge maintenance or debt service may be spent or invested. The Authority cannot predict whether the Legislature will enact any legislation in response to this recommendation by the Bureau or whether any such legislation would be constitutional.

RECENT DEVELOPMENTS CONCERNING THE SEISMIC RETROFIT PROGRAM

The seismic retrofit of the Antioch Bridge was completed in mid-July 2012.

Caltrans is conducting an internal review of inspection data from roadways and bridges throughout the State, including certain of the Bridges. Computer algorithms are being used to identify inspection files with data irregularities, and then Caltrans is reviewing the identified files to determine the nature and significance of the irregularities. Caltrans expects to issue its report of the final results of this review later in 2012, after its methods and findings have been reviewed by the Seismic Safety Peer Review Panel and a panel of outside experts being assembled by the Federal Highways Administration. For further discussion of reviews of the seismic retrofit of certain of the Bridges that have been or are being conducted, see "CAPITAL PROJECTS AND FUNDING - Seismic Retrofit Program Capital Projects - *San Francisco-Oakland Bay Bridge - East Span Replacement*" in the Information Statement.

The Senate Transportation and Housing Committee (the “Committee”) held a hearing on August 14, 2012 regarding safety concerns relating to bridges in the State. Representatives of Caltrans provided testimony to the effect that the new east span of the San Francisco-Oakland Bay Bridge is seismically safe. However, members of the Committee indicated that they plan to develop a proposal for a third-party analysis of the seismic safety of the east span prior to its opening. The Authority and Caltrans cannot predict the nature, outcome or effects of any such proposal.

ABSENCE OF MATERIAL LITIGATION

There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to the knowledge of the Authority, threatened against the Authority in any way affecting the existence of the Authority or the titles of its officers to their respective offices or seeking to restrain or to enjoin the remarketing or delivery of the Reoffered Bonds, the collection or application of the Bridge Toll Revenues (as defined in the Information Statement), or the statutory lien thereon, in any way contesting or affecting the validity or enforceability of the Reoffered Bonds, the Indenture, in any way contesting the completeness or accuracy of the Reoffering Circular or the powers of the Authority with respect to the Reoffered Bonds or the Indenture, or which could, if adversely decided, have a materially adverse impact on the Authority’s financial position or the Authority’s ability to collect Bridge Toll Revenues.

TAX MATTERS

On the respective dates of issuance of the Reoffered Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, delivered an opinion with respect to the Series of Reoffered Bonds issued on such date to the effect 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 such Series of the Reoffered 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. Each of Bond Counsel’s opinions further stated that interest on the Reoffered 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 Reoffered Bonds. A complete copy of the opinions of Bond Counsel delivered at each issuance of the Reoffered Bonds is set forth in Appendix II hereto.

On the closing date for the remarketing of the Reoffered Bonds in connection with the conversion of the Interest Rate Mode to the Term Rate or Index Rate, Bond Counsel will deliver on the effective date thereof its opinion (the “Remarketing Opinion”) to the effect that such conversion and remarketing will not, in and of itself, adversely affect the exclusion from gross income of interest on the Reoffered Bonds for federal income tax purposes. The text of the Remarketing Opinion to be delivered by Bond Counsel is included as Appendix II hereto. Bond Counsel is not rendering any opinion on the current tax status of the Reoffered Bonds.

Reoffered Bonds purchased, whether at the time of conversion and remarketing or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a beneficial owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such beneficial owner. Beneficial owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Reoffered Bonds. The Authority has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Reoffered Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply or to have complied with these covenants may result in interest on the Reoffered Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Reoffered Bonds. The opinion of Bond Counsel rendered in connection with the issuance of the Reoffered Bonds assumes the accuracy of these representations and compliance with these covenants. With the exception of the matters set forth in its Remarketing Opinion, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Reoffered Bonds may adversely affect or have adversely affected the value of, or the tax status of interest on, the Reoffered Bonds. Accordingly, the opinion of Bond Counsel was and is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although the opinion Bond Counsel rendered in connection with the issuance of the Reoffered Bonds stated that interest on the Reoffered Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Reoffered Bonds may otherwise affect a beneficial owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Reoffered Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. As one example, the Obama Administration recently announced a legislative proposal which, for tax years beginning on or after January 1, 2013, generally would limit the exclusion from gross income of interest on obligations like the Reoffered Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations like the Reoffered Bonds. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Reoffered Bonds. Prospective purchasers of the Reoffered Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

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

The IRS has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the IRS, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. Bond Counsel is not obligated to defend the owners regarding the tax-exempt status of the Reoffered Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority 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 Authority legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Reoffered 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 Reoffered Bonds, and may cause the Authority or the beneficial owners to incur significant expense.

LEGAL MATTERS

Certain legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority. A complete copy of the proposed form of opinion of Bond Counsel is contained in Appendix II hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Reoffering Circular. Certain legal matters will be passed upon for the Authority by its general counsel and for the Remarketing Agents by their counsel, Nixon Peabody LLP.

RATINGS

Reoffered Bonds

Moody's Investors Service ("Moody's"), Standard & Poor's Ratings Services ("S&P") and Fitch Ratings ("Fitch") are expected to assign the long term ratings to the Reoffered Bonds shown on the SUMMARY OF REOFFERING commencing on the inside front cover of this Reoffering Circular.

Meaning of Ratings

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: Fitch Ratings, One State Street Plaza, New York, New York 10004; Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007; and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., 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. Such ratings could be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of any of such ratings may have an adverse effect on the market price of the Reoffered Bonds.

REMARKETING

In connection with the conversion of the Interest Rate Modes to a Term Rate and an Index Rate, the Reoffered Bonds are subject to a mandatory tender by the owners thereof for purchase on September 4, 2012 at a purchase price equal to the principal amount thereof. Each of the Remarketing Agents and Co-Remarketing Agents shown in the SUMMARY OF REOFFERING following the front cover of this Reoffering Circular will remarket the Reoffered Bonds for which it is the Remarketing Agent or Co-Remarketing Agent to investors effective September 4, 2012 pursuant to Remarketing Agreements between the Authority and each Remarketing Agent and the Co-Remarketing Agents. The Remarketing Agents and Co-Remarketing Agents will each receive a one-time remarketing fee of 0.375% based on the aggregate principal amount of their Series that is remarketed, plus reimbursement of certain expenses, payable on September 4, 2012.

Citigroup Global Markets Inc. has entered into a retail brokerage joint venture. As part of the joint venture, Citigroup Global Markets Inc. will distribute municipal securities to retail investors through the financial advisor network of a new broker-dealer, Morgan Stanley Smith Barney LLC. This distribution arrangement became effective on June 1, 2009. As part of this arrangement, Citigroup Global Markets Inc. will compensate Morgan Stanley Smith Barney LLC for its selling efforts in connection with its respective allocations of the Reoffered Bonds.

J.P. Morgan Securities LLC (“JPMS”), one of the Co-Remarketing Agents for the Reoffered Bonds, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of UBS Financial Services Inc. (“UBSFS”) and Charles Schwab & Co., Inc. (“CS&Co.”) for the retail distribution in the United States of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement (if applicable to this transaction), each of UBSFS and CS&Co. will purchase Reoffered Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Reoffered Bonds that such firm sells.

FINANCIAL ADVISOR

The Authority has retained Public Financial Management Inc., San Francisco, California, as financial advisor (the “Financial Advisor”) in connection with the remarketing of the Reoffered Bonds. The Financial 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 Reoffering Circular.

RELATIONSHIP OF CERTAIN PARTIES

Bank of America, N.A. is a Letter of Credit Provider and a party to the Reimbursement Agreement and has entered into Qualified Swap Agreements with the Authority. Merrill Lynch, Pierce, Fenner & Smith Incorporated is a remarketing agent for some of the Reoffered Bonds. Merrill Lynch, Pierce, Fenner & Smith Incorporated and Bank of America, N.A. are affiliated and are subsidiaries of Bank of America Corporation. Barclays Bank PLC, acting through its New York Branch, is a Letter of Credit Provider and a party to the Reimbursement Agreement. Barclays Capital Inc. is a remarketing agent for some of the Reoffered Bonds. Barclays Bank PLC and Barclays Capital Inc. are affiliated and are subsidiaries of Barclays PLC. Citibank, N.A. has entered into Qualified Swap Agreements with the Authority. Citigroup Global Markets Inc. is a remarketing agent for some of the Reoffered Bonds. Citigroup Global Markets Inc. and Citibank, N.A. are affiliated and are subsidiaries of Citigroup Inc. JPMorgan Chase Bank, National Association is a Letter of Credit Provider and a party to the

Reimbursement Agreement and has entered into Qualified Swap Agreements with the Authority. J.P. Morgan Securities LLC is a Co-Remarketing Agent for the Reoffered Bonds. J.P. Morgan Securities LLC and JPMorgan Chase Bank, National Association are affiliated and are subsidiaries of JPMorgan Chase & Co. Union Bank, N.A. is the Trustee under the Indenture. Union Bank, N.A. is also a Letter of Credit Provider. See the information under the captions "OTHER AUTHORITY OBLIGATIONS — Reimbursement Agreement" and "— Qualified Swap Agreements" in the Information Statement and in "OUTSTANDING OBLIGATIONS" in Appendix D to the Information Statement.

The Authority's capital improvement projects and related activities, including the remarketing of the Reoffered Bonds, have been made possible, in part, by hiring underwriters, remarketing agents, bond insurers, reserve surety providers, liquidity providers, letter of credit providers, trustees and interest rate swap counterparties to assist the Authority. Certain of these entities or their affiliates have and continue to participate in more than one capacity in financings for, and contractual relationships with, the Authority.

CONTINUING DISCLOSURE

"CONTINUING DISCLOSURE" in the Information Statement is hereby updated as follows: The Authority has covenanted for the benefit of the owners and beneficial owners of certain of its Bonds to cause to be provided annual reports to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website ("EMMA") for purposes of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the "Rule"), including its audited financial statements and operating and other information as described in the applicable Continuing Disclosure Agreement. Pursuant to such undertakings, the Authority will provide an annual report through EMMA not later than nine months after the end of each fiscal year of the Authority (presently June 30). The Authority has filed annual reports and material event notices as required by the Rule and its previous undertakings. However, the Authority has determined that its annual reports for the fiscal years ended June 30, 2007 through June 30, 2010 contained average toll rates on each of the Bay Area bridges rather than an update of toll rates by number of axles per vehicle. The Authority's annual report for the fiscal year ended June 30, 2011 contained the Authority's current schedule of toll rates by number of axles per vehicle. The Authority has also determined that certain of its annual reports and material event notices had not been recorded correctly by individual nine digit CUSIP numbers with respect to the Bay Area Toll Authority San Francisco Bay Area Toll Bridge Revenue Bonds, 2009 Series F-1, although such reports were timely filed with respect to the six digit base CUSIP number. All relevant reports have now been filed on EMMA with respect to the 2009 Series F-1 Bonds. The Authority has otherwise complied in all material respects with all previous undertakings with regard to providing annual reports and material event notices in accordance with the Rule.

The Authority has covenanted for the benefit of the Owners and Beneficial Owners of the Reoffered Bonds to cause to be provided annual reports to the Municipal Securities Rulemaking Board through EMMA for purposes of the Rule, including its audited financial statements and operating and other information as described in the Continuing Disclosure Agreement. Pursuant to such undertakings, the Authority will provide an annual report through EMMA not later than nine months after the end of each fiscal year of the Authority (presently June 30). A form of such Continuing Disclosure Agreement is attached hereto as Appendix IV.

MISCELLANEOUS

This Reoffering Circular is not to be construed as a contract or agreement between the Authority and holders of any of the Reoffered Bonds. All quotations from and summaries and explanations of the Indenture, 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 Reoffering Circular involving matters of opinion are intended as such and not as representations of fact.

The execution and delivery of this Reoffering Circular by an authorized officer of the Authority has been duly authorized by the Authority.

BAY AREA TOLL AUTHORITY

By: /s/ Steve Heminger
Executive Director

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APPENDIX I

BOOK-ENTRY ONLY SYSTEM

The following information concerning The Depository Trust Company ("DTC") and DTC's book-entry system has been obtained from sources that the Authority and the Remarketing Agent believe to be reliable, but neither the Authority nor the Remarketing Agent take responsibility for the accuracy thereof. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Reoffering Circular and in APPENDIX B – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE" in the Information Statement.

DTC will act as securities depository for the Reoffered Bonds. The Reoffered Bonds will be remarketed 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 Reoffered Bond certificate will be issued for each maturity of each Series of the Reoffered Bonds, in the aggregate principal amount of maturity, and will be deposited with DTC.

DTC 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 Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Reoffered 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 Reoffered 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 Reoffered Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Reoffered 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. The Authority and the Trustee will not have any responsibility or obligation to such DTC Participants or the persons for whom they act as nominees with respect to the Reoffered Bonds.

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

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

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

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

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

No Assurance Regarding DTC Practices

AS LONG AS CEDE & CO. OR ITS SUCCESSOR IS THE REGISTERED HOLDER OF THE REOFFERED BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE REGISTERED HOLDERS OF THE REOFFERED BONDS SHALL MEAN CEDE & CO., AS AFORESAID, AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE REOFFERED BONDS. ANY FAILURE OF DTC TO ADVISE ANY PARTICIPANT, OR OF ANY PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTEXT OR EFFECT WILL NOT AFFECT THE VALIDITY OR SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE REOFFERED BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE. Each person for whom a Participant acquires an interest in the Reoffered Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications to DTC, which may affect such person, forwarded in writing by such Participant and to receive notification of all interest payments.

NONE OF THE AUTHORITY, THE TRUSTEE OR THE REMARKETING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION WITH RESPECT TO THE PAYMENTS TO THE DIRECT PARTICIPANTS, ANY INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS, THE SELECTION OF THE BENEFICIAL INTERESTS IN THE REOFFERED BONDS TO BE REDEEMED IN THE EVENT OF REDEMPTION OF LESS THAN ALL REOFFERED BONDS OF A PARTICULAR MATURITY OR THE PROVISION OF NOTICE TO THE DIRECT PARTICIPANTS, ANY INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO THE REOFFERED BONDS. NO ASSURANCE CAN BE GIVEN BY THE AUTHORITY, THE TRUSTEE OR THE REMARKETING AGENT THAT DTC, DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR OTHER NOMINEES OF THE BENEFICIAL OWNERS WILL MAKE PROMPT TRANSFER OF PAYMENTS TO THE BENEFICIAL OWNERS, THAT THEY WILL DISTRIBUTE NOTICES, INCLUDING REDEMPTION NOTICES (REFERRED TO ABOVE), RECEIVED AS THE REGISTERED OWNER OF THE REOFFERED BONDS TO THE BENEFICIAL OWNERS, THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THE REOFFERING CIRCULAR.

In the event the Authority or the Trustee determines not to continue the book-entry system or DTC determines to discontinue its services with respect to the Reoffered Bonds, and the Authority does not select another qualified securities depository, the Authority shall deliver one or more Reoffered Bonds in such principal amount or amounts, in authorized denominations, and registered in whatever name or names, as DTC shall designate. In such event, transfer and exchanges of Reoffered Bonds will be governed by the provisions of the Indenture.

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APPENDIX II

PROPOSED FORMS OF OPINIONS OF BOND COUNSEL AND PRIOR OPINIONS OF BOND COUNSEL REGARDING THE REOFFERED BONDS

[Conversion Date]

Union Bank, N.A.,
as Trustee for the Bonds
San Francisco, California

Bay Area Toll Authority
San Francisco Bay Area Toll Bridge Revenue Bonds
2006 Series C-2, C-3 and C-4
(Conversion)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Bay Area Toll Authority (the "Authority") of $100,000,000 aggregate principal amount of its San Francisco Bay Area Toll Bridge Revenue Bonds, 2006 Series C-2, $25,000,000 aggregate principal amount of its San Francisco Bay Area Toll Bridge Revenue Bonds, 2006 Series C-3 and $25,000,000 aggregate principal amount of its San Francisco Bay Area Toll Bridge Revenue Bonds, 2006 Series C-4 (together, the "Bonds") issued on February 8, 2006, pursuant to a master indenture, dated as of May 1, 2001 (as amended and supplemented the "Indenture"), between the Authority and Union Bank, N.A. (formerly Union Bank of California, N.A.), as trustee (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

Pursuant to Section 39.05(b) of the Indenture, the Bonds are being converted from a Weekly Rate to a Term Rate (the "Conversion"). In connection with such Conversion, as bond counsel to the Authority, we have reviewed the Indenture, the Conversion Notice from the Authority, the related Notice of Conversion from the Trustee, certificates of the Authority, the Trustee, and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinion set forth herein.

The opinion expressed herein is based on an analysis of existing laws, regulations, rulings and court decisions and covers certain matters not directly addressed by such authorities. Such opinion may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof, and we disclaim any obligation to update this opinion. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any party other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture and the Tax Certificates (including any supplements or amendments thereto), including (without limitation) covenants and agreements compliance with which is necessary to assure that actions, omissions or events on and after the date of issuance of the Bonds have not caused and will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We have not undertaken to determine compliance with any of such covenants and agreements or any other requirements of law, and, except as expressly set forth below, we have not otherwise reviewed any actions, omissions or events occurring after the date of issuance of the Bonds or the exclusion of interest on the Bonds from gross income for federal income tax purposes. Accordingly, no opinion is expressed herein as to whether interest on the Bonds is excludable from gross income for federal income tax purposes or as to any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. Nothing in this letter should imply that we have considered or in any manner reaffirm any of the matters covered in any prior opinion we rendered with respect to the Bonds. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Reoffering Circular, dated ______, 2012, or any other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the opinion that the Conversion is authorized and permitted in accordance with the provisions of the Indenture and will not, in and of itself, adversely affect the Tax-Exempt status of the interest on the Bonds.

This opinion is furnished by us as bond counsel to the Authority solely for purposes of Section 39.05(b) of the Indenture. No attorney-client relationship has existed or exists between our firm and the Trustee in connection with the Bonds or by virtue of this opinion, and we disclaim any obligation to update this opinion. This opinion is delivered to the addressee hereof pursuant to Section 39.05(b) of the Indenture and is not to be used or relied upon for any other purpose.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

[Conversion Date]

Union Bank, N.A.,
as Trustee for the Bonds
San Francisco, California

Bay Area Toll Authority
San Francisco Bay Area Toll Bridge Revenue
Bonds
2008 Series D-1
(Conversion)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Bay Area Toll Authority (the "Authority") of $155,000,000 aggregate principal amount of its San Francisco Bay Area Toll Bridge Revenue Bonds, 2008 Series D-1 (the "Bonds") issued on June 5, 2008, pursuant to a master indenture, dated as of May 1, 2001 (as amended and supplemented the "Indenture"), between the Authority and Union Bank, N.A. (formerly Union Bank of California, N.A.), as trustee (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

Pursuant to Section 69.05(b) of the Indenture, the Bonds are being converted from a Weekly Rate to an Index Rate (the "Conversion"). In connection with such Conversion, as bond counsel to the Authority, we have reviewed the Indenture, the Conversion Notice from the Authority, the related Notice of Conversion from the Trustee, certificates of the Authority, the Trustee, and others and such other documents, opinions and matters to the extent we deemed necessary to render the opinion set forth herein.

The opinion expressed herein is based on an analysis of existing laws, regulations, rulings and court decisions and covers certain matters not directly addressed by such authorities. Such opinion may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof, and we disclaim any obligation to update this opinion. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any party other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture and the Tax Certificates (including any supplements or amendments thereto), including (without limitation) covenants and agreements compliance with which is necessary to assure that actions, omissions or events on and after the date of issuance of the Bonds have not caused and will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We have not undertaken to determine compliance with any of such covenants and agreements or any other requirements of law, and, except as expressly set forth below, we have not otherwise reviewed any actions, omissions or events occurring after the date of issuance of the Bonds or the exclusion of interest on the Bonds from gross income for federal income tax purposes. Accordingly, no opinion is expressed herein as to whether interest on the Bonds is excludable from gross income for federal income tax purposes or as to any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. Nothing in this letter should imply that we have considered or in any manner reaffirm any of the matters covered in any prior opinion we rendered with respect to the Bonds. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Reoffering Circular dated ______, 2012 or any other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the opinion that the Conversion is authorized and permitted in accordance with the provisions of the Indenture and will not, in and of itself, adversely affect the Tax-Exempt status of the interest on the Bonds.

This opinion is furnished by us as bond counsel to the Authority solely for purposes of Section 69.05(b) of the Indenture. No attorney-client relationship has existed or exists between our firm and the Trustee in connection with the Bonds or by virtue of this opinion, and we disclaim any obligation to update this opinion. This opinion is delivered to the addressee hereof pursuant to Section 69.05(b) of the Indenture and is not to be used or relied upon for any other purpose.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

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February 8, 2006

Bay Area Toll Authority
Oakland, California

Bay Area Toll Authority
San Francisco Bay Area Toll Bridge Revenue Bonds,
2006 Series A-1, 2006 Series A-2, 2006 Series A-3,
2006 Series B-1, 2006 Series B-2, 2006 Series C, 2006 Series D-1,
2006 Series D-2, 2006 Series D-3, 2006 Series E-1 and 2006 Series E-2
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Bay Area Toll Authority (the "Issuer") in connection with issuance of $1,000,000,000 aggregate principal amount of Bay Area Toll Authority San Francisco Bay Area Toll Bridge Revenue Bonds, 2006 Series A-1, 2006 Series A-2, 2006 Series A-3, 2006 Series B-1, 2006 Series B-2, 2006 Series C, 2006 Series D-1, 2006 Series D-2, 2006 Series D-3, 2006 Series E-1 and 2006 Series E-2 (collectively, the "Bonds"), issued pursuant to the provisions of Chapter 4, Chapter 4.3 and Chapter 4.5 of Division 17 of the California Streets and Highway Code and Chapter 6 of Part 1 of Division 2 of Title 5 of the California Government Code, and a Master Indenture, dated as of May 1, 2001, as previously supplemented and as supplemented by a Fifth Supplemental Indenture, dated as of February 1, 2006 (hereinafter collectively referred to as the "Indenture"), between the Issuer and Union Bank of California, N.A., as trustee (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Tax Certificate of the Issuer, dated the date hereof (the "Tax Certificate"), opinions of counsel to the Issuer and the Trustee, certificates of the Issuer, the Trustee, and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The interest rate mode on each series of the Bonds and certain agreements, requirements and procedures contained or referred to in the Indenture, the Tax Certificate and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

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The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture and the Tax Certificate, including, without limitation, covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Indenture and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the real or personal property described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such property. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement, dated February 2, 2006, or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding special obligations of the Issuer.

2. The Indenture has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Issuer.

3. Interest on the 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. Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that interest on the Bonds is included in adjusted current earnings when calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per Mary A. Collins

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June 5, 2008

Bay Area Toll Authority
Oakland, California

Bay Area Toll Authority
San Francisco Bay Area Toll Bridge Revenue Bonds,
2008 Series A-1, 2008 Series B-1, 2008 Series C-1,
2008 Series D-1, 2008 Series E-1 and 2008 Series G-1
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Bay Area Toll Authority (the "Issuer") in connection with issuance of $507,760,000 aggregate principal amount of Bay Area Toll Authority San Francisco Bay Area Toll Bridge Revenue Bonds, 2008 Series A-1, 2008 Series B-1, 2008 Series C-1, 2008 Series D-1, 2008 Series E-1 and 2008 Series G-1 (collectively, the "Bonds"), issued pursuant to a Master Indenture, dated as of May 1, 2001, as previously supplemented and as supplemented by a Tenth Supplemental Indenture, dated as of June 1, 2008 (hereinafter collectively referred to as the "Indenture"), between the Issuer and Union Bank of California, N.A., as trustee (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Tax Certificate of the Issuer, dated the date hereof (the "Tax Certificate"), opinions of counsel to the Issuer and the Trustee, certificates of the Issuer, the Trustee, and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this opinion speaks only as of its date and is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Issuer. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions referred to in the second paragraph hereof.

Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture and the Tax Certificate, including, without limitation, covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the Bonds, the Indenture and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Indenture or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement, dated May 29, 2008, or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute the valid and binding special obligations of the Issuer.

2. The Indenture has been duly executed and delivered by, and constitutes the valid and binding obligation of, the Issuer.

3. Interest on the 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. Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that interest on the Bonds is included in adjusted current earnings when calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per Mary A. Collins

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APPENDIX III

PROJECTED DEBT SERVICE SCHEDULE

The table below shows the projected annual debt service requirements (including credit provider and remarketing agent fees) for all of the Authority's outstanding Senior Bonds and Subordinate Bonds as of the date of remarketing of the Reoffered Bonds.

Fiscal Year Ending (June 30)	Outstanding Senior Debt Service(1)	Outstanding Subordinate Debt Service(1)	Outstanding Total Debt Service(1)
2012	$ 298,656,416	$ 109,699,750	$ 408,356,166
2013	294,806,465	109,699,750	404,506,215
2014	297,814,998	109,699,750	407,514,748
2015	299,292,717	109,699,750	408,992,467
2016	305,807,720	109,699,750	415,507,470
2017	305,861,951	109,699,750	415,561,701
2018	310,952,375	109,699,750	420,652,125
2019	311,563,225	109,699,750	421,262,975
2020	327,564,970	128,124,875	455,689,845
2021	327,566,751	128,868,179	456,434,930
2022	327,564,950	129,632,826	457,197,776
2023	327,566,200	130,398,279	457,964,479
2024	327,564,183	131,165,832	458,730,015
2025	327,563,513	131,935,830	459,499,343
2026	327,566,650	132,718,816	460,285,466
2027	327,563,175	133,514,619	461,077,794
2028	327,565,395	134,312,780	461,878,176
2029	327,549,371	135,123,034	462,672,405
2030	327,367,330	135,944,547	463,311,877
2031	327,175,465	136,780,738	463,956,202
2032	326,442,624	126,662,239	453,104,863
2033	325,538,255	127,476,236	453,014,490
2034	324,596,799	128,724,804	453,321,603
2035	323,614,668	129,717,872	453,332,541
2036	322,589,798	141,337,942	463,927,740
2037	321,778,515	141,842,590	463,621,105
2038	320,943,468	142,423,970	463,367,439
2039	320,072,595	142,983,684	463,056,279
2040	292,213,512	170,660,759	462,874,271
2041	292,290,129	170,342,563	462,632,692
2042	292,397,795	169,936,754	462,334,549
2043	292,539,956	169,451,473	461,991,429
2044	292,709,006	112,597,573	405,306,579
2045	292,914,872	111,307,991	404,222,864
2046	294,230,133	109,381,414	403,611,547
2047	297,921,408	159,151,483	457,072,891

(Table continued on following page)

Fiscal Year Ending (June 30)	Outstanding Senior Debt Service[(1)]	Outstanding Subordinate Debt Service[(1)]	Outstanding Total Debt Service[(1)]
2048	302,275,494	162,165,280	464,440,774
2049	308,388,243	153,065,365	461,453,608
2050	—	468,236,694	468,236,694
2051	—	306,798,131	306,798,131
TOTAL	**$11,898,391,087**	**$5,810,383,176**	**$17,708,774,263**

(1) Assumes interest rates as follows: (i) 5.095% per annum for the 2001 Series A Variable Rate Bonds (based on interest rate swap arrangements and inclusive of liquidity facility and remarketing fees); (ii) 4.6418% per annum for the 2006 Series C-1 Variable Rate Bonds (based on interest rate swap arrangements and inclusive of liquidity facility and remarketing fees); (iii) 1.45% through the end of the initial term period then 5.25% (based on projected Senior Bond fixed rate assumption) per annum thereafter for the 2006 Series C-2, C-3 and C-4 Variable Rate Bonds; (iv) the actual interest rates for the 2006 Series F Fixed Rate Bonds; (v) 4.6357% per annum for the 2007 Series A-1 (based on interest rate swap arrangements and inclusive of liquidity facility and remarketing fees); (vi) 4.636% per annum for the 2007 Series C-1 and G-1 Variable Rate Bonds (based on interest rate swap arrangements and inclusive of liquidity facility and remarketing fees); (vii) the actual interest rates for the 2007 Series F Fixed Rate Bonds; (viii) 4.6357% per annum for the 2007 Series A-2, D-2 and E-3 (based on interest rate swap arrangements and inclusive of liquidity facility and remarketing fees); (ix) 4.6264% per annum for the 2007 Series B-2 (based on interest rate swap arrangements and inclusive of liquidity facility and remarketing fees); (x) 4.6255% per annum for the 2007 Series C-2 Variable Rate Bonds (based on interest rate swap arrangements and inclusive of liquidity facility and remarketing fees); (xi) 4.6375% per annum for the 2008 Series A-1, C-1 and E-1 (based on interest rate swap arrangements and inclusive of liquidity facility and remarketing fees); (xii) 5.000% per annum for the 2008 Series B-1 (based on interest rate swap arrangements and inclusive of liquidity facility and remarketing fees); (xiii) 4.729% per annum for the 2008 Series D-1 (based on interest rate swap arrangements and an assumed 80 basis point fixed spread while in Index Mode); (xiv) 4.710% per annum for the 2008 Series G-1 Bonds (based on interest rate swap arrangements and inclusive of liquidity facility and remarketing fees); and (xv) actual interest rates on the 2008 Series F-1 Bonds, the 2009 Series F-1 Bonds, the 2009 Series F-2 Bonds, 2010 Series S-1 Bonds and the 2010 Series S-2 and S-3 Bonds. Debt service is net of the 35% federal interest rate subsidy for bonds issued under Build America Bond program.

Note: Totals may not add due to independent rounding of numbers.

APPENDIX IV

FORM OF CONTINUING DISCLOSURE AGREEMENT

$305,000,000
BAY AREA TOLL AUTHORITY
SAN FRANCISCO BAY AREA TOLL BRIDGE REVENUE BONDS
TERM RATE BONDS AND INDEX RATE BONDS (2012 REOFFERING)

$100,000,000 2006 Series C-2 Bonds	**$25,000,000 2006 Series C-3 Bonds**	**$25,000,000 2006 Series C-4 Bonds**	**$155,000,000 2008 Series D-1 Bonds**

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "**Disclosure Agreement**") is executed and delivered by the Bay Area Toll Authority (the "**Authority**") and Union Bank, N.A., as dissemination agent (the "**Dissemination Agent**") in connection with the reoffering of the Authority's $100,000,000 San Francisco Bay Area Toll Bridge Revenue Bonds, 2006 Series C-2 (the "2006 Series C-2 Bonds"), $25,000,000 San Francisco Bay Area Toll Bridge Revenue Bonds, 2006 Series C-3 (the "2006 Series C-3 Bonds") and $25,000,000 San Francisco Bay Area Toll Bridge Revenue Bonds, 2006 Series C-4 (the "2006 Series C-4 Bonds", and together with the 2006 Series C-2 Bonds and the 2006 Series C-3 Bonds, collectively, the "2006 Bonds"), and $155,000,000 San Francisco Bay Area Toll Authority Revenue Bonds, 2008 Series D-1 (the "2008 Series D-1 Bonds" and together with the 2006 Bonds, collectively, the "**Bonds**"). The Bonds are being reoffered pursuant to a Master Indenture dated as of May 1, 2001, by and between the Authority and Union Bank, N.A, as trustee (the "**Trustee**"), as supplemented and amended from time to time pursuant to its terms, including as supplemented and amended by the Eighteenth Supplemental Indenture dated as of August 1, 2012, by and between the Authority and the Trustee (collectively, the "**Indenture**").

The Authority and the Dissemination Agent covenant and agree as follows:

Section 1. Purpose of this Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Authority for the benefit of the holders and beneficial owners of the Bonds and to assist the Participating Underwriters (defined below) in complying with the Rule (defined below).

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"**Annual Report**" means any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"**Counsel**" means any nationally recognized bond counsel or counsel expert in federal securities laws.

"**Dissemination Agent**" means Union Bank, N.A., or any successor Dissemination Agent designated in writing by the Authority and which has filed with the Authority and the Trustee a written acceptance of such designation.

“**Listed Events**” means any of the events listed in Section 5(a) or (b) of this Disclosure Agreement.

“**MSRB**” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

“**Official Statement**” means the Reoffering Circular dated August __, 2012, relating to the Bonds.

“**Participating Underwriters**” means, with respect to the 2006 C-2 Bonds, Citigroup Global Markets Inc., with respect to the 2006 C-3 Bonds and the 2008 D-1 Bonds, Merrill Lynch, Pierce, Fenner & Smith Incorporated and with respect to the 2006 C-4 Bonds, Barclays Capital Inc.

“**Rule**” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Authority shall provide, or shall cause the Dissemination Agent to provide, to the MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement by not later than 270 days after the end of the Authority’s fiscal year in each year commencing with the report for fiscal year ending June 30, 2012. Not later than fifteen Business Days prior to said date, the Authority shall provide the Annual Report to the Dissemination Agent (if other than the Authority). The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may include by reference other information as provided in Section 4. If the Authority’s fiscal year changes, the Authority, upon becoming aware of such change, shall give notice of such change in the same manner as for a Listed Event under Section 5(f).

(b) If by fifteen Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Authority to determine if the Authority is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall provide to the MSRB (with a copy to the Trustee) a notice, in substantially the form attached as Exhibit A hereto.

(d) The Dissemination Agent shall, unless the Authority has done so pursuant to Section 3(a) above:

(i) Determine the then-current procedure for filing the Annual Report with the MSRB each year prior to the date for providing the Annual Report; and

(ii) If the Dissemination Agent is other than the Authority, file a report with the Authority certifying that the Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided.

Section 4. Content of Annual Reports. The Annual Report(s) shall contain or include by reference the following information:

(a) Audited financial statements of the Authority for the prior Fiscal Year (which may be a component of the financial statements of the Metropolitan Transportation Commission), prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, provided that if the audited financial statements of the Authority are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available; and

(b) To the extent not contained in the audited financial statements provided to the MSRB pursuant to the preceding subsection (a) by the date required by Section 3 hereof, historical financial information and operating data of the Authority of the types found in the following tables from the Official Statement: (i) the table entitled "BRIDGE SYSTEM TOTAL TOLL RATES" set forth in the Authority's Information Statement, dated June 29, 2012, under the caption "THE BRIDGE SYSTEM—Bridge Tolls" (but only to the extent the toll rates for such fiscal year are different than those shown for such fiscal year in such Information Statement); (ii) the table entitled "TOTAL TOLL-PAYING MOTOR VEHICLE TRAFFIC" set forth in the Authority's Information Statement, dated June 29, 2012, under the caption "THE BRIDGE SYSTEM—Motor Vehicle Traffic;" and (iii) the table entitled "BRIDGE SYSTEM Historical Revenue and Debt Service Coverage" set forth in the Authority's Information Statement, dated June 29, 2012, under the caption "HISTORICAL REVENUE AND DEBT SERVICE COVERAGE."

Any or all of the items above may be included by specific reference to other documents, including official statements of debt issues of the Authority or related public entities, which have been made available to the public on the MSRB's website. The Authority shall clearly identify each such other document so included by reference.

The Trustee and the Dissemination Agent shall have no responsibility for the content of the Annual Report, or any part thereof.

Each Annual Report shall state on the cover that it is being provided to the MSRB with respect to the Bonds.

Section 5. Reporting of Significant Events.

(a) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

6. Tender offers;

7. Defeasances;

8. Rating changes; or

9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

<u>Note</u>: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

2. Modifications to rights of Bond holders;

3. Optional, unscheduled or contingent Bond calls;

4. Release, substitution, or sale of property securing repayment of the Bonds;

5. Non-payment related defaults;

6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

7. Appointment of a successor or additional trustee or the change of name of a trustee.

(c) The Trustee shall promptly advise the Authority at its notice address in this Disclosure Agreement whenever, in the course of performing its duties as Trustee under the Indenture, the Trustee has actual notice of an occurrence of a Listed Event and request that the Authority promptly notify the Trustee in writing whether to report the event pursuant to subsection (f) of this Section 5. The Trustee shall have no liability for not reporting a Listed Event pursuant to Section 5(f) hereof, if so instructed by the Authority.

(d) Whenever the Authority obtains knowledge of the occurrence of a Listed Event, whether because of a notice from the Trustee pursuant to subsection (c) or otherwise, the Authority shall notify the Trustee promptly in writing of such event. Subject to subsection (e), the notice shall instruct the Trustee to report the occurrence of such Listed Event pursuant to subsection (f).

(e) The Authority shall determine whether the occurrence of the Listed Event under subsection (b) would constitute material information for holders of Bonds within the meaning of the federal securities laws. The Authority shall include such determination in its notice delivered to the Trustee pursuant to subsection (d), and if material, shall direct the Trustee to report the occurrence pursuant subsection (f). If the Authority determines that the occurrence of a Listed Event under subsection (b) is not material under the federal securities laws, the Authority shall so notify the Trustee in writing and instruct the Trustee not to report the occurrence pursuant to subsection (f).

(f) If the Trustee has been instructed by the Authority to report the occurrence of a Listed Event, the Trustee shall file or request the Dissemination Agent (if other than the Trustee) to file a notice of such occurrence with the MSRB in a timely manner not later than ten business days after the occurrence of the event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(7) or (b)(3) of this Section 5 need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the holders of affected Bonds pursuant to the Indenture and notice of any other Listed Event is only required following the actual occurrence of the Listed Event. The notice of Listed Event must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

(g) The Trustee shall be entitled to request and receive, and may conclusively rely on, an opinion of Counsel that the Authority's instructions to the Trustee under this Section 5 comply with the requirements of the Rule.

Section 6. Termination of Reporting Obligation.

(a) The Authority's obligations under this Disclosure Agreement shall terminate upon a legal defeasance, prior redemption or payment in full of all of the Bonds. In addition, the Dissemination Agent's obligations hereunder shall terminate upon its resignation or removal as Trustee in accordance herewith.

(b) This Disclosure Agreement, or any provision hereof, shall be null and void in the event that the Authority (i) delivers to the Trustee an opinion of Counsel, addressed to the Authority and the Trustee, to the effect that those portions of the Rule which require this Disclosure Agreement, or any of the provisions hereof, do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, as shall be specified in such opinion, and (ii) delivers copies of such opinion to the Dissemination Agent (if other than the Trustee) for delivery to the MSRB.

Section 7. Dissemination Agent. From time to time, the Authority may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agents with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be the Trustee.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Authority may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may be made only in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) The undertakings herein, as proposed to be amended or waived, in the opinion of Counsel, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) in the opinion of Counsel, does not materially impair the interests of the holders or beneficial owners of the Bonds.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Authority shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Authority to comply with any provision of this Disclosure Agreement, any holder or beneficial owner of the Bonds or the Trustee may (and, at the request of any Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Bonds, and upon being indemnified to its satisfaction, the Trustee shall) take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Authority to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Authority agrees to indemnify and hold harmless the Dissemination Agent, its officers, directors, employees and agents, against any loss, expense and liabilities which the Dissemination Agent may incur arising out of or in the exercise or performance of its powers end duties hereunder, including the costs and expenses (including attorneys' fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall not be required to consent to any amendment that would impose any greater duties or risk of liability on the Dissemination Agent. No person shall have any right to commence any action against the Dissemination Agent seeking any remedy other than to compel specific performance of this Disclosure Agreement. The Dissemination Agent shall not be liable under any circumstances for monetary damages to any person for any breach of this Disclosure Agreement.

The Dissemination Agent shall be afforded the same rights, protections and immunities afforded to it as Trustee under the Indenture. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with the MSRB shall be prepared and provided to it by the Authority. The Dissemination Agent has undertaken no responsibility with respect to any reports, notices or disclosures provided to it under this Disclosure Agreement, and has no liability to any person, including any holder of Bonds, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the Authority shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition except as may be provided by written notice from the Authority.

Section 12. Notices. Any notices given hereunder shall be given in writing at the addresses (including the facsimile numbers) set forth below:

If to the Authority:	Bay Area Toll Authority 101 Eighth Street Oakland, California 94607 Attention: Chief Financial Officer Phone: (510) 817-5730 Fax: (510) 817-5934
If to the Trustee/Dissemination Agent:	Union Bank, N.A. 350 California Street, 11th Floor San Francisco, CA 94104 Attention: Corporate Trust Department Phone: (415) 273-2518 Fax: (415) 273-2492

Section 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Authority, the Trustee, the Dissemination Agent, the Participating Underwriters and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of California determined without regard to principles of conflict of law; provided, however, that the interpretation of the Rule shall be governed by the laws of the United States.

Date: September 4, 2012

BAY AREA TOLL AUTHORITY

By: ______________________________________
Chief Financial Officer

The undersigned hereby agrees to act as Dissemination Agent pursuant to the foregoing Disclosure Agreement.

UNION BANK, N.A., as Dissemination Agent

By: ______________________________________
Its: ______________________________________

ACKNOWLEDGED:

UNION BANK, N.A., as Trustee

By: ______________________________________
Its: ______________________________________

EXHIBIT A

NOTICE TO THE MSRB OF FAILURE TO FILE DISCLOSURE REPORT

Name of Issuer:

Bay Area Toll Authority

Name of Bond Issue:

San Francisco Bay Area Toll Bridge Revenue Bonds, 2006 Series C-2

San Francisco Bay Area Toll Bridge Revenue Bonds, 2006 Series C-3

San Francisco Bay Area Toll Bridge Revenue Bonds, 2006 Series C-4

San Francisco Bay Area Toll Authority Revenue Bonds, 2008 Series D-1

Date of Reoffering: September 4, 2012

NOTICE IS HEREBY GIVEN to the Municipal Securities Rulemaking Board (the "MSRB") that the Authority has not provided an annual Disclosure Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of September 4, 2012, by the Authority and Union Bank, N.A., as Dissemination Agent. The Authority anticipates that the annual Disclosure Report will be provided to the MSRB by _________________.

Dated: __________________

UNION BANK, N.A., as Dissemination Agent

By: ____

Its: ____

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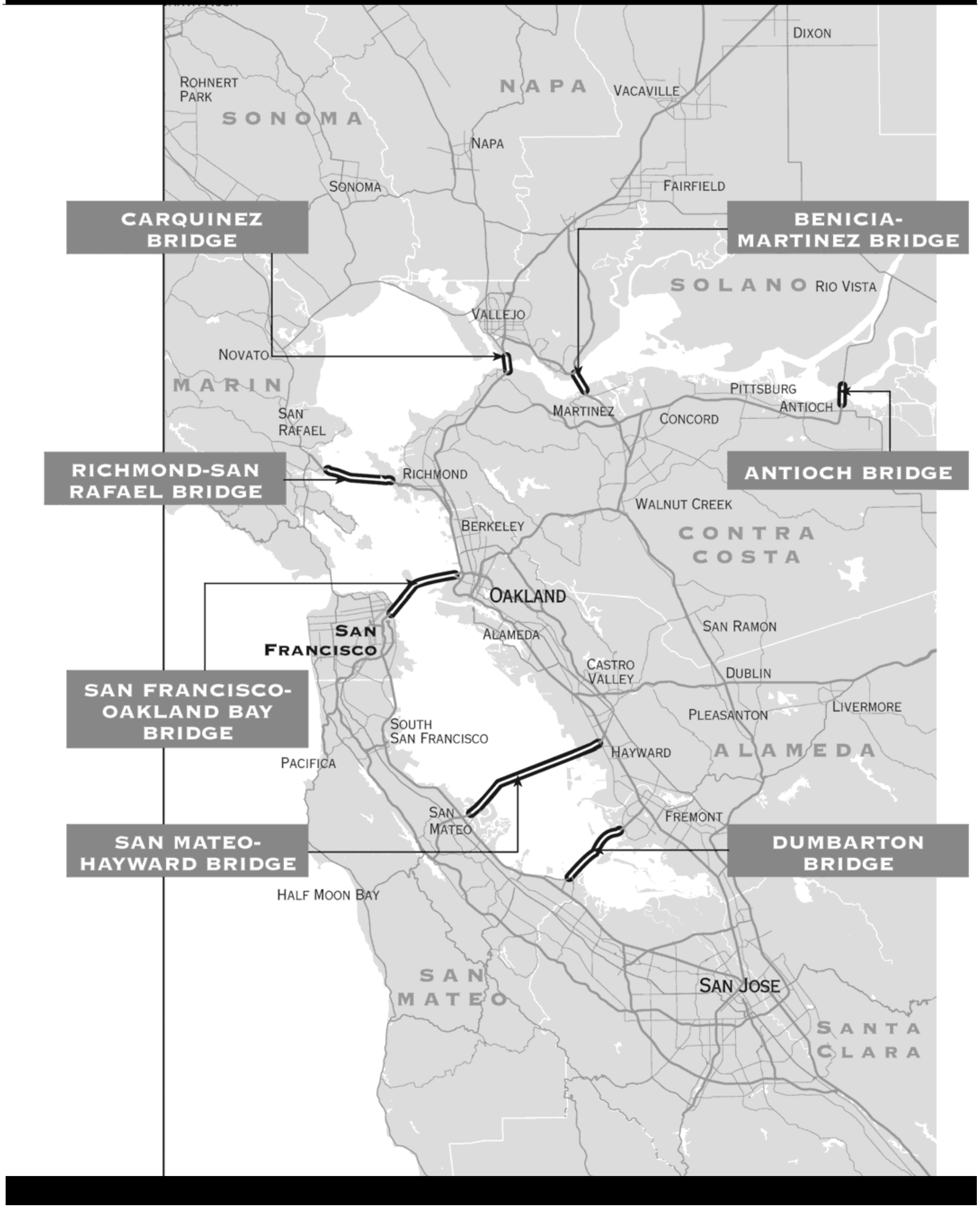
BAY AREA TOLL AUTHORITY

INFORMATION STATEMENT

Dated: June 29, 2012

THE BATA BRIDGES



BAY AREA TOLL AUTHORITY

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MEMBERS AND OFFICERS

Voting Members

ADRIENNE TISSIER—Chair	San Mateo County
AMY REIN WORTH— Vice Chair	Cities of Contra Costa County
TOM BATES	Cities of Alameda County
DAVID CAMPOS	City and County of San Francisco
DAVE CORTESE	Santa Clara County
BILL DODD	Napa County and Cities
FEDERAL D. GLOVER	Contra Costa County
MARK GREEN	Association of Bay Area Governments
SCOTT HAGGERTY	Alameda County
ANNE W. HALSTED	San Francisco Bay Conservation and Development Commission
STEVEN KINSEY	Marin County and Cities
SAM LICCARDO	Cities of Santa Clara County
JAKE MACKENZIE	Sonoma County and Cities
KEVIN MULLIN	Cities of San Mateo County
JAMES P. SPERING	Solano County and Cities
SCOTT WIENER	San Francisco Mayor's appointee

Non-Voting Members

TOM AZUMBRADO	U.S. Department of Housing and Urban Development
DORENE M. GIACOPINI	U.S. Department of Transportation
BIJAN SARTIPI	State Business, Transportation and Housing Agency

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STEVE HEMINGER, Executive Director
ANN FLEMER, Deputy Executive Director
ANDREW B. FREMIER, Deputy Executive Director
BRIAN MAYHEW, Chief Financial Officer
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IMPORTANT NOTICES

This Information Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of securities 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 Bay Area Toll Authority (the "Authority"), the State of California Department of Transportation (referred to herein as "Caltrans") and other sources that are believed by the Authority to be reliable.

A wide variety of other information concerning the Bridge System and the Seismic Retrofit Program is available from state and local agencies, publications and websites, including http://baybridgeinfo.org, http://baybridge360.org, and the Authority's website at http://bata.mtc.ca.gov. Any such information that is inconsistent with the information set forth in this Information Statement should be disregarded. No such information is a part of or incorporated into this Information Statement. The references to internet websites contained in this Information Statement are shown for reference and convenience only; the information contained in such websites is not incorporated herein by reference and does not constitute a part of this Information Statement.

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 Information Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Authority or the underwriters for any toll bridge revenue bonds. This Information Statement is not to be construed as a contract with the purchasers of any toll bridge revenue bonds.

This Information Statement speaks only as of its date. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Information Statement nor any sale made in conjunction herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or other matters described herein since the date hereof. Investors must read the entire Official Statement (consisting of this Information Statement and the applicable supplement) to obtain information essential to the making of an informed investment decision. This Information Statement is submitted with respect to the sale of the Authority's toll bridge revenue bonds and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the Authority. Preparation of this Information Statement and its distribution have been duly authorized and approved by the Authority. The Authority may update this Information Statement after MTC's audited financial statements for the fiscal year ending June 30, 2012, become available, and annually thereafter; however, other than what is provided in the Continuing Disclosure Agreements relating to toll bridge revenue bonds issued by the Authority, the Authority is not obligated to provide any update hereto and may discontinue its annual updates at any time without notice. See "CONTINUING DISCLOSURE."

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. Capitalized terms used but not defined herein are defined in APPENDIX A and APPENDIX B.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS INFORMATION STATEMENT

Some statements contained in this Information Statement reflect not historical facts but forecasts and "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "believe," "plan," "budget," and similar expressions are intended to identify forward-looking statements. Projections, forecasts, assumptions, expressions of opinions, estimates and other forward-looking statements are not to be construed as representations of fact and are qualified in their entirety by the cautionary statements set forth in this Information Statement.

The achievement of results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that 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. The Authority does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur or do not occur.

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INTRODUCTION AND PURPOSE OF THIS INFORMATION STATEMENT

This Information Statement dated June 29, 2012 (this "Information Statement") relates to the Bay Area Toll Authority (the "Authority" or "BATA"), which administers the toll revenues from seven state-owned toll bridges in the San Francisco Bay area: the Antioch Bridge, the Benicia-Martinez Bridge, the Carquinez Bridge, the Dumbarton Bridge, the Richmond-San Rafael Bridge, the San Francisco-Oakland Bay Bridge and the San Mateo-Hayward Bridge (each, a "Bridge" and collectively, the "Bridge System"). This Information Statement describes the Authority, the Bridge System, the program to modify existing Bridges to better withstand earthquakes (the "Seismic Retrofit Program"), other capital projects and programs funded by the Authority, the Authority's toll bridge revenue bonds and the security and sources of payment therefor, and certain other investment considerations.

The Authority has authorized the use of this Information Statement by underwriters offering and selling toll bridge revenue bonds for the Authority and by remarketing agents reoffering and selling toll bridge revenue bonds required by the Authority to be tendered for remarketing. However, this Information Statement may not be used for any such transaction unless it is accompanied by the Authority's Supplement for that transaction. This Information Statement and the appropriate Supplement together are the "Official Statement" of the Authority. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

BAY AREA TOLL AUTHORITY

The Authority is a public agency created in 1997 by California law. It operates pursuant to Chapters 4, 4.3 and 4.5 of Division 17 of the California Streets and Highways Code and the provisions of the Revenue Bond Law of 1941 made applicable to the Authority by California Streets and Highways Code Section 30961 (collectively, as amended from time to time, the "Act").

The governing body of the Authority consists of 16 voting members appointed by local agencies and three nonvoting members appointed by state and federal agencies. The current members are listed in the prefatory pages of this Information Statement. There are two members each from the City and County of San Francisco and from Alameda, Contra Costa, San Mateo, and Santa Clara Counties, one member each from Marin, Napa, Solano and Sonoma Counties, one member each appointed by the Association of Bay Area Governments and the San Francisco Bay Conservation and Development Commission, and one non-voting member each appointed by the Secretary of the Business, Transportation and Housing Agency of the State of California, the United States Department of Transportation, and the United States Department of Housing and Urban Development. Each commissioner's term of office is four years or until a successor is appointed.

The Authority has the same governing board members as the Metropolitan Transportation Commission ("MTC"). MTC is a public agency created in 1970 by California law for the purpose of providing regional transportation planning and organization for the nine San Francisco Bay Area counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma, sometimes collectively referred to herein as the "Bay Area."

The Authority has issued senior toll bridge revenue bonds (the "Senior Bonds") under the Master Indenture, dated as of May 1, 2001 (as amended and supplemented, the "Senior Indenture"), between the Authority and Union Bank, N.A., as trustee (the "Senior Indenture Trustee"). At June 29, 2012, the aggregate principal amount of Senior Bonds outstanding was $5,519,440,000. The Authority issued $1,500,000,000 subordinate toll bridge revenue bonds in July 2010 and $885,000,000 subordinate toll bridge revenue bonds in November 2010 (collectively, the "Subordinate Bonds") under the Subordinate Indenture, dated as of June 1, 2010 (as amended and supplemented, the "Subordinate Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Subordinate Indenture Trustee"). At June 29, 2012, the aggregate principal amount of Subordinate Bonds outstanding was $2,385,000,000. See APPENDIX D – "OUTSTANDING OBLIGATIONS."

The Authority's Senior Bonds, together with other obligations payable on a parity with the Senior Bonds, are referred to herein as the "Senior Obligations." The Authority's Subordinate Bonds, together with other obligations payable on a parity with the Subordinate Bonds, are referred to herein as the "Subordinate Obligations." The Senior Obligations, the Subordinate Obligations, and any obligations of the Authority that are secured by a pledge of revenue on a basis subordinate to the Subordinate Obligations are referred to herein collectively as the "Secured Obligations."

FINANCIAL STATEMENTS

Audited financial information relating to the Authority is included in MTC's financial statements. MTC does not prepare separate financial statements for the Authority. MTC's Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2011, including MTC's Financial Statements For Years Ended June 30, 2011 and 2010 (collectively, the "MTC 2011 CAFR"), has been posted to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website at http://emma.msrb.org/ER525237-ER405867-ER807556.pdf and is incorporated herein by such reference as if fully included herein.

INDEPENDENT ACCOUNTANTS

The financial statements incorporated by reference in this Information Statement have been audited by PricewaterhouseCoopers LLP, independent accountants, as stated in MTC's Financial Statements For Years Ended June 30, 2011 and 2010.

THE BRIDGE SYSTEM

General

The Bridge System consists of the seven bridges described below. The Golden Gate Bridge, which connects San Francisco with Marin County, is not owned or operated by the State, nor is it administered by the Authority. A map of the Bridge System appears in the prefatory pages of this Information Statement. For selected demographic statistics for the Bay Area, see Table 13 on page 127 of the MTC 2011 CAFR.

San Francisco-Oakland Bay Bridge. The San Francisco-Oakland Bay Bridge opened to traffic in 1936 and connects San Francisco with Oakland and neighboring cities and suburban areas. The San Francisco-Oakland Bay Bridge provides the most direct connection between downtown San Francisco and the main transcontinental highways in the Bay Area.

The San Francisco-Oakland Bay Bridge is a double deck structure. Each deck has five traffic lanes with westbound traffic on the upper deck and eastbound traffic on the lower deck. Elevated approaches to the bridge carry through-traffic to and from Highway 101 south of San Francisco without use of local San Francisco streets. At the eastern terminus, approaches connect through-traffic with Highways 80, 580 and 880.

The San Francisco-Oakland Bay Bridge has an overall length of approximately 8.5 miles consisting of two major bridge structures and a connecting tunnel on Yerba Buena Island, which is located at the midpoint of the bridge. The west span consists of two suspension bridges with a common central anchorage and a concrete span at the San Francisco end; the length of the west span is 10,300 feet. A seismic retrofit of the west span was completed in 2004, and a seismic retrofit of the west approach to the Bridge was completed in 2009. A 520 foot long tunnel on Yerba Buena Island connects the west span to the east span.

The east span consists of a 1,800 foot long steel detour viaduct connected to a 2,418 foot long steel cantilever truss followed by five 509 foot long steel trusses and 14 additional shorter spans that bring the roadways down to the East Bay shoreline. Improvements to the east span, designed to result in a non-collapse of the east span in the event of a moderate earthquake, were completed in 2000. The State of California Department of Transportation ("Caltrans") is constructing a replacement for the east span. See "CAPITAL PROJECTS AND FUNDING—Seismic Retrofit Program Capital Projects." The existing east span is constructed using a number of structural steel elements, including eyebars. One of the eyebars on the east span failed and was repaired during 2009. Other eyebars on the east span may need to be reinforced before the replacement east span is open to traffic. Caltrans and the Authority are unable to predict whether or how many (if any) eyebar repairs will be needed, or whether such repairs will require bridge closures. See "RISK FACTORS – Risk of Earthquake" and "—Other Force Majeure Events." Eyebars also exist on the west span of the San Francisco-Oakland Bay Bridge and on the Richmond-San Rafael Bridge; however, these eyebars serve a different structural purpose than the eyebars on the east span and Caltrans and the Authority believe these eyebars do not represent the same type of risk as the eyebars on the east span.

Carquinez Bridge. The Carquinez Bridge consists of two parallel spans that cross the Carquinez Strait between the Cities of Vallejo and Crockett and carry Highway 80, linking the Bay Area and Napa and Solano Counties. The spans are 28 miles northeast of San Francisco and 65 miles southwest of Sacramento. The east span is the older of the two bridges and opened in 1958. The east span is a steel through-truss superstructure 3,350 feet long with cantilever spans and carries four lanes of northbound Interstate 80 traffic. A seismic retrofit of the east span was completed in 2002. The west span is a recently constructed suspension bridge with concrete towers and steel orthotropic box girder decks that opened to traffic in 2003 and carries four lanes of southbound traffic.

Benicia-Martinez Bridge. The Benicia-Martinez Bridge consists of two parallel spans that cross the Carquinez Strait approximately six miles east of the Carquinez Bridge and carry Highway 680. The bridge provides a direct connection from the north bay and Sacramento regions to central and eastern Contra Costa and Alameda and Santa Clara Counties. The bridge corridor is a major interstate route and links Highways 80, 680 and 780. The west span, opened to traffic in 1962, is a 6,215 foot-long, steel deck-truss, with seven 528-foot spans. The west span was originally designed to carry four lanes of traffic (two in each direction) and was subsequently expanded to carry six lanes (three in each direction) in the early 1990s. A seismic retrofit of the west span, consisting of the installation of isolation bearings and strengthening the superstructure and substructure, was completed in 2003. Following the opening of the east span in 2007 carrying five lanes of northbound traffic, the west span was modified to carry four lanes of southbound traffic and a pedestrian/bicycle lane. The Bay Area's first open-road tolling FasTrak Express Lanes were opened on the east span. The east span is a segmentally-erected, cast-in-place reinforced lightweight concrete structure that is 8,790 feet long including approaches. See "CAPITAL PROJECTS AND FUNDING—Regional Measure 1 Projects."

San Mateo-Hayward Bridge. The San Mateo-Hayward Bridge is approximately 17 miles south of the San Francisco-Oakland Bay Bridge, and carries Highway 92 across the San Francisco Bay, connecting Highway 101 and the City of San Mateo on the San Francisco peninsula to Highway 880 and the east shore of the San Francisco Bay in Alameda County, approximately five miles southwest of

Hayward. The current bridge was built in 1967 and seismically retrofitted in 2000. The high-level section of the current structure consists of steel orthotropic box girders with concrete overlay. It is approximately two miles long and carries six lanes of traffic. The low-rise trestle section of the bridge was widened to carry six lanes of traffic as well in 2003.

Richmond-San Rafael Bridge. The Richmond-San Rafael Bridge opened to traffic in 1956 and carries Highway 580 across the San Francisco Bay from a point about three miles west of the City of Richmond in Contra Costa County to the Marin County shore three miles southeast of the City of San Rafael. The Richmond-San Rafael Bridge is approximately 5.5 miles long and of cantilever-truss construction. Its major spans are 1,070 feet long. As originally constructed, a single three-lane deck carried two-way traffic. A lower two-lane deck was constructed later, resulting in a double deck structure carrying traffic in opposite directions. A seismic retrofit of the Richmond-San Rafael Bridge was completed in 2005.

Dumbarton Bridge. The current Dumbarton Bridge opened in 1982. It carries Highway 84 across the San Francisco Bay and is situated approximately 10 miles south of the San Mateo-Hayward Bridge. The western end of the Bridge is five miles northeast of the City of Palo Alto, and the eastern end is five miles west of the City of Newark, midway between the Cities of San Jose and Oakland. The Dumbarton Bridge is a six-lane structure that is 1.6 miles long with a pedestrian/bicycle lane. The bridge connects Highway 101 and Palo Alto to Highway 880 in Alameda County. The approach spans are composed of pre-stressed lightweight concrete girders that support a lightweight concrete deck. The center spans are twin steel trapezoidal girders that also support a lightweight concrete deck. California law was amended effective on January 1, 2010 at the request of the Authority to add the Dumbarton Bridge to the state toll bridge seismic retrofit program and require the Authority to fund the seismic retrofit of the Dumbarton Bridge. The seismic retrofit is underway. See “CAPITAL PROJECTS AND FUNDING—Seismic Retrofit Program Capital Projects.”

Antioch Bridge. Located 25 miles east of the Benicia-Martinez Bridge, the Antioch Bridge carries Highway 160 and is the only northerly highway connection across the San Joaquin River linking east Contra Costa County to the delta communities of Rio Vista and Lodi. In 1978, a 1.8 mile long high-level fixed-span structure replaced the original bridge constructed in 1926. The Antioch Bridge spans the 3,600-foot wide San Joaquin River and extends 4,000 feet onto Sherman Island in Sacramento County to the north and 1,000 feet into Contra Costa County to the south. Traffic lanes consist of two 12-foot wide lanes for motor vehicles and two shoulders for pedestrians and bicyclists. California law was amended effective on January 1, 2010 at the request of the Authority to add the Antioch Bridge to the state toll bridge seismic retrofit program and require the Authority to fund the seismic retrofit of the Antioch Bridge. The seismic retrofit was completed in April 2012, although there is some contract work ongoing. See “CAPITAL PROJECTS AND FUNDING—Seismic Retrofit Program Capital Projects.”

Toll Setting Authority

California law provides the Authority with broad toll setting authority. Toll rate increases are not limited in amount or duration. No legislation or consent or approval by any other entity is required to increase tolls. The Authority is required to hold a public hearing and two public meetings at least 45 days before increasing tolls and is also required to provide at least 30 days’ notice to the Legislature before increasing tolls.

California law requires the Authority to increase the toll rates specified in its adopted toll schedule in order to meet its obligations and covenants under any toll bridge revenue bond resolution or indenture of the Authority for any outstanding toll bridge revenue bonds issued by the Authority and the requirements of bond-related interest rate swap, credit and liquidity agreements. California law also authorizes the Authority to increase the toll rates specified in its adopted toll schedule to provide funds for the planning, design, construction, operation, maintenance, repair, replacement, rehabilitation, and seismic retrofit of the Bridges, to provide funding to meet the requirements of the voter-approved regional measures described under "Bridge Tolls" below and "CAPITAL PROJECTS AND FUNDING—Regional Measure 1 Projects" and "—Regional Measure 2 Projects," and to make the fund transfers to MTC described below under "Payments to MTC."

All bridge tolls are treated as a single revenue source for accounting and administrative purposes and for the purposes of the Authority's toll bridge revenue bond financing documents, which establish the security and payment sources for its toll bridge revenue bonds.

Bridge Tolls

Toll Collection. Tolls on each of the Bridges are collected from vehicles crossing in one direction only.

Cash toll payments are collected at toll booths staffed by employees of Caltrans. As of July 1, 2005, the Authority assumed responsibility from Caltrans for processing all toll revenue collections.

Each Bridge has been equipped with the Authority's FasTrak system, an automated toll collection and accounting system by which tolls may be collected electronically. In 2007, open road tolling, which eliminates toll booths for the FasTrak lanes, commenced on the Benicia-Martinez Bridge. For the fiscal year ended June 30, 2011, 58.3% of total toll-paying traffic were FasTrak users.

Toll Rates Prior to 2010. In 1988, Bay Area voters approved a ballot measure called Regional Measure 1 ("RM1") establishing a uniform toll rate of $1.00 on all Bridges for toll-paying, two-axle vehicles and higher tolls for all other toll-paying vehicles and authorizing certain Bridge improvements and transit funding. In 2004, Bay Area voters approved a ballot measure called Regional Measure 2 ("RM2") that authorized a toll increase of $1.00 for all toll-paying vehicles to fund specified projects and transit expansions.

Commencing in 1998, a $1.00 seismic surcharge was imposed by California law on toll-paying vehicles to fund part of the cost of the seismic retrofit program for the Bridge System. The Act was amended in 2005 to authorize the Authority to increase the amount of the seismic surcharge. The Authority approved a $1.00 per toll-paying vehicle increase in the seismic surcharge that took effect on January 1, 2007.

The Authority granted toll-free passage on the Bridges to commuter buses and vanpool vehicles at all hours. The Authority granted toll-free passage on the Bridges to high-occupancy vehicles (car pool vehicles and motorcycles) and inherently-low-emission vehicles (such as electric and hybrid cars), but only during peak hours on weekdays. High-occupancy vehicles and inherently-low-emission vehicles paid the two-axle vehicle rate outside of peak hours.

2010 Toll Increase. In January 2010, the Authority increased tolls on all of the Bridges, effective on July 1, 2010 for two-axle vehicles and effective, in part, on July 1, 2011 for multi-axle vehicles (which represent about 3% of total traffic). This toll increase is projected to increase bridge toll revenues by approximately $160 million annually when fully implemented in the fiscal year ending June 30, 2013 as discussed below.

As part of the toll increase, high-occupancy vehicles and inherently-low-emission vehicles no longer have toll-free passage on any of the Bridges during peak hours on weekdays but pay a reduced-rate toll of $2.50 on all Bridges during those hours. Peak hours are from 5 a.m. to 10 a.m. and from 3 p.m. to 7 p.m. weekdays on all Bridges. High-occupancy vehicles and inherently-low-emission vehicles pay the two-axle vehicle rate outside of peak hours. Commuter buses and vanpool vehicles are permitted to cross the Bridges toll-free at all hours.

Tolls for the San Francisco-Oakland Bay Bridge for two-axle vehicles are $6.00 during peak hours, $4.00 during non-peak hours, and $5.00 on weekends; and the two-axle vehicle toll for the six other Bridges at all times is $5.00.

The increased tolls for multi-axle vehicles are based on a toll of $5.00 times the number of axles. Half of the increase took effect on July 1, 2011, and the rest of the increase is scheduled to take effect on July 1, 2012.

The table below sets forth the Authority's adopted toll schedule.

BRIDGE SYSTEM TOTAL TOLL RATES

Number of Axles Per Vehicle	Toll Rate for Fiscal Year Ending June 30, 2010	2011	2012	2013 and beyond
2 axles	$ 4.00	$ 5.00†	$ 5.00†	$ 5.00†
3 axles	6.00	6.00	10.50	15.00
4 axles	8.25	8.25	14.00	20.00
5 axles	11.25	11.25	18.00	25.00
6 axles	12.00	12.00	21.00	30.00
7 axles or more	13.50	13.50	24.25	35.00

† During peak hours on all Bridges, a reduced-rate toll of $2.50 is collected on high-occupancy and inherently-low-emission two-axle vehicles. On the San Francisco-Oakland Bay Bridge, a weekday toll of $6.00 is collected on all other two-axle vehicles during peak hours, and a weekday toll of $4.00 is collected on all two-axle vehicles during non-peak hours.

Motor Vehicle Traffic

The following table sets forth total toll-paying motor vehicle traffic for fiscal years ended June 30, 2002 through June 30, 2011. Until July 2010, high-occupancy vehicles and inherently-low-emission vehicles were permitted toll-free passage on the Bridges during peak hours on weekdays, and as a result such traffic is excluded from the data below for fiscal years prior to the fiscal year ended June 30, 2011. The addition of toll-paying high-occupancy vehicles and inherently-low-emission vehicles may account for some of the increase in traffic in the fiscal year ended June 30, 2011. See Table 9 on page 123 of the MTC 2011 CAFR.

TOTAL TOLL-PAYING MOTOR VEHICLE TRAFFIC
(number of vehicles in thousands)

Fiscal Year Ended June 30,	San Francisco-Oakland Bay Bridge	Carquinez Bridge	Benicia-Martinez Bridge	San Mateo-Hayward Bridge	Richmond-San Rafael Bridge	Dumbarton Bridge	Antioch Bridge	Total[1]	Percent Change
2002	45,118	21,678	17,733	13,726	12,468	10,779	2,325	123,826	--
2003	44,996	21,824	17,794	14,343	12,513	10,224	2,354	124,048	0.2%
2004	44,646	22,054	17,988	15,201	12,399	9,977	2,478	124,742	0.6
2005	43,357	21,344	17,116	14,790	11,758	9,298	2,472	120,135	(3.7)
2006	41,265	20,914	17,071	15,131	11,908	9,529	2,479	118,298	(1.5)
2007	40,134	20,722	16,975	14,881	11,913	9,516	2,517	116,659	(1.4)
2008	39,555	19,875	17,440	14,358	11,782	9,194	2,366	114,570	(1.8)
2009	40,118	19,441	17,426	13,629	11,542	8,708	2,208	113,072	(1.3)
2010	38,649	19,057	17,715	14,058	11,752	8,746	2,136	112,113	(0.8)
2011	43,282	19,593	17,987	15,209	11,987	9,634	2,118	119,810	6.8

(1) Totals may not add due to rounding.
Source: Caltrans/The Authority.

Total toll-paying traffic in the Bay Area toll system recovered in the fiscal year ended June 30, 2011, up 6.8% over the previous year. These gains in traffic on six bridges followed eight years of static or declining traffic. The Authority has also seen an increase in toll violators. Toll violators include drivers that intentionally avoid the payment of tolls. The subsequent recovery of payment from a toll violator is reported by the Authority as Revenue (see "HISTORICAL REVENUE AND DEBT SERVICE COVERAGE"). The Authority has improved the process for collecting violation revenue through a series of system and process upgrades. The requirement commencing July 1, 2010, that vehicles using high occupancy vehicle lanes have FasTrak transponders has assisted in deterring toll violators and increased toll-paying traffic.

In the fiscal year ended June 30, 2011, toll-free traffic consisted of approximately 2.4 million vehicles (representing less than 2% of total traffic). Commencing July 1, 2010, high-occupancy vehicles and inherently-low-emission vehicles no longer had toll-free passage on any of the Bridges. See "Bridge Tolls" above.

Bridge System Operations and Maintenance

The Authority is responsible for paying all of the costs of operating and maintaining the Bridge System (except for maintenance expenditures on the existing San Francisco-Oakland Bay Bridge that are payable under State Law by the State until the new east span of that Bridge is complete). The Authority is required by the Senior Indenture and the Subordinate Indenture to maintain Bridge System tolls at rates sufficient to pay such costs. Under current law, the payment of such costs is subordinate to the payment of the Authority's Secured Obligations. The Authority's costs of operating and maintaining the Bridge System for the five fiscal years ended June 30, 2007 through June 30, 2011 were $76,658,284; $66,091,439; $72,470,691; $76,746,131; and $77,991,851, respectively. Such figures include operating expenses incurred by Caltrans, which totaled approximately $23 million in the fiscal year ended June 30, 2011.

Approximately half of the costs of operating and maintaining the Bridge System are paid by the Authority to Caltrans. Caltrans is responsible for maintaining the Bridge System in good repair and condition. The Authority's payments to Caltrans are made pursuant to State law and a Cooperative Agreement between the Authority and Caltrans that addresses budget matters and allocates funding responsibilities for the operation and maintenance of the Bridge System between the Authority and

Caltrans. The Authority pays directly certain operating and administrative expenses for the Bridge System, including the costs of the FasTrak system and related consultant contracts.

Payments to MTC

The Act provides for payments by the Authority to MTC for the transportation projects and programs described below. The payments are subordinate to the payment of the Authority's Secured Obligations.

In 2010 MTC determined that certain of the payments, namely the AB 664 Net Toll Revenue Reserve Transfers, Two Percent Transit Reserves Transfers, and Rail Extension Reserves Transfers described below (collectively, the "Fund Transfers"), are essential to the regional transportation system but that the statutory schedule for Fund Transfers may be inadequate to timely fund some of the projects planned by MTC. To address this timing issue, the Authority and MTC entered into a Funding Agreement (the "Funding Agreement"), under which the Authority paid to MTC in September 2010 an amount equal to the present value of the bridge toll revenues that the Authority projected would be used for Fund Transfers for 50 years from July 1, 2010 ($507 million) in exchange for being relieved of responsibility for making Fund Transfers for that 50-year period. The Authority's obligation to pay Regional Measure 2 Operating Transfers and Authority Administrative Costs, described below, to MTC is not affected by the Funding Agreement.

The following table sets forth the Authority's payments to MTC for the past five Fiscal Years.

TRANSFERS TO MTC
($ in millions)

Fiscal Year Ended June 30,	AB 664 Net Toll Revenue Reserves Transfer(1)	Two Percent Transit Reserves Transfer(1)	Rail Extension Reserves Transfer(1)	Regional Measure 2 Operating Transfers(2)	Authority Administrative Costs(3)	Total
2007	11.32	0.91	9.10	24.27	5.19	50.79
2008	11.08	0.89	8.97	26.70	6.26	53.90
2009	10.88	0.87	9.05	28.34	5.25	54.39
2010	10.72	2.60	8.71	36.53	4.89	63.45
2011	---	---	---	42.67	6.26	48.93

(1) Pursuant to the Funding Agreement described above, these transfers have been pre-funded for the period from the fiscal year ended June 30, 2011 through the fiscal year ending June 30, 2060.

(2) Regional Measure 2 Operating Transfers are subject to a statutory cap of 38% of RM2 revenue. Total RM2 revenue equaled approximately $114 million in the fiscal year ended June 30, 2011.

(3) Authority Administrative Costs are transferred by the Authority to MTC. This amount does not include Authority Maintenance and Operation Expenses, which are also subordinate to the Authority's Secured Obligations and amounted to approximately $81 million in the fiscal year ended June 30, 2011, including $55 million for the Authority's operating expenses, $23 million for operating expenses incurred by Caltrans, and $3 million for operating expenses of the Transbay Joint Powers Authority.

Source: The Authority.

The "AB 664 Net Toll Revenue Reserve Transfer" is the transfer of an amount equal to 16% of the revenue generated each year from the collection of the base toll at its level in existence for the fiscal year ended June 30, 2002 on the three Bridges which comprise the Southern Bridge Group: the

Dumbarton Bridge, the San Francisco-Oakland Bay Bridge and the San Mateo-Hayward Bridge. These funds are allocated to capital projects that further the development of public transit in the vicinity of the Southern Bridge Group, including transbay and transbay feeder transit services.

The "Two Percent Transit Reserves Transfer" is the transfer of up to 2% of the revenue collected on all of the Bridges from the base toll at its level in existence for the fiscal year ended June 30, 2002. No minimum transfer is specified. MTC must apply two-thirds of the Two Percent Transit Reserves to transportation projects that will help reduce congestion and improve bridge operations on any of the Bridges. MTC must apply the remaining one-third of the Two Percent Transit Reserves to planning, construction, operation and acquisition of rapid water transit systems.

The "Rail Extension Reserves Transfer" is the transfer of an amount equal to 21% of the revenue generated each year on the San Francisco-Oakland Bay Bridge from the collection of the base toll at its level in existence for the fiscal year ended June 30, 2002. Rail Extension Reserves are applied to rail transit capital extension and improvement projects that are designed to reduce traffic congestion on the San Francisco-Oakland Bay Bridge.

"Regional Measure 2 Operating Transfers" are transfers by the Authority to MTC to provide operating assistance for transit purposes pursuant to RM2 and Section 30914(d) of the Act. The measure provides that not more than 38% of annual bridge toll revenues derived from the RM2 Toll increase imposed in conjunction with RM2 ($1.00 in the case of all vehicles regardless of the number of axles) may be transferred to MTC as Regional Measure 2 Operating Transfers, and that all such transfers must first be authorized by MTC. Under Section 129(a)(3) of Title 23 of the United States Code, federal participation is limited on facilities that expend toll revenues for certain types of projects, including transit operations. MTC has received an opinion from the Federal Highway Administration that transit planning is an eligible expense and, as such, the Authority has made transfers to MTC for such purpose. MTC also has received an opinion from the Federal Highway Administration that it may expend toll funds on transit operations, if such funds are collected on bridge facilities that have not received federal assistance. There are four Bridges (Dumbarton, San Mateo-Hayward, Carquinez and Antioch) that have not received federal assistance. The Authority limits Regional Measure 2 Operating Transfers to revenue derived from the RM2 toll revenue from these four Bridges and expects that tolls from such four Bridges will be sufficient to make Regional Measure 2 Operating Transfers.

"Authority Administrative Costs" means the amount which the Authority is authorized to remit to MTC on an annual basis for its cost of administration pursuant to Section 30958 of the Act, which amount may not exceed 1% of the gross annual Bridge System revenues.

CAPITAL PROJECTS AND FUNDING

The Authority uses bridge toll revenues to fund five main categories of capital projects: highway and bridge enhancement projects approved by voters through RM1 (the "RM1 Projects"), transit, highway and bridge enhancement and improvement projects approved by voters through RM2 (the "RM2 Projects"), the Seismic Retrofit Program, MTC Projects to be funded from excess coverage funds pursuant to AB 1171, and the Authority's bridge rehabilitation program. Each of these project categories is described below.

Regional Measure 1 Projects

RM1 authorized the Authority to pay for specified highway and bridge enhancement projects. All RM1 Projects have been substantially completed with the completion in 2011, other than minor landscaping and environmental monitoring, of the Highway 880/Highway 92 Interchange improvements. RM1 signifies the completion of over $2.3 billion in bridge and related transportation projects originally authorized by the voters in 1988 and under the administration of the Authority since 1998.

Regional Measure 2 Projects

RM2 authorizes the Authority to contribute up to $1.465 billion for the RM2 Projects and to provide additional funding of up to $50 million for the new span of the Benicia-Martinez Bridge. RM2 also authorized the Authority to contribute funds every year for operating costs of specified public transportation agencies as another component of the regional traffic relief plan set forth in the ballot measure (the "Regional Measure 2 Operating Transfers" described above under "THE BRIDGE SYSTEM – Payments to MTC").

The RM2 Projects consist of 36 transit, highway and bridge enhancement and improvement projects to reduce congestion or to make improvements to travel in the toll bridge corridors. MTC may allocate funds from the Authority to RM2 Projects after submission and review of a project report requesting allocation by the project sponsor. The RM2 Project sponsors are public entities in the Bay Area. MTC has authority under the Act to change the funding for a project or reassign some or all of the funds for a project to another project within the same bridge corridor. Generally, RM2 funding covers only a portion of each project's total cost. The Authority is under no obligation to provide funding for any project beyond the amount expressly provided in RM2 or to increase funding for all of the RM2 projects beyond the aggregate authorization of $1.465 billion.

The Authority's expenditures for RM2 Projects (excluding the funding of up to $50 million for the new span of the Benicia-Martinez Bridge) aggregated approximately $767 million through April 30, 2012. See APPENDIX C – "REGIONAL MEASURE 2 PROJECTS."

Summary of RM1 and RM2 Capital Projects

The following table sets forth the program budget and expenditures for the RM1 Projects and RM2 Projects.

SUMMARY OF RM1 PROJECTS AND RM2 PROJECTS
Program Budget and Project Status as of April 30, 2012
($ in millions)

Contract	**Status**	**Current Approved Budget** [1]	**Forecast Cost at Completion**	**Expenditures through April 30, 2012**
I-880/SR-92 Interchange Improvement	Completed	$ 245.0	$ 245.0	$ 227.1
New Benicia-Martinez Bridge[2]	Completed	1,272.5	1,272.5	1,209.3
Carquinez Bridge Replacement	Completed	518.2	518.2	513.6
Richmond-San Rafael Bridge Deck Resurfacing	Completed	20.0	20.0	19.6
Richmond-San Rafael Bridge Trestle, Fender and Deck Joint Rehabilitation	Completed	97.1	97.1	96.2
Richmond Parkway	Completed	5.9	5.9	4.3
San Mateo-Hayward Bridge Widening	Completed	209.8	209.8	208.8
Bayfront Expressway (SR-84) Widening	Completed	34.1	34.1	33.5
US-101/University Ave. Interchange Improvement	Completed	3.8	3.8	3.7
RM1 Capital Projects Subtotal[3]		$2,406.4	$2,406.4	$2,316.1
RM2 Capital Projects Subtotal[5]		$1,465.0[4]	$1,465.0[4]	$ 767.1

(1) Includes approximately $38 million for the New Benicia-Martinez Bridge from state funds, approximately $60 million for the Richmond-San Rafael Bridge Trestle Rehabilitation project from state funds, and approximately $10 million for the I-880/SR-92 Interchange Improvement project from the Alameda County Transportation Authority.

(2) The project budget for the new Benicia-Martinez Bridge included $50 million from RM2 allocated for modification of the existing older bridge.

(3) Subtotals may not add due to independent rounding of numbers.

(4) The RM2 Capital Projects Subtotals are approximate. They do not include $50 million allocated for the new Benicia-Martinez Bridge project under RM2. Such amount is included in the budget for New Benicia-Martinez Bridge above. See APPENDIX C—"REGIONAL MEASURE 2 PROJECTS."

(5) Under the Act, the Authority is required to fund the enumerated RM2 Projects by issuance of additional toll bridge revenue bonds or transfer of bridge toll revenues in an amount in the aggregate not to exceed $1.515 billion but is not required to fund such projects beyond the amount expressly provided in the Act. The remainder of funds required to complete the RM2 Projects are expected to come from other sources. See "Regional Measure 2 Projects" above.

Source: The Authority.

Seismic Retrofit Program Capital Projects

Following the 1989 Loma Prieta earthquake that caused a section of the east span of the San Francisco-Oakland Bay Bridge to collapse as well as other structural damage, Caltrans recommended seismic retrofitting of certain State-owned toll bridges, which was subsequently authorized in Sections 188.5 and 188.6 of the California Streets and Highways Code (the "Seismic Retrofit Program") that identified State and federal sources as well as bridge tolls for funding of the program.

The Seismic Retrofit Program includes seismic upgrade work on the original Benicia-Martinez Bridge span, the east span of the Carquinez Bridge, the San Mateo-Hayward Bridge and the Richmond-San Rafael Bridge, the west span, tunnel, and the current east span of the San Francisco-Oakland Bay Bridge, and the replacement of the east span and the west approach of the San Francisco-Oakland Bay Bridge. The Seismic Retrofit Program was expanded by legislation effective January 1, 2010 at the request of the Authority to include the Antioch Bridge and the Dumbarton Bridge. Other Seismic Retrofit Program projects are located in southern California and do not involve funds of the Authority. All Seismic Retrofit Program project construction is administered by Caltrans.

All of the Seismic Retrofit Program projects have been completed except for the replacement of the east span of the San Francisco-Oakland Bay Bridge, which is underway, and the seismic retrofit work on the Antioch Bridge and the Dumbarton Bridge, described below.

San Francisco-Oakland Bay Bridge - East Span Replacement. The new east span is designed to be 2.2 miles long on an alignment parallel to and north of the existing east span. The existing east span will be demolished after the new east span is opened to traffic. The new east span consists of a transition off Yerba Buena Island, a self-anchored suspension bridge span, a skyway and an approach/touchdown in Oakland. Upon completion as currently planned, the self-anchored suspension bridge span will be the world's longest single tower self-anchored suspension structure. It is designed to be approximately 2,051 feet long and approximately 525 feet high, matching the tower heights on the west span, with 8-foot diameter foundation piles that are 300 feet deep, three times deeper than the existing east span piles. The new east span will include two side-by-side bridge decks, each with five lanes plus shoulders, and a bicycle/pedestrian path.

The self-anchored suspension superstructure ("SAS") is a major component of the replacement of the east span. Fabrication of the steel tower and roadway boxes occurred in China while other components were produced in the United States, Japan, Korea and Canada. All roadway boxes have arrived in the Bay Area and have been lifted into place. All steel components from China have been delivered or erected. The structural elements of the main tower are now complete with the saddle in place. Installation of four catwalks from the roadway to the top of the tower is also complete. Cable installation is underway and progressing on schedule. The main suspension cable has been installed, and all of the cable bands and suspender cables are attached to the main cable. The suspender cables will be connected to the roadway sections in the fall of this year. This sequence of work leads to load transfer that lifts the bridge from falsework to self-supporting.

In November of 2011 a Caltrans foundation technician was found to be falsifying data collected on pilings on state highway construction. The same technician had worked on several toll bridge seismic retrofit projects, including the San Francisco-Oakland Bay Bridge, the Benicia-Martinez Bridge and the Richmond-San Rafael Bridge. This led the Toll Bridge Program Oversight Committee to request the Seismic Safety Peer Review Panel (the "SSPRP") to conduct an independent and focused review of the construction of foundations for the SAS. The SSPRP, comprised of three structural engineers and one geotechnical engineer, released its report on March 23, 2012, concluding that SAS foundation piles were "designed, constructed, and tested in a way that meets or exceeds the state-of-practice and will result in a safe and reliable performance of the bridge." The report also concluded that it was highly unlikely that any data falsification occurred in the testing of the SAS foundation piles. The Chair of the California Senate Transportation and Housing Committee announced that the committee will hold a public hearing in the upcoming months to examine the overall safety of the bridge and its construction. At the request of the Toll Bridge Program Oversight Committee, the SSPRP is conducting a similar analysis of the foundation piers for the West Approach to the San Francisco-Oakland Bay Bridge, the new Benicia-Martinez Bridge and the Richmond-San Rafael Bridge. This analysis is expected to take several months.

The Yerba Buena Island Transition Structure contract has been divided into multiple contracts, with the first section ("YBITS #1") being awarded. The contract includes completing the remaining foundations and the bridge deck structure from the Yerba Buena Island Tunnel to the SAS. Work is focused on the westbound transition structure's substructure and superstructure from the tunnel to the SAS bridge. The second contract ("YBITS #2") is expected to be awarded later this year and is combined with the demolition of the cantilevered section of the existing bridge.

The Oakland touchdown is another ongoing component of construction and recent focus has been on a detour of existing roadway. The detour realigned the existing bridge approach to the south to allow for construction of the remaining portion of the Oakland touchdown contract that was in conflict with the existing bridge. The eastbound detour was completed on May 30, 2011. The westbound detour opened in February 2012. The detour required a closure to the upper deck westbound direction of the bridge over President's Day weekend 2012. The second contract component of the Oakland Touchdown was advertised in March 2012 and was awarded in April 2012. Construction started in June 2012.

The new east span is currently scheduled to open to traffic before the end of 2013 with a September target date. The remaining non-essential elements of the new east span construction contracts, such as architectural lighting and removal of unnecessary temporary support structures, are scheduled to be completed by 2015. Demolition of the existing east span will follow. However, as disclosed under "RISK FACTORS—Construction Delays and Cost Escalation," a number of other factors could contribute to construction delays in the future, and no assurance can be given that this schedule will be achieved.

East Span Funding Sources. At April 30, 2012, approximately $5.181 billion (82%) of the $6.332 billion estimated cost of the new east span of the San Francisco-Oakland Bay Bridge had been expended. The remaining costs will be paid by the Authority from funds derived from various sources, including bridge tolls, investment earnings, and toll bridge revenue bond proceeds.

Caltrans has implemented a risk management plan that provides for risk identification, quantification and response strategies with respect to the costs of the new east span and with respect to construction delays. Contract costs and schedules are under continuous review and are subject to change. See "Seismic Retrofit Program Status" below. Potential delays could result in an escalation of cost estimates. In addition, other construction related risks may result in additional cost beyond those estimated by Caltrans. See "RISK FACTORS—Construction Delays and Cost Escalation."

Oversight Committee. Legislation enacted in 2005 established the Toll Bridge Program Oversight Committee (the "Oversight Committee"), which has a project oversight and project control process for the Seismic Retrofit Program projects. The Oversight Committee consists of the Director of Caltrans, the Executive Director of the California Transportation Commission and the Executive Director of the Authority. The Oversight Committee's project oversight and control processes include, but are not limited to, reviewing bid specifications and documents, providing field staff to review ongoing costs, reviewing and approving significant change orders and claims (as determined by the Oversight Committee), and preparing project reports. All contract specifications and bid documents are developed by Caltrans and must be reviewed and approved by the Authority prior to their release. Caltrans is responsible for the award of all contracts.

Caltrans is required to provide regular reports to the Oversight Committee regarding construction status, actual expenditures, and forecasted costs and schedules. The monthly reports that are reviewed and approved by the Oversight Committee are provided to the Authority. The Oversight Committee is required to provide quarterly reports with respect to the Seismic Retrofit Program projects to the transportation and fiscal committees of both houses of the State Legislature and the California Transportation Commission. Copies of such monthly and quarterly reports may be found at the Authority's website.

Antioch Bridge and Dumbarton Bridge. Caltrans determined that the Antioch Bridge and the Dumbarton Bridge both require seismic retrofit. The Oversight Committee decided to approve the Caltrans recommendation that the Antioch Bridge be retrofitted using a "no collapse" strategy and that the Dumbarton Bridge be retrofitted using an "intermediate strategy" as described under "Seismic Design Strategies for the Bridge System" below.

The work on the Antioch Bridge consists of the installation of isolation bearings and strengthening the superstructure and substructure. The contract for the Antioch Bridge seismic retrofit was awarded in April 2010. The current budget for the project is $82.0 million, including project contingency, of which approximately $66.4 million had been expended as of April 30, 2012. The seismic retrofit was completed in April 2012 and ancillary contract work is expected to be completed by the end of July 2012.

The work on the Dumbarton Bridge consists of the installation of isolation bearings and strengthening the substructure for the main span and approaches. The contract for the Dumbarton Bridge seismic retrofit was awarded in August 2010. The current budget for the Dumbarton Bridge project is $148.7 million, including project contingency, of which approximately $76.1 million had been expended as of April 30, 2012. The work required a closure to the bridge over Memorial Day weekend 2012 and also will require a closure to the bridge over Labor Day weekend 2012. It is anticipated that the work will be completed in 2013.

Seismic Retrofit Program Status

The following table sets forth the program budget, expenditures and project status for the Seismic Retrofit Program projects.

SUMMARY OF SEISMIC RETROFIT PROGRAM CAPITAL PROJECTS
Program Budget and Project Status
($ in millions)

Contract	Status	Current Approved Budget (as of April 30, 2012)	Forecast Cost at Completion (as of April 30, 2012)	Expenditures through April 30, 2012 (as of April 30, 2012)
San Francisco-Oakland Bay Bridge–East Span Retrofit and Replacement	Under Construction	$6,332.8	$6,416.8	$5,181.4
Antioch Bridge Retrofit	Under Construction	82.0	81.8	66.4
Dumbarton Bridge Retrofit	Under Construction	148.7	139.5	76.1
San Francisco-Oakland Bay Bridge–West Approach Replacement	Completed	469.7	457.1	449.9
San Francisco-Oakland Bay Bridge–West Span Retrofit	Completed	302.2	302.2	302.3
Richmond-San Rafael Bridge Retrofit	Completed	816.5	816.5	794.3
Benicia-Martinez Bridge Retrofit	Completed	177.8	177.8	177.8
Carquinez Bridge Retrofit	Completed	114.2	114.2	114.2
San Mateo-Hayward Bridge Retrofit	Completed	163.4	163.4	163.4
Vincent Thomas Bridge Retrofit	Completed	58.4	58.4	58.4
San Diego-Coronado Bridge Retrofit	Completed	102.6	102.6	102.6
Misc. Program Costs		30.0	30.0	25.5
Subtotal(1)		$8,798.3	$8,860.3	$7,512.3
Programmatic Risk		---	92.0	---
Program Contingency		283.7	129.7	---
Total(1)		$9,082.0	$9,082.0	$7,512.3

(1) Subtotals and totals may not add due to independent rounding of numbers.
Source: Caltrans.

As shown in the above table, the approved budget for the Toll Bridge Seismic Retrofit Program as of April 30, 2012 included $129.7 million for program contingency. The most recent expenditure forecast indicates that the budgeted program contingency is adequate. However, as disclosed under "RISK FACTORS—Construction Delays and Cost Escalation," a number of other factors could contribute to cost increases in the future, and thus it is possible that contingent costs of the seismic retrofit program may exceed budgeted contingency amounts.

Seismic Design Strategies for the Bridge System

The criteria used to determine post-earthquake performance standards for the Bridge System were specific to each bridge and were evaluated and refined by Caltrans during planning and design. The engineering was reviewed by an independent panel of recognized experts from the private sector and academia.

Each project was designed based upon a determination of the ground motions (earthquake forces) that influence a particular bridge in the event of an earthquake. Each of these motions was defined differently for each bridge site, as the seismic hazard at each site is different (different faults, different distances, etc.).

All seven toll bridges have been designed or have been or will be retrofitted, at a minimum, to avoid a collapse if the ground motions used to design the projects were to occur at the respective sites. A decision was made in the case of each bridge as to how much should be invested beyond the "no collapse" life safety level. The design strategy selected for each bridge was based on levels of traffic use, expected useful life of the bridge, the cost of a higher earthquake performance level, and other considerations. Some bridges were designated "Lifeline Structures" for which seismic strategy incorporates designs intended to exhibit performance levels superior to those levels associated with the "no collapse" design strategy and intended to create a post-earthquake condition in which Caltrans can put the bridge back into public service relatively quickly following a seismic event. A third seismic strategy, the "intermediate strategy," was adopted for certain bridges and is intended to provide a level of performance with an expectation of damage and closure, but with a higher performance than that of the "no collapse" strategy and a lower performance than that of the Lifeline Structure.

The following table describes the design basis and seismic strategy status for each of the Bridges:

BRIDGE DESIGN BASIS AND SEISMIC STRATEGY STATUS

Bridge	Seismic Strategy
Antioch	"No Collapse" Strategy Avoid catastrophic failure
Benicia—Martinez	Lifeline Structure Minor to moderate damage expected, reopen to traffic quickly
Carquinez	Intermediate Strategy Moderate to major damage expected
Dumbarton	Intermediate Strategy Moderate to major damage expected
Richmond—San Rafael	"No Collapse" Strategy Avoid catastrophic failure
San Francisco—Oakland (east span) (1)	Lifeline Structure is under construction Minor to moderate damage expected, reopen to traffic quickly
San Francisco—Oakland (west span)	Lifeline Structure Minor to moderate damage expected, reopen to traffic quickly
San Mateo—Hayward	Intermediate Strategy Moderate to major damage expected

(1) An interim retrofit of the existing east span of the San Francisco-Oakland Bay Bridge was completed in June 2000. Pending completion of the replacement span, this interim retrofit does not result in a seismic performance level at the Lifeline Structure strategy but is designed to result in a non-collapse of the east span in the event of a moderate earthquake.

Source: Caltrans.

Caltrans' bridge design standards are subject to ongoing review and modification as knowledge about earthquakes increases. Each of the Bridges is reevaluated as standards are improved. It is possible, however, that the design strategies employed at any given time will not perform to expectations. See "RISK FACTORS—Risk of Earthquake."

AB 1171 Capital Projects

Pursuant to legislation adopted in 2001 known as "AB 1171" excess toll revenue generated from the seismic surcharge after a specified commitment for funding the Seismic Retrofit Program projects is achieved is required to be collected by the Authority and remitted to fund transportation and transit projects similar to those authorized by RM1 and RM2. The amount of such funds is programmed to be $570 million and has been budgeted by MTC to fund specified transportation projects such as the Doyle Drive replacement project, the extension of the Bay Area Rapid Transit system to east Contra Costa County, the Transbay Transit Center, improvements to the interchange of Highway 80 and Highway 680, and other transit and corridor improvement projects.

Bridge Rehabilitation Program

In addition to the RM1 Projects, RM2 Projects and Seismic Retrofit Program projects, the Authority funds other capital rehabilitation and operational improvement projects on the Bridge System designed to maintain and ensure the long-term safe operation of the Bridge System and associated toll facilities. The Authority commissioned a study in 2011 to assess its planned maintenance, repair and rehabilitation schedules for the Bridge System. The Authority currently anticipates funding such rehabilitation and operational improvement projects in the amount of approximately $60 million per fiscal year, on average. The Authority expects that actual maintenance, repair and rehabilitation costs will vary from year to year, largely as a result of the anticipated schedule for major rehabilitation of individual bridges, and that maintenance and repair costs generally will increase each year. The Authority anticipates undertaking major rehabilitation or replacement of one or more bridges in the Bridge System while its Bonds are Outstanding, but the Authority cannot predict the timing or costs of such work.

Anticipated Bond Issuances of the Authority

The Authority anticipates issuing additional toll bridge revenue bonds to fund capital projects under its current capital project programs. The Authority has authorized the issuance of up to $1.2 billion of Bonds for capital projects prior to December 31, 2013 and may authorize the issuance of additional Bonds in the future. The Authority has also authorized the issuance of refunding or restructuring Bonds. Toll bridge revenue bonds may be issued on a parity with the outstanding Senior Bonds under the Senior Indenture, as Subordinate Bonds under the Subordinate Indenture or as toll bridge revenue bonds subordinate to the Subordinate Bonds. Additional toll bridge revenue bonds could be issued for refunding or restructuring purposes, additional work on the Bridges or other purposes authorized by the Act.

The principal amount of additional toll bridge revenue bonds (and any senior obligations or subordinate obligations) to be issued by the Authority and the timing of any such issuance or issuances will be determined by the Authority based on the actual costs of its programs (which are subject to modification by the Authority and by state law) and the resources then available. The Act does not limit the principal amount of Authority obligations that may be issued. The Senior Indenture and the Subordinate Indenture limit the issuance of Senior Bonds, obligations of the Authority that are payable on a parity with the Senior Bonds, Subordinate Bonds, and obligations that are payable on a parity with the Subordinate Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS – Certain Provisions of the Senior Indenture – Toll Rate Covenants" and "—Additional Bonds Test" and "— Certain Provisions of the Subordinate Indenture – Toll Rate Covenant" and "—Additional Bonds Test".

LIQUIDITY AND CASH RESERVES

Cash Reserves

The Authority's budget for the fiscal year ending June 30, 2013 includes the continued maintenance of a $1 billion reserve. As of June 29, 2012, the Authority held cash and investments in excess of $1 billion, including the Operations and Maintenance Fund described below. The purpose of the $1 billion reserve is to provide liquidity for debt service, variable costs associated with variable rate demand bonds, rehabilitation and operational improvements on the Bridges, and operating and other expenses in the event of an emergency that affects Bridge Toll Revenues. For a discussion of the Authority's cash, cash equivalents and investments as of June 30, 2011, see Note 3 on pages 51-55 of the MTC 2011 CAFR.

Operations and Maintenance Fund

The Senior Indenture provides that at the beginning of each Fiscal Year, the Authority shall deposit in its Operations and Maintenance Fund from Bridge Toll Revenues such amount as shall be necessary so that the amount on deposit in the Operations and Maintenance Fund equals two times the budgeted expenditures for the Fiscal Year for Caltrans' operation and maintenance of toll facilities on the Bridges, including, but not limited to, toll collection costs, including wages and salaries. The principal amount held in the Operations and Maintenance Fund is to be used and withdrawn by the Authority solely to pay such expenses and is not pledged to the payment of the Authority's Secured Obligations. Interest and other income from the investment of money in the Operations and Maintenance Fund is pledged to the payment of the Authority's Secured Obligations. The Authority, in its budget for the fiscal year ending June 30, 2013, requires that the balance in the Operations and Maintenance Fund be maintained at $75 million. See "THE BRIDGE SYSTEM–-Bridge System Operations and Maintenance."

The Senior Indenture also provides that in the event that Bridge Toll Revenues on deposit in the Bay Area Toll Account are not sufficient at the beginning of any Fiscal Year to enable the Authority to make the transfer described above at the beginning of such Fiscal Year, the Authority shall not be required to make such transfer for such Fiscal Year and failure of the Authority to make such transfer shall not constitute an event of default under the Senior Indenture for as long as the Authority shall punctually pay the principal of and interest on the Senior Bonds as they become due and observe and comply with the toll rate covenants in the Senior Indenture. The Subordinate Indenture does not require the Operations and Maintenance Fund to be funded. See "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS—Certain Provisions of the Senior Indenture—Toll Rate Covenants" and APPENDIX A—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE—THE SENIOR INDENTURE—Covenants of the Authority."

Investment Portfolio

Funds of the Authority are invested with other funds of MTC and related entities pursuant to an investment policy adopted by MTC, which permits the Authority to invest in some (but not all) of the types of securities authorized by State law for the investment of funds of local agencies (California Government Code Section 53600 et seq.) The securities in which the Authority currently is authorized to invest include United States treasury notes, bonds and bills, bonds, notes, bills, warrants and obligations issued by agencies of the United States, bankers acceptances, corporate commercial paper of prime quality, negotiable certificates of deposit, medium term corporate notes, shares of beneficial interest in diversified management companies (mutual funds), the State's local agency investment fund, the Alameda 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, financial futures, option contracts, 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 a trustee under the Authority's toll bridge revenue bond indentures are to be invested by the trustee in specified types of investments in accordance with instructions from the Authority. The instructions from the Authority currently restrict those investments to investments permitted by the investment policy adopted by MTC described above (except that the trustee is permitted to invest a greater percentage of funds in mutual funds and in a single mutual fund than the investment policy would otherwise permit).

The Authority's primary investment strategy is to purchase investments with the intent to hold them to maturity. However, the Authority may sell an investment prior to maturity to avoid losses to the Authority resulting from further erosion of the market value of such investment or to meet operation or project liquidity needs.

As explained in Notes 1.T and 5, starting on pages 50 and 60, respectively, of the MTC 2011 CAFR, the Authority's investment income for the fiscal years ended June 30, 2010 and June 30, 2011 was comprised of interest income from investments and changes in the fair market value of certain interest rate swaps that were hedges for variable rate demand bonds that were refunded and that no longer had an underlying bond to hedge. This resulted in a non-cash derivative investment charge of $23,551,920 in the fiscal year ended June 30, 2010 and a non-cash derivative investment gain of $21,386,552 in the fiscal year ended June 30, 2011. The Authority's Senior Indenture and Subordinate Indenture do not require the Authority to take that non-cash charge into account in calculating Revenue or for purposes of the additional bonds tests and the rate covenants described under "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS."

For more information regarding the investment policy and portfolio of MTC and the Authority, including a discussion of certain deposit and investment risk factors, see Note 1.H and Note 3.A, starting at page 45 and page 51, respectively, of the MTC 2011 CAFR.

As of May 31, 2012, the average maturity of the investment portfolio was 162 days, with an average annual yield of approximately 0.24%.

INVESTMENT PORTFOLIO INFORMATION(1)
as of May 31, 2012 (Unaudited)

Investments	Percent of Portfolio	Par Value	Market Value
Cash	9.4%	$ 384,995,787	$ 384,995,787
Government Sponsored Enterprises(2)	73.3%	2,948,825,000	2,949,663,622
Municipal Bonds	11.1%	445,448,000	445,675,491
Mutual Funds	1.3%	51,391,509	51,391,509
Government Pools(3)	0.0%	1,842,515	1,842,515
California Asset Management Program	4.9%	196,252,193	196,252,193
TOTAL INVESTMENTS	100.0%	$4,028,755,004	$4,029,821,117

(1) The investment portfolio includes funds of MTC and related entities and trustee held funds.
(2) Federal Home Loan Mortgage Corp., Federal Home Loan Banks, Federal National Mortgage Association and Federal Farm Credit Bank.
(3) Local Agency Investment Fund maintained by the Treasurer of the State of California and the County of Alameda, California Treasurer's Investment Pool.
Source: MTC Monthly Investment Report.

HISTORICAL REVENUE AND DEBT SERVICE COVERAGE

The following table sets forth Bridge System historical revenue and debt service coverage for the five fiscal years ended June 30, 2011. Information in the table is intended to provide potential investors with information about revenues and gross debt service coverage. The presentation is not prepared in accordance with generally accepted accounting principles and could differ from comparable presentations by other similar organizations. This table does not calculate coverage ratio covenants or additional bonds tests that are discussed under "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS" and in APPENDIX A—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE" and APPENDIX B—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE." Generally swap rates are used for variable rate demand bonds that have corresponding qualified swap agreements, the interest rates on taxable Build America Bonds are net of the expected subsidy payments, which payments are excluded from revenues, and bank fees are excluded from debt service.

BRIDGE SYSTEM
Historical Revenue and Debt Service Coverage
($ in thousands)

Fiscal Year Ended June 30,	**2007**	**2008**	**2009**	**2010**	**2011**
Revenue					
Bridge Toll Revenues	$422,355	$477,377	$470,136	$466,086	$597,362
Interest Earnings	96,415	116,134	38,740[2]	8,678[3]	12,059[4]
Other Revenues[1]	5,989	14,309	18,088	19,275	18,459
Senior Bond Subsidy Payments	--	--	--	18,681[5]	--
Total Revenue Under Senior Indenture [A]	$524,759	$607,820	$526,964	$512,720	$627,880[6]
Debt Service on Senior Bonds and Parity Obligations [B]	$161,144	$234,479	$238,607	$260,166	$264,722[5][7]
Gross Senior Debt Service Coverage [A/B]	3.26x	2.59x	2.21x	1.97x	2.37x
Less Maintenance and Operation Expenses [C]					(80,993[9])
Total Available Revenue Under [8] Subordinate Indenture [A-C = D]					$546,887[6]
Debt Service on Senior Bonds, Parity Obligations and Subordinate Bonds [E]					$359,973[6]
Gross Debt Service Coverage [D/E]					1.52x

(1) Consists of, among other things, violation revenues. Includes $1.1 million of transfers from MTC for the fiscal year ended June 30, 2010 relating to a Transit Cooperative Research Program grant.
(2) Does not reflect non-cash derivative investment charge of $38,719,155 that does not reduce Revenue under provisions of the Senior Indenture. See "LIQUIDITY AND CASH RESERVES—Investment Portfolio."
(3) Does not reflect non-cash derivative investment charge of $23,551,920 that does not reduce Revenue under provisions of the Senior Indenture. See "LIQUIDITY AND CASH RESERVES—Investment Portfolio" and Notes 1.S and 5, starting on pages 47 and 57, respectively, of the MTC 2011 CAFR.
(4) Does not reflect cash derivative investment gain of $21,386,552. See "LIQUIDITY AND CASH RESERVES – Investment Portfolio."
(5) Senior Bond Subsidy Payments consist of a 35% federal interest subsidy for the 2009 Series F-2 Bonds issued under the Build America Bond program which the Authority received in the fiscal year ended June 30, 2010.
(6) In the fiscal year ended June 30, 2011, the Senior Indenture was amended to provide, and the Subordinated Indenture provides, that Subsidy Payments are treated as offset against interest paid on Build America Bonds for purposes of the rate covenants and additional bonds tests. Beginning in the fiscal year ended June 30, 2011, Subsidy Payments for all Senior Bonds and Subordinate Bonds which the Authority has issued as Build America Bonds are excluded from "Total Revenue Under Senior Indenture" and "Total Available Revenue Under Subordinate Indenture," while "Debt Service on Senior Bonds and Parity Obligations" and "Debt Service on Senior Bonds, Parity Obligations and Subordinate Bonds" are shown net of such subsidy payments which amounted to $72,638,218 for the fiscal year ended June 30, 2011. See "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS—Certain Provisions of the Senior Indenture—Build America Bonds Federal Interest Subsidy Payments" and "—Certain Provisions of the Subordinate Indenture—Build America Bonds Federal Interest Subsidy Payments."
(7) Senior Bond interest expense (net of Subsidy Payments) plus principal retirement of $36,990,000.
(8) No Subordinate Indenture existed prior to fiscal year ended June 30, 2011.
(9) Includes $55 million for the Authority's operating expenses, $23 million for operating expenses incurred by Caltrans, and $3 million for operating expenses of the Transbay Joint Powers Authority.

Source: The Authority.

SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS

As of June 29, 2012, the Authority had Senior Bonds outstanding in the aggregate principal amount of $5,519,440,000, comprised of $1,457,760,000 aggregate principal amount of variable rate demand bonds and $4,061,680,000 aggregate principal amount of fixed rate bonds and fixed rate Subordinate Bonds outstanding in the aggregate principal amount of $2,385,000,000. See APPENDIX D – "OUTSTANDING OBLIGATIONS." Additional toll bridge revenue bonds may be issued in the future as either Senior Obligations or Subordinate Obligations (subject to the requirements of and limitations in the Senior Indenture or the Subordinate Indenture, described below).

Senior Bonds and obligations of the Authority that are payable on a parity with the Senior Bonds are "Senior Obligations." Senior Obligations consist of the Senior Bonds and amounts due as regularly scheduled payments under the Authority's Qualified Swap Agreements described under "OTHER AUTHORITY OBLIGATIONS—Qualified Swap Agreements." Senior Obligations also include any amounts due as reimbursement obligations pursuant to the reimbursement agreement relating to the issuance of letters of credit securing variable rate demand bonds that are Senior Bonds and for Reserve Facility Costs, which are amounts to repay draws under surety bonds or insurance policies held in the reserve fund for Senior Bonds.

Subordinate Bonds and obligations of the Authority that are payable on a parity with the Subordinate Bonds are "Subordinate Obligations." In addition, if the Authority were to become obligated to make termination payments under the Authority's Qualified Swap Agreements described below, those obligations would be Subordinate Obligations.

See APPENDIX A—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE" and APPENDIX B—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE" for further information about the security for the Senior Bonds and the Subordinate Bonds.

Statutory Lien on Bridge Toll Revenues

The Act imposes a statutory lien upon all Bridge Toll Revenues in favor of the holders of the Authority's toll bridge revenue bonds and in favor of any provider of credit enhancement for those bonds. Bridge Toll Revenues include all tolls and all other income, including penalties for violations, allocated to the Authority pursuant to the Act derived from the Bridge System and not limited or restricted to a specific purpose. The statutory lien is subject to expenditures for operation and maintenance of the Bridges, including toll collection, unless those expenditures are otherwise provided for by statute. See "THE BRIDGE SYSTEM—Bridge System Operations and Maintenance" and "LIQUIDITY AND CASH RESERVES—Operations and Maintenance Fund," APPENDIX A—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE" and APPENDIX B—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE."

Pledge by the State

Pursuant to Section 30963 of the Act, the State has pledged and agreed with the holders of toll bridge revenue bonds and those parties who may enter into contracts with the Authority pursuant to the Act, that the State will not limit, alter, or restrict the rights vested by the Act in the Authority to finance the toll bridge improvements authorized by the Act. The State has further agreed not to impair the terms of any agreements made with the holders of the toll bridge revenue bonds and with parties who may enter into contracts with the Authority pursuant to the Act and has pledged and agreed not to impair the rights or remedies of the holders of any toll bridge revenue bonds or any such parties until the toll bridge revenue bonds, together with interest, are fully paid and discharged and any contracts are fully performed on the part of the Authority.

Certain Provisions of the Senior Indenture

The Senior Indenture provides that Senior Obligations are payable from and secured by "Revenue," which consists of tolls paid by vehicles using the seven Bridges in the Bridge System (including income from penalties for toll violations), interest earnings on the Bay Area Toll Account and all other funds held by the Authority, interest earnings on fund balances held under the Senior Indenture, payments received under interest rate swap agreements, and interest subsidy payments received from the federal government on account of the issuance of Senior Bonds as Build America Bonds. Senior Obligations are also secured by and payable from all amounts (including the proceeds of Senior Bonds) held by the Senior Indenture Trustee (except amounts on deposit to be used to make rebate payments to the federal government and amounts on deposit to be used to provide liquidity support for variable rate demand Senior Bonds). The pledge securing Senior Obligations is irrevocable until all Senior Obligations are no longer outstanding.

Authority for Issuance of Senior Bonds. The Senior Indenture permits Senior Bonds to be issued pursuant to the Act for the purpose of toll bridge program capital improvements and for the purpose of refunding Senior Bonds and other Senior Obligations.

Transfers of Revenue. Under the Act, all Bridge Toll Revenues are required to be deposited into the Bay Area Toll Account held by the Authority. The Senior Indenture requires the Authority to transfer to the Senior Indenture Trustee, from the Bay Area Toll Account, Revenue sufficient to make payments on all Senior Obligations not later than three Business Days prior to their due dates.

Revenue so received from the Authority by the Senior Indenture Trustee is required by the Senior Indenture to be deposited in trust in the Bond Fund under the Senior Indenture. All Revenue held in that Bond Fund is to be held, applied, used and withdrawn only as provided in the Senior Indenture.

The Subordinate Indenture Trustee has been instructed by the Authority to transfer to the Senior Indenture Trustee any Revenue (as defined in the Senior Indenture) on deposit in the Bond Fund held by the Subordinate Indenture Trustee to the extent that there is any shortfall in amounts needed to make timely payments of principal, interest, and premium, if any, on Senior Obligations or to replenish the reserve fund for the Senior Bonds. Any such transfer to the Senior Indenture Trustee will not include proceeds of Subordinate Bonds, amounts attributable to interest subsidy payments received from the federal government on account of the issuance of Subordinate Bonds as Build America Bonds or any amounts attributable to a reserve account for Subordinate Bonds. The Senior Indenture Trustee has been instructed by the Authority to transfer to the Subordinate Indenture Trustee any amounts on deposit in the Fees and Expenses Fund under the Senior Indenture to the extent that there is any shortfall in the Bond Fund under the Subordinate Indenture of amounts needed to make timely payments of principal, interest, and premium, if any, on Subordinate Obligations and to replenish the reserve fund for the Subordinate Bonds, provided that no such transfer is to be made to the extent there is also a concurrent shortfall in the Bond Fund or reserve fund under the Senior Indenture. The Authority has instructed each trustee to notify the other trustee on the third Business Day preceding each principal or interest payment date of the need for such a transfer and to request such transfer on the second Business Day preceding each such payment date.

Toll Rate Covenants. The Authority covenants in the Senior Indenture that it will at all times establish and maintain tolls on the Bridge System at rates sufficient to pay debt service on all Senior Obligations, to pay certain toll operations expenditures (defined in the Senior Indenture as "Category B" maintenance expenditures) and to otherwise comply with the Act.

The Authority also has covenanted in the Senior Indenture to compute coverage ratios specified in the Senior Indenture on an annual basis within ten Business Days after the beginning of each Fiscal Year and to increase tolls if any of the ratios is less than the required level. See APPENDIX A—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE—THE SENIOR INDENTURE—Toll Rate Covenants"

The Authority's calculations as of June 30, 2010 and as of June 30, 2011 both show that the resulting ratios did not require the Authority to increase tolls. See Schedule 11 at page 101 in the Other Supplementary Information of the MTC 2011 CAFR.

Additional Bonds Test. Additional Senior Obligations may be issued under the Senior Indenture only if at least one of the following is true immediately following the issuance of such additional Senior Obligations:

(a) the additional Senior Obligations are issued for refunding purposes to provide funds for the payment of any or all of the following: (1) the principal or redemption price of the Senior Obligations to be refunded; (2) all expenses incident to the calling, retiring or paying of such Senior Obligations and the Costs of Issuance of such refunding Senior Obligations; (3) interest on all Senior Obligations to be refunded to the date such Senior Obligations will be called for redemption or paid at maturity; and (4) interest on the refunding Senior Obligations from the date thereof to the date of payment or redemption of the Senior Obligations to be refunded; or

(b) the governing board of the Authority determines that one of the following is true: (1) the ratio of (A) Net Revenue for the most recent Fiscal Year for which audited financial statements are available to (B) Maximum Annual Debt Service on the Senior Obligations, calculated as of the date of sale of, and including such additional Senior Obligations, will not be less than 1.50:1; or (2) the ratio of (A) Net Revenue projected by the Authority for each of the next three Fiscal Years, including in such projections amounts projected to be received from any adopted toll increase or planned openings of an additional Bridge, to (B) Maximum Annual Debt Service on the Senior Obligations, calculated as of the date of sale of and including such additional Senior Obligations, will not be less than 1.50:1.

The Senior Indenture includes definitions of Net Revenue and Maximum Annual Debt Service and other requirements for the issuance of additional Senior Obligations. See APPENDIX A—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE—THE SENIOR INDENTURE—Additional Senior Bonds; Subordinate Obligations."

Reserve Fund. The Reserve Fund established pursuant to the Senior Indenture is solely for the purpose of paying principal of and interest on the Senior Bonds when due when insufficient moneys for such payment are on deposit in the Principal Account and the Interest Account under the Senior Indenture. See APPENDIX A—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE—THE SENIOR INDENTURE—Funds and Accounts—Establishment and Application of the Reserve Fund."

The balance in the Reserve Fund is required by the Senior Indenture to equal or exceed the "Reserve Requirement" (defined in the Senior Indenture as an amount equal to the lesser of Maximum Annual Debt Service on all Senior Bonds and 125% of average Annual Debt Service on all Senior Bonds). The Reserve Requirement is approximately $345,275,000, and cash and investments aggregating at least that amount are held in the Reserve Fund. Subsequent to the most recent Senior Bond issuance, the Indenture was amended by the Build America Bonds Amendment, the result of which is that the next time Senior Bonds are issued, the Reserve Requirement will be recalculated using Annual Debt Service net of Build America Bonds subsidy payments and could decrease. See APPENDIX A—

"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE—DEFINITIONS."

The Senior Indenture Trustee is to draw on the Reserve Fund to the extent necessary to fund any shortfall in the Interest Account or the Principal Account. The Authority is to replenish amounts drawn from the Reserve Fund by making monthly transfers to the Senior Indenture Trustee equal to one-twelfth (1/12th) of the initial aggregate amount of the deficiency in the Reserve Fund. See APPENDIX A—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE—THE SENIOR INDENTURE—Funds and Accounts—Establishment and Application of the Reserve Fund" and "—Funding of the Reserve Fund."

Build America Bonds Federal Interest Subsidy Payments. The Authority has issued Senior Bonds and Subordinate Bonds as taxable Build America Bonds under, and as defined in, the federal American Recovery and Reinvestment Act of 2009 (the "Recovery Act"). Under the Recovery Act, issuers of qualified Build America Bonds may elect to receive from the federal government interest subsidy payments equal to 35% of the amount of interest paid by the issuer on the Build America Bonds. Such payments to the Authority on account of Senior Bonds constitute Revenue under the Senior Indenture. See "RISK FACTORS – Risk of Non-Payment of Direct Subsidy Payments." Pursuant to the Indenture, the Authority treats such subsidy payments as an offset against interest paid on the Build America Bonds for purposes of the rate covenants and additional bonds tests described above under "Toll Rate Covenants" and "Additional Bonds Test," and such Subsidy Payments are excluded from Net Revenue for purposes of such covenants and tests.

Special Obligations. The Senior Bonds are special obligations of the Authority payable, as to interest thereon and principal thereof, solely from Revenue as defined and provided in the Senior Indenture, and the Authority is not obligated to pay them except from Revenue. The Senior Bonds do not constitute a debt or liability of the State, the Metropolitan Transportation Commission or any other political subdivision of the State other than the Authority, or a pledge of the full faith and credit of the State or of any political subdivision of the State.

Certain Provisions of the Subordinate Indenture

The Subordinate Indenture provides that Subordinate Obligations are payable from and secured by a subordinate pledge of the Revenue and other amounts pledged to the Senior Obligations as described above under "Certain Provisions of the Senior Indenture" (other than amounts held in the reserve fund for Senior Bonds, other proceeds of Senior Bonds, and interest subsidy payments received from the federal government on account of the issuance of Senior Bonds as Build America Bonds). In addition, Subordinate Obligations are payable from and secured by interest earnings on fund balances held under the Subordinate Indenture, interest subsidy payments received from the federal government on account of the issuance of Subordinate Bonds as Build America Bonds, and all amounts (including the proceeds of Subordinate Bonds) held by the Subordinate Indenture Trustee (except amounts on deposit to be used to make rebate payments to the federal government and amounts on deposit to be used to provide liquidity support for variable rate demand Subordinate Bonds). The pledge securing Subordinate Obligations is irrevocable until all Subordinate Obligations are no longer outstanding.

Authority for Issuance of Subordinate Bonds. The Subordinate Indenture permits Subordinate Bonds to be issued pursuant to the Act to finance the construction, improvement and equipping of the Bridge System and for any of the other purposes authorized by the Act, including refunding Senior Obligations, Subordinate Bonds and other Subordinate Obligations.

Transfers of Revenue. Under the Act, all Bridge Toll Revenues are required to be deposited into the Bay Area Toll Account held by the Authority. The Subordinate Indenture requires the Authority to transfer to the Subordinate Indenture Trustee, from the Bay Area Toll Account, Revenue sufficient to make payments on all Subordinate Obligations not later than three Business Days prior to their due dates.

Revenue so received from the Authority by the Subordinate Indenture Trustee is required by the Subordinate Indenture to be deposited in trust in the Bond Fund under the Subordinate Indenture. All Revenue held in that Bond Fund is to be held, applied, used and withdrawn only as provided in the Subordinate Indenture.

The Subordinate Indenture Trustee has been instructed by the Authority to transfer to the Senior Indenture Trustee any Revenue (as defined in the Senior Indenture) on deposit in the Bond Fund held by the Subordinate Indenture Trustee to the extent that there is any shortfall in amounts needed to make timely payments of principal, interest, and premium, if any, on Senior Obligations or to replenish the reserve fund for the Senior Bonds. Any such transfer to the Senior Indenture Trustee will not include proceeds of Subordinate Bonds, amounts attributable to interest subsidy payments received from the federal government on account of the issuance of Subordinate Bonds as Build America Bonds or any amounts attributable to a reserve account for Subordinate Bonds. The Senior Indenture Trustee has been instructed by the Authority to transfer to the Subordinate Indenture Trustee any amounts on deposit in the Fees and Expenses Fund under the Senior Indenture to the extent that there is any shortfall in the Bond Fund under the Subordinate Indenture of amounts needed to make timely payments of principal, interest, and premium, if any, on Subordinate Obligations and to replenish the reserve fund for the Subordinate Bonds, provided that no such transfer is to be made to the extent there is also a concurrent shortfall in the Bond Fund or reserve fund under the Senior Indenture. The Authority has instructed each trustee to notify the other trustee on the third Business Day preceding each principal or interest payment date of the need for such a transfer and to request such transfer on the second Business Day preceding each such payment date.

Toll Rate Covenant*.* The Authority covenants in the Subordinate Indenture that it will at all times establish and maintain tolls on the Bridge System at rates projected by it to generate sufficient Revenue (as defined in the Subordinate Indenture) to pay, as and when due, amounts due on all Senior Bonds and other Senior Obligations, Subordinate Bonds and other Subordinate Obligations, Maintenance and Operation Expenses, and other obligations of the Authority, and to otherwise comply with the Act.

The Authority also has covenanted in the Subordinate Indenture to compute the debt service coverage ratio specified in the Subordinate Indenture on an annual basis within ten Business Days after the beginning of each Fiscal Year and to take such action as promptly as practicable thereafter (including, without limitation, increasing Bridge Toll Revenues through toll increases) as the Authority projects is necessary to cause the projected debt service coverage ratio for that Fiscal Year to equal or exceed 1.20:1. See APPENDIX B—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE—THE SUBORDINATE INDENTURE—Covenants of the Authority—Revenue Covenants," and Schedule 11 at page 101 in the Other Supplementary Information thereof.

Additional Bonds Test*.* Additional Subordinate Bonds (or additional Obligations payable on a parity with Subordinate Bonds) may be issued under the Subordinate Indenture only if the requirements of (a) or (b) below are met:

(a) the Subordinate Obligations are issued for refunding purposes to provide funds for the payment of any or all of the following: (1) the principal or redemption price of the Subordinate Obligations or Senior Obligations to be refunded; (2) all expenses incident to the calling, retiring or paying of such Subordinate Obligations or Senior Obligations, the Costs of Issuance of such refunding Subordinate Obligations, and any termination payments or other payments to the holders of obligations of the Authority entered into pursuant to California Government Code section 5922 (or any similar statute) related to such Subordinate Obligations or Senior Obligations; (3) interest on all Subordinate Obligations or Senior Obligations to be refunded to the date such Subordinate

Obligations or Senior Obligations will be called for redemption or paid at maturity; and (4) interest on the refunding Subordinate Obligations from the date thereof to the date of payment or redemption of the Subordinate Obligations or Senior Obligations to be refunded; or

(b) an Authorized Representative determines and certifies, as of the date of issuance of the additional Subordinate Obligations, that either: (1) the ratio of (A) Available Revenue for the most recent Fiscal Year for which audited financial statements are available to (B) Maximum Annual Debt Service (defined in the Subordinate Indenture to include debt service on all Senior Obligations and Subordinate Obligations), calculated as of the date of sale of, and including such Subordinate Obligations, will not be less than 1.20:1; or (2) the ratio of (A) projected Available Revenue for each of three consecutive Fiscal Years (beginning with the current Fiscal Year or the Fiscal Year after the current Fiscal Year) to (B) Debt Service, calculated as of the date of sale of, and including, such Bonds or Parity Obligations, for each such Fiscal Year, will not be less than 1.20:1, and of (X) projected Available Revenue for the third such consecutive Fiscal Year to (Y) Maximum Annual Debt Service, calculated as of the date of sale of, and including, such Bonds or Parity Obligations, will not be less than 1.20:1. In calculating projected Available Revenue, the Authority will take into account amounts projected to be received from any adopted toll increase or increases and any additional Bay Area Bridge or Bridges

The Subordinate Indenture includes definitions of Available Revenue, Debt Service, and Maximum Annual Debt Service and other requirements for the issuance of additional Subordinate Obligations. See APPENDIX B—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE—Additional Subordinate Bonds."

Pursuant to the Subordinate Indenture, at such time as the Authority determines to issue additional Subordinate Bonds, the Authority shall, in addition to fulfilling the requirements of the Subordinate Indenture described above, file with the Subordinate Trustee (a) a certificate of the Authority stating that no Event of Default specified in the Subordinate Indenture has occurred and is then continuing; (b) a certificate of the Authority stating that the requirements described above have been satisfied; (c) such amount, in cash or in the form of a Reserve Facility, as shall equal the Reserve Requirement, if any, for such Series of Subordinate Bonds for deposit in the Reserve Fund established pursuant to the Subordinate Indenture; and (d) an Opinion of Bond Counsel to the effect that the Supplemental Subordinate Indenture creating such Series of Subordinate Bonds has been duly executed and delivered by the Authority in accordance with the Subordinate Indenture and that such Series of Subordinate Bonds, when duly executed by the Authority and authenticated and delivered by the Subordinate Trustee, will be valid and binding obligations of the Authority.

Reserve Fund*.* Subordinate Bonds may be issued with or without a Reserve Requirement. The Authority will decide at the time of issuance of a series of Subordinate Bonds whether to establish a Reserve Requirement for that series and the amount of the Reserve Requirement. On the date of issuance of any series of Subordinate Bonds that has a Reserve Requirement, the Reserve Requirement will be deposited in the Reserve Account established under the Subordinate Indenture for those bonds. Alternatively, the Authority may decide to establish a pooled Reserve Requirement for that series of Subordinate Bonds and any one or more subsequently issued series of Subordinate Bonds with the same pooled Reserve Requirement, in which case an amount necessary to bring the amount on deposit in the pooled Reserve Account to such pooled Reserve Requirement will be deposited in the pooled Reserve Account established under the Subordinate Indenture. A Reserve Account was established and funded in the amount of $67,938,000 (the maximum annual amount of interest payable on the 2010 Series S-1 Subordinate Bonds as of their date of issue) in connection with the issuance of 2010 Series S-1 Subordinate Bonds in July 2010, and it secures only that series of Subordinate Bonds. Reserve Accounts were also established and funded in the amount of $20,436,387.50 (the maximum annual amount of interest payable on the 2010 Series S-2 Subordinate Bonds as of their date of issue) and $21,325,362.50 (the maximum annual amount of interest payable on the 2010 Series S-3 Subordinate Bonds as of their date of issue) in connection with the issuance of 2010 Series S-2 Subordinate Bonds and 2010 Series S-3 Subordinate Bonds, respectively, in November 2010, and each such Reserve Account secures only that respective series of Subordinate Bonds.

Money in an account in the Reserve Fund shall be used and withdrawn by the Subordinate Indenture Trustee solely for the purpose of paying principal of and interest on the Subordinate Bonds for which such account is held when such principal and interest are due if insufficient moneys for the payment thereof are on deposit with the Subordinate Indenture Trustee. The Authority is to replenish amounts drawn from the Reserve Fund by making monthly transfers to the Subordinate Indenture Trustee equal to one-twelfth (1/12th) of the aggregate amount of the deficiency in the Reserve Fund. See APPENDIX B—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE—Funds and Accounts—Establishment and Application of the Reserve Fund" and "—Funding of the Reserve Fund."

Build America Bonds Federal Interest Subsidy Payments. The Authority has issued Senior Bonds and Subordinate Bonds as taxable Build America Bonds under, and as defined in, the federal American Recovery and Reinvestment Act of 2009 (the "Recovery Act"). Under the Recovery Act, issuers of qualified Build America Bonds may elect to receive from the federal government interest subsidy payments equal to 35% of the amount of interest paid by the issuer on the Build America Bonds. See "RISK FACTORS – Risk of Non-Payment of Direct Subsidy Payments." Pursuant to the Subordinate Indenture, the Authority treats such subsidy payments as an offset against interest paid on Build America Bonds for purposes of the additional bonds test and the rate covenants described above under "Toll Rate Covenants" and "Additional Bonds Test," and such Subsidy Payments are excluded from Available Revenue for purposes of such covenants and tests.

Special Obligations. The Subordinate Bonds are special obligations of the Authority payable, as to interest thereon and principal thereof, solely from Revenue as defined and provided in the Subordinate Indenture, and the Authority is not obligated to pay them except from Revenue. The Subordinate Bonds do not constitute a debt or liability of the State, the Metropolitan Transportation Commission or any other political subdivision of the State other than the Authority, or a pledge of the full faith and credit of the State or of any political subdivision of the State.

OTHER AUTHORITY OBLIGATIONS

Credit Facilities

On September 28, 2010, the Authority entered into a Reimbursement Agreement with eight banks pursuant to which the banks provided, on November 1, 2010, irrevocable, direct-pay letters of credit (the "Letters of Credit"). The Letters of Credit are available to be drawn on for funds to pay principal of and interest on the Authority's Senior Bonds that are variable rate demand bonds. For a complete listing of the banks, the Senior Bonds supported, the Letter of Credit expiration dates, and current ratings, see APPENDIX E – "VARIABLE RATE BONDS AND CREDIT SUPPORT INFORMATION." The Letters of Credit are also be available to be drawn on for funds to purchase the Authority's Senior Bonds that are variable rate demand bonds and that are tendered for purchase and are not successfully remarketed. Senior Bonds so purchased with proceeds of draws under the Letters of Credit ("Credit Provider Bonds") will continue to be Senior Bonds under the Senior Indenture payable on a parity basis with other Senior Bonds, but they will bear interest at the applicable rate of interest set forth in the Reimbursement Agreement. Reimbursement obligations created by unreimbursed principal and interest draws under the Letter of Credit will be Senior Parity Obligations, payable on a parity basis with Senior Bonds. Under the Reimbursement Agreement, fees and other payments due to the banks providing the

Letters of Credit are subordinate to Senior Obligations and Subordinate Obligations and are payable from the Fees and Expenses Fund held by the Senior Indenture Trustee. The Authority's obligation to pay interest on reimbursement obligations and on Credit Provider Bonds evidencing the Authority's obligation to pay amounts advanced under the Letters of Credit can be as high as 15% per annum.

The Authority's obligation to reimburse the banks on account of the purchase of the Authority's Senior Bonds that are tendered for purchase and not successfully remarketed may, under specified circumstances, be converted to a liquidity advance and paid over a period of five years, but that amortization period may be accelerated by the banks in the event of the occurrence of an event of default under the Reimbursement Agreement. Events of default under the Reimbursement Agreement include, among other events, the failure of the Authority to pay debt service on its Senior Bonds or Subordinated Bonds as and when due and the default by the Authority in the observance or performance of covenants or agreements in the Reimbursement Agreement or related documents.

In addition, in order for a liquidity drawing to be converted to a liquidity advance under the Reimbursement Agreement, certain preconditions must be satisfied by the Authority. These include, in addition to there being no event of default under the Reimbursement Agreement, the requirement that the Authority be able to make, as of the conversion date, certain representations and warranties set forth in the Reimbursement Agreement, including representations regarding the absence of certain litigation or legislation. Such representations may not be possible under circumstances that are beyond the control of the Authority. If the preconditions to the conversion to a liquidity advance cannot be met, the liquidity drawing is due and payable immediately by the Authority. Liquidity drawings and liquidity advances under the Reimbursement Agreement are required to be paid on a parity with the Senior Bonds and prior to the Subordinate Bonds.

JPMorgan Chase Bank, National Association is the agent for all of the banks under the Reimbursement Agreement, which banks include: Bank of America, N.A., The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, Barclays Bank PLC, acting through its New York Branch, JPMorgan Chase Bank, National Association, Lloyds TSB Bank Plc, acting through its New York Branch, Morgan Stanley Bank, N.A., Sumitomo Mitsui Banking Corporation, acting through its New York Branch, and Union Bank, N.A.

Qualified Swap Agreements

The Authority has entered into seventeen Qualified Swap Agreements with seven counterparties that as of June 29, 2012 had an aggregate notional amount of $1,927,345,000 of which thirteen, having an aggregate notional amount of $1,440,000,000, are agreements pursuant to which the Authority pays a fixed rate and receives a variable rate based on an index and of which four, having an aggregate notional amount of $487,345,000, are agreements pursuant to which the Authority pays a variable rate based on an index and receives a fixed rate. The governing board of the Authority has authorized the amendment, restructuring, and termination of existing Qualified Swap Agreements and the governing board has authorized the Authority to enter into additional Qualified Swap Agreements.

For a discussion of the Authority's outstanding interest rate swap agreements as of June 30, 2011, see "Note 5—Derivative Instruments" and "—Objective and Terms of Hedging Derivative Instruments" on pages 66-70 and Schedules 15 through 19 on pages 108-112, of the MTC 2011 CAFR.

On March 20, 2012, Citibank, N.A., novated to Wells Fargo Bank, N.A., a portion of an interest rate swap having a notional amount of $110 million that was initially entered into with the Authority on November 15, 2005 with an initial notional amount of $225 million. Under the two resulting swaps, each of the swap counterparties pay a floating rate of 53.80% of 1-month LIBOR plus 0.74% and the Authority pays a fixed rate of 3.6375%. From and after this novation, the Authority has seventeen Qualified Swap Agreements outstanding with seven counterparties. See APPENDIX D – "OUTSTANDING OBLIGATIONS."

Each Qualified Swap Agreement may terminate prior to its scheduled termination date and prior to the maturity of the Senior Bonds to which it relates. As of June 29, 2012, the termination payments payable by the Authority in connection with the agreements pursuant to which the Authority pays a fixed rate and receives a variable rate based on an index would exceed an approximate estimated aggregate amount of $561 million, and the termination payments receivable by the Authority in connection with the agreements pursuant to which the Authority pays a variable rate based on an index and receives a fixed rate would exceed an approximate aggregate estimated amount of $27 million.

Each Qualified Swap Agreement pursuant to which the Authority pays a variable rate based on an index and receives a fixed rate may be terminated in whole or in part at the option of the counterparty on April 1, 2014. No payment would be due from the Authority or the counterparty if the option is exercised, other than net accrued interest until that date.

There are no automatic termination events under any of the Authority's Qualified Swap Agreements, except in the case of bankruptcy under certain circumstances.

Each of the Authority's Qualified Swap Agreements may be terminated at the option of the Authority or its counterparty upon the occurrence of certain events. Such events include, among other events, the election of the Authority to terminate (in its sole discretion) at any time and the election of the counterparty to terminate if the Authority's unenhanced Senior Bond credit rating is withdrawn, suspended or reduced below "BBB-" by Standard & Poor's (or below "BBB+" in certain cases) or is withdrawn, suspended or reduced below "Baa3" by Moody's (or below "Baa1" in certain cases) and that withdrawal, suspension or reduction continues for five business days. In the event a Qualified Swap Agreement is so terminated, a termination payment will be payable by either the Authority or the counterparty depending on market conditions and the specific provisions of the Qualified Swap Agreement. Any such termination payment payable by the Authority could be substantial. Termination payments payable pursuant to Qualified Swap Agreements are payable on a parity with the Subordinate Bonds and constitute "Parity Obligations" under the Subordinate Indenture.

The Authority is not required to post collateral under its Qualified Swap Agreements. The counterparties are not required to post collateral unless they are rated below either "AA-" by Standard & Poor's or "Aa3" by Moody's. Each swap counterparty is required to post collateral to the Authority to secure its exposure in excess of $10 million if the counterparty is rated between either "A+" and "A-" by Standard & Poor's or "A1" and "A3" by Moody's. However, each counter party must secure its entire exposure if it is rated below either "A-" by Standard & Poor's or "A3" by Moody's.

In July 2009, the Authority terminated $1,073,605,000 notional amount of interest rate swap agreements with Ambac Financial Services, LLC ("AFS"), a subsidiary of Ambac Assurance Corporation ("Ambac") on account of downgrades to the credit ratings of Ambac. The interest rate swap agreements (under which the Authority paid a fixed rate to AFS and received a variable rate) were entered into to turn variable rate bonds of the Authority into synthetic fixed rate debt. The termination of the interest rate swap agreements, coupled with the issuance of the Series 2009F-1 Bonds on August 20, 2009 and redemption of $776,405,000 of outstanding variable rate bonds, replaced a portion of the Authority's synthetic fixed rate debt with actual fixed rate debt. The Authority made termination payments to AFS totaling approximately $105,000,000 in July 2009. AFS subsequently filed suit against the Authority in federal court in New York seeking damages in excess of $50,000,000 alleging that the Authority paid AFS less than the amount due AFS as termination payments. The litigation was settled in 2011 with a payment by the Authority to AFS of $7.5 million.

The Authority has terminated and novated other swaps in the past from time to time. The Authority has authorized future terminations and novations of swaps until December 31, 2013 and may authorize terminations and novations of swaps in the future.

Further Subordinated Obligations

The Authority may issue or incur obligations that would be secured by Revenue on a basis junior and subordinate to the payment of the principal, interest and reserve fund requirements for the Subordinate Obligations. Other than fees and other payments due to the Credit Providers, the Authority had no such obligations outstanding as of the date of this Information Statement. Such obligations could consist of toll bridge revenue bonds or payment obligations under liquidity or credit agreements or interest rate swap agreements. The Authority also has other obligations such as remarketing agent fees that are payable from Revenues.

RELATED ENTITIES

The Authority has interactions with a number of related entities the obligations of which are not obligations of the Authority nor are the obligations of such entities payable from Bridge Toll Revenues. These agencies are described in the following paragraphs:

Metropolitan Transportation Commission

MTC is a public agency created in 1970 by California law for the purpose of providing regional transportation planning and organization for the nine San Francisco Bay Area counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma, sometimes collectively referred to herein as the "Bay Area." As such, it is responsible for regularly updating the regional transportation plan, a comprehensive blueprint for the development of mass transit, highway, airport, seaport, ferry, railroad, bicycle and pedestrian facilities. MTC administers state and federal grants for transportation projects and screens requests from local agencies for such grant funding to determine their compatibility with the regional transportation plan. State legislation adopted in 1997 has given regional transportation planning agencies such as MTC increased decision-making authority over the selection of state highway projects and the allocation of transit expansion funds for the state transportation improvement program. MTC also monitors transit operators' budgets, conducts performance audits and adopts a yearly transit improvement program to ensure that the region's numerous bus, rail and ferry systems are coordinated in terms of their routes, fares, transfer policies, schedules, passenger information and facilities.

Bay Area Headquarters Authority

The Bay Area Headquarters Authority or "BAHA" is a joint exercise of powers authority created by a Joint Exercise of Powers Agreement (the "BAHA Agreement") between the Authority and MTC. BAHA was created to plan, acquire, and develop office space and facilities and undertake related activities by exercising the common powers of the Authority and MTC and the powers separately conferred by law. The Authority authorized a contribution of up to $167,026,515 to BAHA pursuant to the BAHA Agreement for purposes of acquiring and developing an office facility at 390 Main Street in San Francisco, California (the "Administration Building"). BAHA acquired the office facility at 390 Main Street for a purchase price of $93 million and has spent approximately $1.9 million toward development of the facility. Portions of the building may be sold, and portions may be leased to the Bay Area Air Quality Management District and other governmental or private tenants, in addition to being the headquarters of MTC and the Authority. The California Bureau of State Audits (the "Bureau") is currently conducting an audit of the acquisition and development of the new office facility and the contribution by the Authority to BAHA of toll bridge funds related to such acquisition and development. According the Bureau, the audit is expected to be completed in August 2012. State legislation (SB 1545), an urgency bill, was introduced on February 24, 2012 and amended on June 26, 2012 that, if adopted, would prohibit BAHA from entering into additional contracts with respect to the office facility until BAHA brings and completes a legal action to validate the statutory authority for the building purchase and the propriety of the use of Bridge toll revenues for the purchase, in the event that the Bureau's audit report does not clearly validate those actions. SB 1545 was passed by the Senate on May 10, 2012, and it is currently pending in the Assembly.

Bay Area Infrastructure Financing Authority

The Bay Area Infrastructure Financing Authority or "BAIFA" is a joint exercise of powers authority created by a Joint Exercise of Powers Agreement between the Authority and MTC. In December 2006, BAIFA issued its $972,320,000 State Payment Acceleration Notes ("SPANs"), the net proceeds of which are being used to finance a portion of the Seismic Retrofit Program described in this Information Statement. The BAIFA SPANs have no claim on and are not payable from toll revenues collected by the Authority. At June 29, 2012, the aggregate principal amount of BAIFA SPANs outstanding was $540,720,000.

Regional Express Lanes

MTC, in consultation with the Authority, is in the initial stages of planning to develop, administer, operate and maintain a multi-county, high-occupancy toll lane network (the "Express Lane Network") in the Bay Area. Vehicles will be able to use the FasTrak system to pay to access the Express Lane Network. The California Transportation Commission took action in 2011 finding MTC eligible to develop and operate the Express Lane Network. MTC is currently exploring financing options for the Express Lane Network, and the BAIFA Joint Exercise of Powers Agreement has been amended in contemplation of it being a potential financing vehicle and operating entity. Environmental review and toll system development for the initial phase of the Express Lane Network, consisting of approximately 80 miles of conversion of existing high-occupancy vehicle (HOV) lanes to Express Lanes, has commenced. Design and construction of the initial phase are expected to commence in 2014. Further plans include approximately 190 miles of Express Lanes, consisting of converted HOV lanes and new lanes, located around the Bay Area.

RISK FACTORS

The primary source of payment for the Authority's toll bridge revenue bonds is the Authority's bridge toll revenues. The level of bridge toll revenues collected at any time is dependent upon the level of traffic on the Bridge System, which, in turn, is related to several factors, including without limitation, the factors indicated below.

Risk of Faulty Forecast

The levels of traffic assumed and toll revenue projected are based solely upon estimates and assumptions made by the Authority. Actual levels of traffic and toll revenue will differ, and may differ materially, from the levels projected. Actual interest earnings, debt service interest rates, swap revenues and operations and maintenance expenses could also differ from the forecast.

Risk of Earthquake

The Bay Area's historical level of seismic activity and the proximity of the Bridge System to a number of significant known earthquake faults (including most notably the San Andreas Fault and the Hayward Fault) increases the likelihood that an earthquake originating in the region could destroy or render unusable for a period of time one or more of the Bridges, their highway approaches or connected traffic corridors, thereby interrupting the collection of bridge toll revenues for an undetermined period of time.

An earthquake originating outside the immediate Bay Area could have an impact on Bridge System operations and bridge toll revenues. On October 17, 1989, the Bay Area experienced the effects of the Loma Prieta earthquake that registered 7.1 on the Richter Scale. The epicenter of the earthquake was located in Loma Prieta about 60 miles south of the City of San Francisco in the Santa Cruz

Mountains. The Loma Prieta earthquake caused damage to the east span of the San Francisco-Oakland Bay Bridge and adjacent highways.

Research conducted since the 1989 Loma Prieta earthquake by the United States Geological Survey concludes that there is a 70% probability of at least one magnitude 6.7 or greater earthquake, capable of causing wide-spread damage, striking the Bay Area before 2030. Major earthquakes may occur at any time in any part of the Bay Area. An earthquake of such magnitude with an epicenter in sufficiently close proximity to the San Francisco-Oakland Bay Bridge occurring prior to completion of the Seismic Retrofit Program would likely result in substantial damage.

The Seismic Retrofit Program is specifically intended to mitigate the risk of major damage to the Bridges due to seismic activity by enhancing the structural integrity of the Bridges to accommodate ground motions along the various identified faults with return periods of between 1,000 and 2,000 years. However, Caltrans currently estimates that the Seismic Retrofit Program will not be fully completed until 2015. See "CAPITAL PROJECTS AND FUNDING—Seismic Retrofit Program Capital Projects." Furthermore, the completion of the Seismic Retrofit Program will not ensure that one or more of the Bridges or their highway approach routes would not be damaged, destroyed or rendered unusable for a period of time in the event of a single earthquake or a combination of earthquakes.

When large seismic events have occurred in the past, Caltrans has demonstrated an ability to quickly repair bridge structures and reestablish traffic flows. As a consequence of the 1989 Loma Prieta earthquake, the San Francisco-Oakland Bay Bridge suffered collapse of a section of the bridge's east span upper deck. Within 30 days, two replacement deck sections were designed, ordered, fabricated, delivered and installed as part of a $8.6 million construction project. With the completion of the Seismic Retrofit Program, the need for repairs of this magnitude is expected to be greatly reduced, especially on the San Francisco-Oakland Bay Bridge and the Benicia-Martinez Bridge, both of which will be strengthened to the higher Lifeline Structure criteria. See "CAPITAL PROJECTS AND FUNDING— Seismic Design Strategies for the Bridge System." However, the actual damage caused by a future seismic event could vary substantially from expectations or past experience.

Other Force Majeure Events

Operation of the Bridge System and collection of bridge tolls is also at risk from other events of force majeure, such as damaging storms, winds and floods, fires and explosions, spills of hazardous substances, collisions involving maritime vessels, strikes and lockouts, sabotage, wars, blockades and riots. The Authority cannot predict the potential impact of such events on the financial condition of the Authority or on the Authority's ability to pay the principal of and interest on the Authority's toll bridge revenue bonds as and when due.

Threats and Acts of Terrorism

Caltrans and law enforcement authorities have undertaken security measures in an effort to reduce the probability that the Bridges could be attacked by terrorists. However, such measures are not guaranteed to prevent an attack on the Bridges. The Authority cannot predict the likelihood of a terrorist attack on any of the Bridges or the extent of damage or vehicle traffic disruption that might result from an attack. The Bridges are not insured against terrorist attack.

No Insurance Coverage

No business interruption insurance or any other commercially available insurance coverage is currently maintained by the Authority or Caltrans with respect to damage to or loss of use of any of the Bridges. However, pursuant to the Cooperative Agreement the Authority currently maintains a self insurance fund. The Cooperative Agreement calls for a minimum balance of $50 million, which would be available for reconstruction, repair and operations in the event of damage due to a major emergency which would result in closure to traffic of a Bridge estimated to extend more than 30 days and to exceed $10 million in cost. Such reserve is maintained pursuant to the Cooperative Agreement and upon agreement of Caltrans and the Authority may be reduced or eliminated in its entirety. Pursuant to the Cooperative Agreement, replenishment of funds used for such repairs would be made by the Authority from bridge toll revenues. In addition, the BATA board has authorized a total of $800 million for emergency extraordinary loss reserves, which includes $120 million for bridge rehabilitation as well as $680 million in projects/operating reserves. Moreover, the Authority expects that emergency assistance and loans from the federal government would be made available to the State in the event of major damage to the Bridges caused by a major earthquake or other force majeure event.

Economic Factors

A substantial deterioration in the level of economic activity within the Bay Area could have an adverse impact upon the level of bridge toll revenues collected. In addition, the occurrence of any natural catastrophe such as an earthquake may negatively affect the Bay Area economy or traffic using the Bridge System or both. See "Risk of Earthquake" above. Bridge toll revenues may also decline due to traffic interruptions as a result of construction, greater carpooling or use of mass transit, increased costs of gasoline and of operating an automobile, more reliance on telecommuting in lieu of commuting to work, relocation of businesses to suburban locations and similar activities. RM2 includes a substantial allocation of funding for mass transit projects intended to reduce congestion in the Bridge System corridors.

Risk of Non-Payment of Direct Subsidy Payments

A portion of the payments of interest on certain of the Authority's toll bridge revenue bonds is expected to be paid with Build America Bond subsidy payments that the Authority expects to receive from the federal government. The U.S. Treasury may offset any subsidy payment to which the Authority is otherwise entitled against any other liability of the Authority payable to the United States of America, including without limitation withholding or payroll taxes, or other penalties or interest that may be owed at any time to the United States of America. The Code authorizes federal regulations and other guidance to carry out the Build America Bond program, which may reduce the certainty of receipt of subsidy payments by the Authority. Subsidy payments do not constitute full faith and credit obligations of or guarantees by the United States of America, but are to be paid as tax credits by the U.S. Treasury under the Recovery Act. Accordingly, no assurance can be given that the U.S. Treasury will make payment of the subsidy payments in the amounts which the Authority expects to receive, or that such payments will be made in a timely manner. No assurance can be given that Congress will not amend or repeal provisions of the program and thereby affect the payment of subsidy payments. If the Authority fails to comply with the conditions to receiving the subsidy payments throughout the term of the toll bridge revenue bonds designated as Build America Bonds, it may no longer receive such payments and could be subject to a claim for the return of previously received payments. The Authority has not made any covenant to comply with all of the conditions to the receipt of the subsidy payments. The Authority is obligated to make payments of principal of and interest on its toll bridge revenue bonds without regard to the receipt of subsidy payments.

Credit Facilities Risk

The domestic and international financial crisis and recession have had a negative impact on the availability and cost of bank letter of credit and line of credit facilities. While the Authority, by the refunding of variable rate toll bridge revenue bonds with fixed rate bonds, has reduced its requirements for credit and/or liquidity facilities, it still has a material amount of variable rate debt supported by credit facilities and will continue to need to renew or replace such facilities in the coming years or, alternatively, to restructure its variable rate debt to reduce the need for credit and/or liquidity facilities. The rating agencies have announced changes in outlook and downgrades, and could announce more changes in outlook, or reviews for downgrade, or downgrades, of the ratings of the Authority's credit facility providers. Current ratings of the Authority's variable rate bonds are in part based on credit provider ratings and are reflected in APPENDIX E – "VARIABLE RATE BONDS AND CREDIT SUPPORT INFORMATION." Adverse ratings developments with respect to Credit Providers could lead to the need for purchases by the Credit Providers of bonds pursuant to the Reimbursement Agreements described under "Other Authority Obligations" and therefore could cause a substantial increase in the Authority's debt service-related costs. The Authority cannot predict the availability and cost of replacement bank facilities, of extending existing credit facilities, or of other refinancing strategies that would not require credit support.

Variable Rate Obligations Rate and Acceleration Risk

The Senior Bonds that are variable rate bonds are subject to tender at the option of the owners thereof and if not remarketed will be purchased pursuant to the Reimbursement Agreement. Under certain conditions the reimbursement obligations related to such purchases may be due and payable immediately on a parity basis with the Senior Bonds. The Senior Bonds are not otherwise subject to acceleration. In addition, the interest rate on the Senior Bonds that are variable rate bonds fluctuates and could increase up to a maximum rate of twelve percent per annum or, if there is a failure to remarket, fifteen percent per annum when purchased by a Credit Provider pursuant to the Reimbursement Agreement.

Swap Related Risks

The Authority has Qualified Swap Agreements with, as of June 29, 2012, a notional amount of $1,440,000,000 outstanding with various counterparties pursuant to which the Authority pays a fixed rate and receives a variable rate based on an index. The variable rates received pursuant to such agreements which are LIBOR-based may differ, at times substantially, from the interest rates on the Senior Bonds corresponding to such swap agreements. In addition, if the counterparties to such Qualified Swap Agreements encounter financial difficulties, under certain circumstances payments may not be received from such counterparties or the swap agreements may be terminated requiring, depending on market conditions at the time, termination payments to be made by the Authority. Such termination payments could be substantial and are payable as Subordinate Obligations, on a parity basis with the Subordinate Bonds. As of June 29, 2012, such termination payments would exceed an approximate estimated aggregate amount of $561 million.

Rising Tolls Could Result in Reduced Traffic and Lower Total Revenue

The Authority recently increased bridge tolls as described under "THE BRIDGE SYSTEM—Bridge Tolls." Construction delays or cost increases, particularly with respect to the work on the east span of the San Francisco-Oakland Bay Bridge, or additional new projects to be funded by the Authority could result in further toll increases. Authorized and future toll increases could have an adverse impact upon the level of traffic on the Bridge System and the level of bridge toll revenues collected. Lower traffic levels could result in lower total revenues, even though toll rates might increase.

Construction Delays and Cost Escalation

Construction delays and cost escalation for Seismic Retrofit Program projects may arise from any number of causes, including, but not limited to, adverse weather conditions, unavailability of contractors, coordination among contractors, environmental concerns, labor disputes, engineering errors or unanticipated or increased costs of construction such as labor, equipment, and materials. In addition, construction delays and increased costs may also be caused by uncontrollable circumstances, force majeure events, unforeseen geotechnical conditions, the presence of hazardous materials or endangered species on or near the Bridges, or for other reasons.

Although Caltrans has made determinations of estimated costs and expected completion dates for each of the Seismic Retrofit Program projects that it believes are reasonable, the Seismic Retrofit Program contractors may not deliver the Seismic Retrofit Program projects within the anticipated time period or within budget, for a variety of reasons. Caltrans' cost estimates for the Seismic Retrofit Program were developed using available information based on the contract bid amount, contract change orders status and an assessment of project risks, including ongoing contract disputes and claims. In updating both cost estimates and schedules Caltrans has identified many risks related to design, bid and construction processes. Seismic construction strategies are being employed at scales never before used. As a result, there is an inherent level of uncertainty in projecting Seismic Retrofit Program costs and schedules. See "CAPITAL PROJECTS AND FUNDING—Seismic Retrofit Program Capital Projects."

The engineering, fabrication and construction of the self-anchored suspension superstructure of the new east span of the San Francisco-Oakland Bay Bridge present many unique challenges. Several factors could contribute to cost increases and/or construction delays for the self-anchored suspension superstructure, including (i) construction bonding and insurance market changes which may result in reduced capacity available to handle payment and performance bonding requirements and higher rates to assume risks on large complex projects; (ii) structural design changes; (iii) technical complexity; (iv) adjacent project interference; (v) laws protecting domestic industry; (vi) disruptions in supply or the construction industry due to natural disasters; and (vii) increases in the price of oil or other energy sources.

Seismic Retrofit Program projects cost estimates have materially and substantially increased in the past and may increase again in the future. Past increases have been attributable in large part to the new east span of the San Francisco-Oakland Bay Bridge.

Pending Legislation

State legislation (SB 1149) was introduced on February 21, 2012, was passed by the Senate Transportation Committee on May 8, 2012 and by the Senate Governance and Finance Committee on May 9, 2012, and was referred to the Senate Appropriations Committee on May 14, 2012, but has not yet been heard in that committee. If adopted, SB 1149 would create the Bay Area Regional Commission and empower that body, among other things, to exercise a certain degree of control over both the Authority and MTC and their respective finances, including potential oversight over the level and expenditure of Bridge tolls. The governing boards of the Authority and MTC have determined to oppose SB 1149. No further action on SB 1149 is anticipated during the current legislative session that ends on August 31, 2012. However, the Authority cannot predict whether SB 1149 will be adopted by the State Legislature in its current form or, if adopted, whether it would be approved by the Governor. Furthermore, it is possible that identical or similar legislation may be introduced in another bill in the current legislative session or in future legislative sessions.

Voter Initiatives

In 1996, the voters of the State approved Proposition 218, a constitutional initiative, entitled the "Right to Vote on Taxes Act" ("Proposition 218"). Proposition 218 adds Articles XIIIC and XIIID to the California Constitution and contains a number of interrelated provisions affecting the ability of local governments, including local or regional agencies such as the Authority, to levy and collect both existing and future taxes, assessments, fees and charges. Proposition 218 requires majority voter approval for the imposition, extension or increase of general taxes and two-thirds voter approval for the imposition, extension or increase of special taxes by a local government. The Authority does not believe that the levy and collection of bridge tolls are taxes subject to the voter approval provisions of Proposition 218.

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

CONTINUING DISCLOSURE

The Authority has covenanted for the benefit of the owners and beneficial owners of certain of its Bonds to cause to be provided annual reports to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website ("EMMA") for purposes of Rule 15c2 12(b)(5) promulgated by the Securities and Exchange Commission (the "Rule"), including its audited financial statements and operating and other information as described in the applicable Continuing Disclosure Agreement. Pursuant to such undertakings, the Authority will provide an annual report through EMMA not later than nine months after the end of each fiscal year of the Authority (presently June 30).

The Authority has never failed to comply in all material respects with any previous undertakings with regard to Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC") to provide annual reports or notices of material events.

MISCELLANEOUS

This Information Statement is not to be construed as a contract or agreement between the Authority and holders of any of the Authority's toll bridge revenue bonds. All quotations from and summaries and explanations of 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 Information Statement involving matters of opinion are intended as such and not as representations of fact.

BAY AREA TOLL AUTHORITY

By: /s/ Steve Heminger
Executive Director

APPENDIX A

DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE (UPDATED TO REFLECT THE EIGHTEENTH SUPPLEMENTAL INDENTURE)

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Set forth below are definitions of certain terms used elsewhere in the Information Statement or the most recent supplement thereto. In addition, this APPENDIX A includes a summary of certain provisions of the Master Indenture, dated as of May 1, 2001, as supplemented, including as supplemented by the Eighteenth Supplemental Indenture, dated as of August 1, 2012 (hereinafter collectively referred to as the "Senior Indenture"), between the Bay Area Toll Authority and Union Bank, N. A., as trustee. The Eighteenth Supplemental Indenture sets forth certain amendments to the Senior Indenture related to the Term Rate and Index Rate methods of determining the interest rate on Senior Bonds. The amendments, as set forth in the Eighteenth Supplemental Indenture, will become effective on August 30, 2012.

This summary does not purport to be complete or definitive and is qualified in its entirety by reference to the full terms of the Senior Indenture. This summary does not repeat information set forth in the Information Statement, or any Supplement to the Information Statement, concerning terms (such as interest rates and maturities), redemption provisions, and certain other features of any particular series of the Senior Bonds that are described in the most recent Supplement to the Information Statement that describes that series of the Senior Bonds. See also "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS" in the Information Statement for information about the security and sources of payment for Senior Bonds.

The Authority has various Series of Outstanding Senior Bonds that currently bear interest at the Weekly Rate, determined in accordance with the provisions of the Senior Indenture. Upon satisfaction of certain conditions set forth in the Senior Indenture, the Senior Bonds of such 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 Index Rate, the Term Rate or the Fixed Rate). THIS APPENDIX A IS NOT INTENDED TO DESCRIBE BY ITSELF ALL THE MATERIAL PROVISIONS OF THE SENIOR BONDS BEARING INTEREST CALCULATED PURSUANT TO ANY PARTICULAR INTEREST RATE DETERMINATION METHOD. THIS APPENDIX A MUST BE READ TOGETHER WITH THE DESCRIPTION OF PROVISIONS RELATED TO EACH SERIES OF SENIOR BONDS SET FORTH IN THE APPLICABLE SUPPLEMENT TO THE INFORMATION STATEMENT RELATED TO SUCH SENIOR BONDS.

DEFINITIONS

"AB 664 Net Toll Revenue Reserves" means the funds generated from a toll increase on the three Bay Area Bridges which comprise the Southern Bridge Group, enacted by legislation referred to as "AB 664," which took effect in 1977, which funds are transferred by the Authority to MTC on an annual basis and allocated by MTC to capital projects that further development of public transit in the vicinity of the three Bay Area Bridges which comprise the Southern Bridge Group.

"Act" means Chapter 4, Chapter 4.3 and Chapter 4.5 of Division 17 of the California Streets and Highways Code and the Revenue Bond Law of 1941, as each may be amended from time to time hereafter.

"Annual Debt Service" means, at any point in time, with respect to Senior Bonds then Outstanding, the aggregate amount of principal and interest scheduled to become due (either at maturity or by mandatory redemption) and sinking fund payments required to be paid in the then current Fiscal Year on all Outstanding Senior Bonds, as calculated by the Authority in accordance with this definition. For purposes of calculating Annual Debt Service and Maximum Annual Debt Service, the following assumptions are to be used to calculate the principal and interest becoming due in any Fiscal Year:

(i) in determining the principal amount due in each year, payment shall (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization) be assumed to be made in accordance with any amortization schedule established for such principal, including any minimum sinking fund account payments;

(ii) if 20% or more of the principal of such Senior Bonds is not due until the final stated maturity of such Senior Bonds, principal and interest on such Senior Bonds may, at the option of the Authority, be treated as if such principal and interest were due based upon a level amortization of such principal and interest over the term of such Senior Bonds;

(iii) if the Senior Bonds are supported by a Credit Support Instrument, in the form of a line of credit or a letter of credit, principal may, at the option of the Authority, be treated as if it were due based upon a level amortization of such principal over the maximum term of repayment of borrowings under the Credit Support Agreement entered into in connection with such line of credit or letter of credit;

(iv) if any Outstanding Senior Bonds constitute variable interest rate Senior Bonds, the interest rate on such variable interest rate Senior Bonds shall be assumed to be 110% of the greater of (a) the daily average interest rate on such Senior Bonds during the 12 months ending with the month preceding the date of calculation, or such shorter period that such Senior Bonds shall have been Outstanding, or (b) the rate of interest on such Senior Bonds on the date of calculation;

(v) if Senior Bonds proposed to be issued will be variable interest rate Senior Bonds the interest on which is excluded from gross income for federal income tax purposes, then such Senior Bonds shall be assumed to bear interest at an interest rate equal to 110% of the average SIFMA Swap Index during the three (3) months preceding the month of sale of such Senior Bonds, or if SIFMA Swap Index is no longer published, at an interest rate equal to 75% of the average One Month USD LIBOR Rate during the three (3) months preceding the month of sale of such Senior Bonds, or if the One Month USD LIBOR Rate is not available for such period, another similar rate or index selected by the Authority;

(vi) if Senior Bonds proposed to be issued will be variable interest rate Senior Bonds the interest on which is included in gross income for federal income tax purposes, then such Senior Bonds shall be assumed to bear interest at an interest rate equal to 110% of average One Month USD LIBOR Rate during the three (3) months preceding the month of sale of such Senior Bonds, or if the One Month USD LIBOR Rate is not available for such period, another similar rate or index selected by the Authority;

(vii) if the Senior Bonds are, or will be, upon issuance part of a Commercial Paper Program, the principal of such Senior Bonds constituting commercial paper (hereinafter in this definition referred to as "commercial paper") will be treated as if such principal were due based upon a 30-year level amortization of principal from the date of calculation and the interest on such commercial paper shall be calculated as if such commercial paper were variable interest rate Senior Bonds;

(viii) notwithstanding subsections (iv), (v), (vi) or (vii) above, with respect to any variable interest rate Senior Bonds or any commercial paper, if (A) the interest rate on such variable interest rate Senior Bonds or commercial paper, plus (B) the payments received and made by the Authority under a Qualified Swap Agreement or a Swap with respect to such variable interest rate Senior Bonds or commercial paper, are expected to produce a synthetic fixed rate to be paid by the Authority (e.g., a Qualified Swap Agreement or a Swap under which the Authority pays a fixed rate and receives a variable rate which is expected to equal or approximate the rate of interest on such variable interest rate Senior Bonds or commercial paper), the variable interest rate Senior Bonds or commercial paper, as the case may be, shall be treated as bearing such synthetic fixed rate for the duration of the synthetic fixed rate; provided that: (X) during any period when the Swap Party has a long-term credit rating below the two highest long-term Rating Categories by Moody's and S&P, unless the Qualified Swap Agreement or Swap is rated in one of the two highest long-term Rating Categories of Moody's and S&P, or (Y) when there is a default under the Qualified Swap Agreement or Swap, or (Z) after a termination event has occurred with respect to the Authority under the Qualified Swap Agreement or Swap, such variable interest rate Senior Bonds or commercial paper shall be assumed to bear interest at an interest rate equal to the higher of: (1) the synthetic fixed rate, or (2) the assumed interest rate calculated as described in subsections (iv), (v), (vi) or (vii) above;

(ix) with respect to any fixed interest rate Senior Bonds, if (A) the interest rate on such fixed rate Senior Bonds, plus (B) the payments received and made by the Authority under a Qualified Swap Agreement or a Swap with respect to such fixed rate Senior Bonds, are expected to produce a synthetic variable rate to be paid by the Authority (e.g., a Qualified Swap Agreement or a Swap under which the Authority pays a variable rate and receives a fixed rate which is expected to equal the rate of interest on such fixed interest rate Senior Bonds), the fixed interest rate Senior Bonds, shall be treated as bearing such synthetic variable rate for the duration of the synthetic variable rate calculated as provided in (v) above;

(x) if any of the Senior Bonds are, or upon issuance will be, Paired Obligations, the interest thereon shall be the resulting linked rate or effective fixed rate to be paid with respect to such Paired Obligations;

(xi) principal and interest payments on Senior Bonds shall be excluded to the extent such payments are to be paid from amounts then currently on deposit with the Senior Indenture Trustee or other fiduciary in escrow specifically therefor and restricted to Government Obligations and interest payments shall be excluded to the extent that such interest payments are to be paid from the proceeds of Senior Bonds held by the Senior Indenture Trustee or other fiduciary as capitalized interest specifically to pay such interest; and

"(xii) if any of the Senior Bonds are, or upon issuance will be, Senior Bonds for which the Authority is entitled to receive interest rate subsidy payments from the federal government (including, without limitation, subsidy payments on account of the issuance of Build America Bonds pursuant to the federal American Recovery and Reinvestment Act of 2009), as evidenced by an Opinion of Bond Counsel delivered at the time of issuance of such Senior Bonds, the Senior Bonds shall be treated as bearing an interest rate equal to the rate of interest borne by the Senior Bonds for the period of determination minus the federal interest rate subsidy payments to which the Authority is entitled for that period if the Authority irrevocably directs that those federal interest rate subsidy payments be made directly to the Senior Indenture Trustee for the payment of interest on Senior Bonds pursuant to the Senior Indenture.

"Authority" means the Bay Area Toll Authority, a public entity duly established and existing pursuant to the Act, and any successor thereto.

"Authority Account" means an account established within the Bond Purchase Fund pursuant to the Senior Indenture.

"Authority Administrative Costs" means the amount which the Authority may retain on an annual basis, after payment of debt service on Outstanding Senior Bonds and the costs of Operation & Maintenance Expenses, for its cost of administration pursuant to Section 30958 of the Act, such amount not to exceed one percent (1%) of the gross revenues collected from the tolls annually on the Bay Area Bridges.

"Authorized Denominations" means, with respect to a Series of Senior Bonds bearing interest at a fixed rate, $5,000 and any integral multiple thereof, and with respect to a Series of Senior Bonds during a Daily Rate Period or Weekly Rate Period, $100,000 and any integral multiple of $5,000 in excess thereof.

"Authorized Representative" means the Executive Director, the Deputy Executive Director, the Manager of Finance of the Authority (now known as the Chief Financial Officer of the Authority), or any other employee of the Authority at the time designated to act on behalf of the Authority in a Certificate of the Authority executed by any of the foregoing officers and filed with the Senior Indenture Trustee, which Certificate shall contain such employee's specimen signature.

"Bay Area Bridges" means the state owned bridges in the San Francisco Bay Area under the jurisdiction of the Authority, comprised of the Antioch Bridge, the Benicia-Martinez Bridge, the Carquinez Bridge, the Dumbarton Bridge, the Richmond-San Rafael Bridge, the San Francisco-Oakland Bay Bridge, the San Mateo-Hayward Bridge, and any additional bridges added after January 1, 2006, to the Authority's jurisdiction and designated by resolution of the Board to be included as a "Bay Area Bridge" under the Senior Indenture. Each Bay Area Bridge includes the existing bridge or bridges and any additional adjacent spans added thereto as toll bridge program capital improvements.

"Bay Area Toll Account" means the account by that name created pursuant to Section 30953 of the Act.

"Beneficial Owner" means, with respect to any Book-Entry Bond, the beneficial owner of such Senior Bond as determined in accordance with the applicable rules of the Securities Depository for such Book-Entry Bonds.

"Board" means the governing board of the Authority.

"Book-Entry Bonds" means Senior Bonds issued under a book-entry only depository system as provided in the Senior Indenture.

"Bond Counsel" means a firm of nationally-recognized attorneys-at-law experienced in legal work relating to the issuance of municipal bonds selected by the Authority.

"Bond Fund" means the fund by that name created pursuant to the Senior Indenture.

"Bond Register" means the registration books for the ownership of Senior Bonds maintained by the Senior Indenture Trustee pursuant to the Senior Indenture.

"Bondholder" or "Holder" or "Owner" means the record owner of any Senior Bond shown on the books of registration kept by the Senior Indenture Trustee, which, during any period when ownership of the Senior Bond is determined by book entry at a Securities Depository, shall be the Securities Depository.

"Bridge Toll Revenues" means toll revenues and all other income allocated to the Authority pursuant to Section 30953 of the Act derived from the Bay Area Bridges and not limited or restricted to a specific purpose, including revenues from the seismic retrofit surcharge collected pursuant to Section 31010 of the Act that are transferred or paid to the Authority for deposit in the Bay Area Toll Account.

"Build America Bonds Amendment" means the proposed amendment described below under "THE SENIOR INDENTURE—Build America Bonds Amendment."

"Business Day" means any day, other than a Saturday, Sunday or other day on which the New York Stock Exchange is closed or on which banks are authorized or obligated by law or executive order to be closed in the State of California, the State of New York or any city in which the Principal Office of the Senior Indenture Trustee or the principal office of any Credit Provider is located.

"Calendar Week" means the period of seven days from and including Thursday of any week to and including Wednesday of the next following week.

"Caltrans" means the California Department of Transportation.

"Certificate of the Authority" means an instrument in writing signed by an Authorized Representative of the Authority.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder.

"Commercial Paper Program" means a program of short-term Senior Bonds having the characteristics of commercial paper (i) in that such Senior Bonds have a stated maturity not later than 270 days from their date of issue and (ii) that maturing Senior Bonds of such program may be paid with the proceeds of renewal Senior Bonds.

"Commercial Paper Rate" means the interest rate on any Senior Bond in the Commercial Paper Rate Period established from time to time pursuant to the provisions of the Senior Indenture.

"Commercial Paper Rate Period" means each period during which a Series of Senior Bonds bears interest at a Commercial Paper Rate determined pursuant to the provisions of the Senior Indenture.

"Construction Fund" means, with respect to a Series of Senior Bonds, a Construction Fund established in the Supplemental Indenture providing for the issuance of such Series of Senior Bonds.

"Conversion" means the conversion of any Series of Senior Bonds from one Interest Rate Determination Method or Mode to another, which may be made from time to time in accordance with the terms of the Senior Indenture.

"Conversion Date" means the date the Conversion of a Series of Senior Bonds becomes effective in accordance with the provisions of the Senior Indenture (or, with respect to notices, time periods and requirements in connection with the proceedings for such Conversion, the day on which it is proposed that such Conversion occur).

"Conversion Notice" means a written notice of an Authorized Representative delivered by the Authority to change the Interest Rate Determination Method for a Series of Senior Bonds, such notice to be delivered to the Senior Indenture Trustee, the Remarketing Agent and the applicable Liquidity Provider.

"Cost" means cost as defined in the Act.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the Authority and related to the authorization, execution, sale and delivery of Senior Bonds, including, but not limited to, advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Senior Indenture Trustee, legal fees and charges, fees and disbursements of consultants and professionals, financial advisor fees and expenses, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of Senior Bonds, surety, insurance, liquidity and credit enhancements costs, and any other cost, charge or fee incurred in connection with the issuance of Senior Bonds.

"Credit Provider" means any municipal bond insurance company, bank or other financial institution or organization or group of financial institutions or organizations which are performing in all material respects its or their obligations, as applicable, under any Credit Support Instrument provided with respect to a Series of Senior Bonds and any successor to such provider or providers, or any replacement therefor.

"Credit Provider Bonds" means any Senior Bonds purchased with funds provided under a Liquidity Instrument as provided in the Senior Indenture for so long as such Senior Bonds are held by or for the account of, or are pledged to, the applicable Credit Provider in accordance with the Senior Indenture.

"Credit Provider Reimbursement Obligations" means obligations of the Authority to pay from the Bay Area Toll Account amounts due under a Credit Support Agreement, including, without limitation, amounts advanced by a Credit Provider pursuant to a Credit Support Instrument as credit support or liquidity for Senior Bonds and the interest with respect thereto.

"Credit Support Agreement" means, with respect to any Credit Support Instrument for a Series of Senior Bonds, the agreement or agreements (which may be the Credit Support Instrument itself) between the Authority or the Senior Indenture Trustee, as applicable, and the applicable Credit Provider, as originally executed or as such agreement or instrument may from time to time be amended or supplemented in accordance with its terms, providing for the issuance of the Credit Support Instrument to which such Credit Support Agreement relates and the reimbursement of the Credit Provider for payments made thereunder, or any subsequent agreement pursuant to which a substitute Credit Support Instrument is provided, together with any related pledge agreement, security agreement or other security document entered into in connection therewith.

"Credit Support Instrument" means a policy of insurance, a letter of credit, a line of credit, stand-by purchase agreement, revolving credit agreement or other credit arrangement pursuant to which a Credit Provider provides credit or liquidity support with respect to the payment of interest, principal or the Purchase Price of any Series of Senior Bonds, as the as same may be amended from time to time pursuant to its terms, and any replacement therefor.

"CUSIP" means the Committee on Uniform Securities Identification Procedures of the American Bankers Association, or any successor to its functions.

"Daily Put Bonds" means any Series of Senior Bonds bearing interest at a Daily Rate tendered for purchase pursuant to the provisions of the Senior Indenture.

"Daily Rate" means the interest rate on any Senior Bond in the Daily Rate Period established from time to time pursuant to the Senior Indenture.

"Daily Rate Index" means, on any Business Day, the SIFMA Swap Index, or, if the SIFMA Swap Index is no longer published, an index or rate agreed upon by the Authority and the Remarketing Agents, but in no event in excess of the Maximum Interest Rate.

"Daily Rate Period" means any period during which a Series of Senior Bonds bears interest at the Daily Rate established pursuant to the provisions of the Senior Indenture.

"DTC" means The Depository Trust Company, New York, New York or any successor thereto.

"Electronic means " means facsimile transmission, email transmission or other similar electronic means of communication providing evidence of transmission, including a telephone communication confirmed by any other method set forth in this definition.

"Event of Default" means any of the events specified in the Senior Indenture as an Event of Default.

"Expiration" (and other forms of "expire") means, when used with respect to a Liquidity Instrument, the expiration of such Liquidity Instrument in accordance with its terms.

"Failed Tender Date" means, for any Series of Senior Bonds bearing interest at a Term Rate or an Index Rate, the date on which insufficient funds are available for the purchase of all Senior Bonds of such Series tendered or deemed tendered and required to be purchased at the end of the Term Rate Period or Index Rate Period as described in the Senior Indenture.

"Favorable Opinion of Bond Counsel" means, with respect to any action requiring such an opinion, an Opinion of Bond Counsel to the effect that such action will not, in and of itself, adversely affect the Tax-Exempt status of interest on the Senior Bonds or such portion thereof as shall be affected thereby.

"Fees and Expenses" means fees and expenses incurred by the Authority in connection with the Senior Bonds.

"Fees and Expenses Fund" means the fund by that name created pursuant to the Senior Indenture.

"Fiscal Year" means the period of twelve months terminating on June 30 of each year, or any other annual period hereafter selected and designated by the Authority as its Fiscal Year in accordance with applicable law. References in the Senior Indenture to the next Fiscal Year or Fiscal Years of the Authority shall mean the Fiscal Year or Fiscal Years after the then current Fiscal Year.

"Fitch" means Fitch Inc. and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, the term "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

"Five Percent Reserves" means an amount of up to five percent (5%) of the funds generated by Regional Measure 1 which are transferred by the Authority to MTC on an annual basis to be applied by MTC to projects that will help reduce vehicular congestion on the Bay Area Bridges and for the planning, construction, operation and acquisition of rapid water transit systems. Five Percent Reserves are described as "Two Percent Transit Reserves" in the Information Statement under "THE BRIDGE SYSTEM – Transfers to MTC."

"Fixed Rate" means the fixed rate borne by a Series of Senior Bonds from the Fixed Rate Conversion Date for such Series of Senior Bonds, which rate shall be established in accordance with the provisions of the Senior Indenture.

"Fixed Rate Conversion Date" means any Conversion Date on which the interest rate on a Series of Senior Bonds shall be converted to a Fixed Rate.

“Fixed Rate Period” means the period from and including the Fixed Rate Conversion Date of a Series of Senior Bonds converted to a Fixed Rate to and including their maturity date or earlier date of redemption.

“Government Obligations” means: (i) non-callable obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States, including, but not limited to, all direct or fully guaranteed U.S. Treasury Obligations, Farmers Home Administration Certificates of beneficial ownership, General Services Administration Participation certificates, U.S. Maritime Administration Guaranteed Title XI financing, Small Business Administration - Guaranteed participation certificates and Guaranteed pool certificates, Government National Mortgage Association (GNMA) - GNMA guaranteed mortgage-backed securities and GNMA guaranteed participation certificates, U.S. Department of Housing and Urban Development Local authority bonds, Washington Metropolitan Area Transit Authority Guaranteed transit bonds, and State and Local Government Series; (ii) non-callable obligations of government-sponsored agencies that are not backed by the full faith and credit of the U.S. Government, including, but not limited to, Federal Home Loan Mortgage Corp. (FHLMC) Debt Obligations, Farm Credit System (formerly Federal Land Banks, Intermediate Credit Banks, and Banks for Cooperatives) Consolidated Systemwide bonds and notes, Federal Home Loan Banks (FHL Banks) Consolidated debt obligations, Federal National Mortgage Association (FNMA) Debt Obligations, and Resolution Funding Corp. (REFCORP) Debt obligations; and (iii) certain stripped securities where the principal-only and interest-only strips are derived from non-callable obligations issued by the U.S. Treasury and REFCORP securities stripped by the Federal Reserve Bank of New York, excluding custodial receipts, i.e. CATs, TIGERS, unit investment trusts and mutual funds, etc.

“Independent Certified Public Accountant” means any certified public accountant or firm of such accountants appointed by the Authority, and who, or each of whom, is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

“Index Agent” means the Senior Indenture Trustee or such other Person acceptable to the Senior Indenture Trustee as may be designated by the Authority to act as the Index Agent for the Senior Indenture Trustee.

“Index Bonds” means a Series of Senior Bonds bearing interest at the Index Rate.

“Index Rate” means the interest rate established from time to time pursuant to the Senior Indenture, provided, however, that in no event may the Index Rate exceed the Maximum Interest Rate.

“Index Rate Conversion Date” means: (i) the Conversion Date on which the interest rate on any Bonds bearing interest at a Variable Rate are to be converted to an Index Rate; and (ii) the date on which a new Index Rate Period is to be established.

“Index Rate Determination Date” means, with respect to any Series of Senior Bonds in an Index Rate Period, a date that is two London Banking Days preceding the date of a Conversion to the Index Rate Period, a date that is two London Banking Days preceding each Purchase Date during the Index Rate Period, and a date that is two London Banking Days preceding each Interest Payment Date during the Index Rate Period, and means, with respect to any Series of Senior Bonds bearing interest at a Stepped Rate, the date that is two London Banking Days preceding the date such Stepped Rate is determined; provided that, if the Authority specifies alternative dates as “Index Rate Determination Dates” for any Series of Senior Bonds in the Pricing Notice delivered in connection with the Conversion of such Series of Senior Bonds, “Index Rate Determination Date” means the dates specified in such Pricing Notice.

"Index Rate Period" means any period during which a Series of Senior Bonds bears interest at the Index Rate.

"Initial Senior Bonds" means the Bay Area Toll Authority San Francisco Bay Area Toll Bridge Revenue Bonds (Variable Rate Demand Bonds), 2001 Series A, 2001 Series B and 2001 Series C, and the Bay Area Toll Authority San Francisco Bay Area Toll Bridge Revenue Bonds (Fixed Rate Bonds), 2001 Series D.

"Interest Account" means the account by that name created pursuant to the Senior Indenture.

"Interest Payment Date" means (a) with respect to fixed rate Senior Bonds, April 1 and October 1 of each year; (b) with respect to variable rate Senior Bonds (i) in the Daily Rate Period or the Weekly Rate Period, the first Business Day of each calendar month, (ii) in the Commercial Paper Rate Period, the day immediately succeeding the last day of each Commercial Paper Rate Period for such Senior Bonds, (iii) in the Term Rate Period or the Fixed Rate Period, April 1 and October 1 of each year, (iv) in the Index Rate Period, on the first Business Day of each January, April, July and October or, if the Authority obtains a Favorable Opinion of Bond Counsel, on such other periodic dates as may be selected by the Authority in accordance with the terms of the Senior Indenture, (v) in any Rate Period, each Conversion Date, and (vi) for a Series of Bonds in the Daily Rate Period or the Weekly Rate Period, the mandatory tender date on which a Credit Support Instrument is substituted for such Series; and (c) with respect to all Senior Bonds, the final maturity date or redemption date of such Senior Bond.

"Interest Rate Determination Method" means any of the methods of determining the interest rate on a Series of Senior Bonds from time to time as described in the Senior Indenture.

"Interest Rate Mode" means, with respect to a Senior Bond of a Series, the type of interest rate paid on Senior Bonds of that Series consisting of either a Daily Rate, Weekly Rate, Commercial Paper Rate, Term Rate, Index Rate (certain series only) or Fixed Rate, as the case may be.

"Issue Date" means, with respect to a Series of Senior Bonds, the date on which such Senior Bonds are first delivered to the purchasers thereof.

"Liquidity Instrument" means the instrument pursuant to which liquidity is provided to Senior Bonds of a Series and any substitute Liquidity Instrument provided pursuant to the Senior Indenture and shall include a Credit Support Instrument that is in the form of a Letter of Credit.

"Liquidity Provider" means each bank or any successor Liquidity Provider providing liquidity for the Purchase Price of a Series of the Reoffered Bonds pursuant to a Liquidity Instrument.

"London Banking Day" means any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency) in the City of London, United Kingdom.

"Mandatory Tender Bonds" means a Series of Senior Bonds subject to mandatory tender in accordance with the provisions of the Senior Indenture.

"Maximum Annual Debt Service" means the maximum amount of Annual Debt Service becoming due during the period from the date of such determination through the final maturity date of the Senior Bonds then Outstanding, as calculated by the Authority, utilizing the assumptions set forth under the definition of Annual Debt Service.

"Maximum Interest Rate" means: (a) with respect to Senior Bonds of a Series other than Credit Provider Bonds, (i) for the benefit of which a Liquidity Instrument is in effect, the rate of interest specified in such Liquidity Instrument that is used to determine the amount available under such Liquidity Instrument for payment of interest due and payable to Owners of such Senior Bonds, but in no event greater than twelve percent (12%) per annum, and (ii) at all other times, twelve percent (12%) per annum; and (b) with respect to Credit Provider Bonds, the lesser of (i) 15% per annum or (ii) the maximum rate of interest with respect to such Credit Provider Bonds permitted by applicable law.

"Moody's" means Moody's Investors Service, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

"MTC" means the Metropolitan Transportation Commission, a regional transportation commission duly established and existing pursuant to Sections 66500 et seq. of the California Government Code, and any successor thereto.

"MTC Transfers" means the AB 664 Net Toll Revenue Reserves, the Five Percent Reserves, the Rail Extension Reserves, the Regional Measure 2 Reserves, and the Authority Administrative Costs.

"Net Revenue" means, for any Fiscal Year, Revenue less Operations & Maintenance Expenses, as set forth in the audited financial statements of the Authority.

"Nominee" means the nominee of the Securities Depository for the Book-Entry Bonds in whose name such Senior Bonds are to be registered. The initial Nominee shall be Cede & Co., as the nominee of DTC.

"One Month USD LIBOR Rate" means the British Banker's Association average of interbank offered rates in the London market for Dollar deposits for a one month period as reported in the Wall Street Journal or, if not reported in such newspaper, as reported in such other source as may be selected by the Authority.

"Operations & Maintenance Expenses" means all expenses related to Caltrans operations and maintenance of toll facilities on the Bay Area Bridges determined in accordance with generally accepted accounting principles, including but not limited to, toll collection costs, including wages and salaries, maintenance and electrical energy for toll administration buildings and toll booths, the San Francisco-Oakland Bay Bridge architectural lighting and maintenance and operation of the existing Transbay Transit Terminal, excluding (i) depreciation or obsolescence charges or reserves therefor, (ii) amortization of intangibles or other bookkeeping entries of a similar nature, (iii) costs of maintenance of the Bay Area Bridges and other structures, roadbeds, pavement, drainage systems, debris removal, landscaping, traffic guidance systems, ice controls, dedicated bridge maintenance stations and maintenance training that, in accordance with Section 188.4 of the California Streets and Highways Code, as normal highway maintenance, are to be paid from the State Highway Account, as further set forth in the Cooperative Agreement, dated July 1, 2003, between the Authority and Caltrans, as amended from time to time pursuant to its terms, and (iv) Subordinated Maintenance Expenditures.

"Operations and Maintenance Fund" means the fund by that name created and held by the Authority pursuant to the Senior Indenture.

"Opinion of Bond Counsel" means a written opinion of Bond Counsel.

"Optional Purchase Date" means each date on which a Series of Senior Bonds would be subject to optional redemption and therefore are subject to purchase at the option of the Authority pursuant to the provisions of the Senior Indenture.

"Optional Purchase Price" means, with respect to the purchase of a Series of Senior Bonds to be purchased on any Optional Purchase Date pursuant to the provisions of the Senior Indenture, the principal amount of such Senior Bonds to be purchased on such Optional Purchase Date, plus accrued interest to such Optional Purchase Date, plus an amount equal to the premium, if any, that would be payable upon the redemption, at the option of the Authority exercised on such Optional Purchase Date, of such Senior Bonds to be purchased.

"Outstanding" means all Senior Bonds which have been authenticated and delivered by the Senior Indenture Trustee under the Senior Indenture, except: (i) Senior Bonds canceled or delivered for cancellation at or prior to such date; (ii) Senior Bonds deemed to be paid in accordance with the provisions of the Senior Indenture; (iii) Senior Bonds in lieu of which others have been authenticated under the Senior Indenture; and (iv) all Senior Bonds held by or for the account of the Authority.

"Paired Obligations" shall mean any Series (or portion thereof) of Senior Bonds designated as Paired Obligations in a Supplemental Indenture authorizing the issuance thereof, which are simultaneously issued (a) the principal of which is of equal amount maturing and to be redeemed (or cancelled after acquisition thereof) on the same dates and in the same amounts, and (b) the interest rates on which, taken together, result in an irrevocably fixed interest rate obligation of the Authority for the terms of such Paired Obligations.

"Participants" means, with respect to a Securities Depository for Book-Entry Bonds, those participants listed in such Securities Depository's book-entry system as having an interest in the Senior Bonds.

"Permitted Investments" means the following:

(i) any Government Obligations;

(ii) any certificates, receipts, securities or other obligations evidencing ownership of, or the right to receive, a specified portion of one or more interest payments or principal payments, or any combination thereof, to be made on any bond, note, or other obligation described above in clause (i);

(iii) obligations of the Federal National Mortgage Association, the Government National Mortgage Association, Farm Credit System, Federal Home Loan Banks and Federal Home Loan Mortgage Corporation, Student Loan Marketing Association Financing Corp., and U.S. Agency for International Development guaranteed notes;

(iv) housing authority bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or project notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(v) obligations of any state, territory or commonwealth of the United States of America or any political subdivision thereof or any agency or department of the foregoing; provided that such obligations are rated in either of the two highest Rating Categories by Moody's and S&P;

(vi) any bonds or other obligations of any state of the United States of America or any political subdivision thereof (a) which are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described above in clause (i) or (ii) which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the interest payment dates and the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, (c) as to which the principal of and interest on the bonds and obligations of the character described above in clause (i) or (ii) which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay the principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (vi) on the interest payment dates and the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (vi), as appropriate, and (d) which are rated in one of the two highest long-term Rating Categories by Moody's and S&P;

(vii) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by any corporation which are rated by Moody's and S&P in their highest short-term Rating Category, or, if the term of such indebtedness is longer than three (3) years, rated by Moody's and S&P in one of their two highest long-term Rating Categories, for comparable types of debt obligations;

(viii) demand or time deposits or certificates of deposit, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Senior Indenture Trustee or any of its affiliates) or by a state licensed branch of any foreign bank, provided that such certificates of deposit shall be purchased directly from such bank, trust company, national banking association or branch and shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities and obligations as are described above in clauses (i) through (v), inclusive, which shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Senior Indenture Trustee or third-party agent, as custodian, by the bank, trust company, national banking association or branch issuing such certificates of deposit, and the bank, trust company, national banking association or branch issuing each such certificate of deposit required to be so secured shall furnish the Senior Indenture Trustee with an undertaking satisfactory to it that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount equal to the principal amount of each such certificate of deposit and the Senior Indenture Trustee shall be entitled to rely on each such undertaking;

(ix) taxable commercial paper or tax-exempt commercial paper rated in the highest Rating Category by Moody's and S&P;

(x) variable rate obligations required to be redeemed or purchased by the obligor or its agent or designee upon demand of the holder thereof secured as to such redemption or purchase requirement by a liquidity agreement with a corporation and as to the payment of interest and principal either upon maturity or redemption (other than upon demand by the holder thereof) thereof by an unconditional credit facility of a corporation, provided that the variable rate obligations themselves are rated in the highest short-term Rating Category, if any, and in either of the two highest long-term Rating Categories, if any, by Moody's and S&P, and that the corporations providing the liquidity agreement and credit facility have, at the date of acquisition of the variable rate obligations by the Senior Indenture Trustee, an outstanding issue of unsecured, uninsured and unguaranteed debt obligations rated in either of the two highest long-term Rating Categories by Moody's and S&P;

(xi) any repurchase agreement entered into with a financial institution or insurance company which has at the date of execution thereof an outstanding issue of unsecured, uninsured and unguaranteed debt obligations or a claims paying ability rated (or the parent company of which is rated) in either of the two highest long-term Rating Categories by Moody's and S&P, which agreement is secured by any one or more of the securities and obligations described in clauses (i), (ii), (iii) or (iv) above, which shall have a market value (exclusive of accrued interest and valued at least weekly) at least equal to one hundred three percent (103%) of the principal amount of such investment and shall be lodged with the Senior Indenture Trustee or other fiduciary, as custodian, by the provider executing such repurchase agreement, and the provider executing each such repurchase agreement required to be so secured shall furnish the Senior Indenture Trustee with an undertaking satisfactory to the Senior Indenture Trustee to the effect that the aggregate market value of all such obligations securing each such repurchase agreement (as valued at least weekly) will be an amount equal to one hundred three percent (103%) of the principal amount of each such repurchase agreement and the Senior Indenture Trustee shall be entitled to rely on each such undertaking;

(xii) any cash sweep or similar account arrangement of or available to the Senior Indenture Trustee, the investments of which are limited to investments described in clauses (i), (ii), (iii), (iv), (v) and (xi) of this definition of Investment Securities and any money market fund, including money market funds from which the Senior Indenture Trustee or its affiliates derive a fee for investment advisory or other services to the fund, the entire investments of which are limited to investments described in clauses (i), (ii), (iii), (iv), (v) and (xi) of this definition of Investment Securities; provided that as used in this clause (xii) and clause (xiii) investments will be deemed to satisfy the requirements of clause (xi) if they meet the requirements set forth in clause (xi) ending with the words "clauses (i), (ii), (iii) or (iv) above" and without regard to the remainder of such clause (xi);

(xiii) any investment agreement with, or the obligations under which are guaranteed by, a financial institution or insurance company or domestic or foreign bank which has at the date of execution thereof an outstanding issue of unsecured, uninsured and unguaranteed debt obligations or a claims paying ability rated (or the parent company of which is rated) in either of the two highest long-term Rating Categories by Moody's and S&P;

(xiv) shares of beneficial interest in diversified management companies investing exclusively in securities and obligations described in clauses (i) through (vi) above and which companies have either the highest rating by Moody's and S&P or have an investment advisor registered with the Securities and Exchange Commission with not less than 5 years experience investing in such securities and obligations and with assets under management in excess of $500,000,000;

(xv) shares in a California common law trust, established pursuant to Title 1, Division 7, Chapter 5 of the California Government Code, which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the California Government Code, as it may be amended from time to time;

(xvi) the Local Agency Investment Fund or similar pooled fund operated by or on behalf of the State of California and which is authorized to accept investments of moneys held in any of the funds or accounts established pursuant to the Senior Indenture;

(xvii) any investment approved by the Board for which confirmation is received from each rating agency then rating any of the Senior Bonds that such investment will not adversely affect such rating agency's rating on such Senior Bonds; and

(xviii) any other investment approved in writing by each Credit Provider then providing a Credit Support Instrument for any Series of Senior Bonds then Outstanding.

"Person" means any natural person, firm, partnership, association, corporation, or public body.

"Pricing Notice" means, as applicable, (i) the written notice of an Authorized Representative to the Trustee and the Remarketing Agent delivered in connection with a Conversion to a Term Rate Period at least two Business Days prior to the applicable Term Rate Conversion Date or that is delivered in connection with a continuation of a Term Rate Period at least two Business Days prior to the effective date of the new Term Rate Period, and (ii) the written notice of an Authorized Representative to the Trustee and the Remarketing Agent delivered in connection with a Conversion to an Index Rate Period at least five Business Days prior to the applicable Index Rate Conversion Date or that is delivered in connection with a continuation of an Index Rate Period at least five Business Days prior to the effective date of the new Index Rate Period.

"Principal Account" means the account by that name created pursuant to the Senior Indenture.

"Principal Office" means, with respect to the Senior Indenture Trustee, the corporate trust office of the Senior Indenture Trustee at 350 California Street, 11th Floor, San Francisco, California 94104, Attention: Corporate Trust Department, or such other or additional offices as may be designated by the Senior Indenture Trustee from time to time, and means, with respect to a Credit Provider, the office designated as such in writing by such party in a notice delivered to the Senior Indenture Trustee and the Authority.

"Project" means, with respect to a Series of Senior Bonds, that toll bridge program capital improvement or those toll bridge program capital improvements, which are financed or refinanced with the proceeds of such Series of Senior Bonds, as more fully described in the Supplemental Indenture providing for the issuance of such Series of Senior Bonds and the Tax Certificate delivered in connection with such Series of Senior Bonds.

"Purchase Date" means any date on which any Senior Bond is purchased pursuant to the provisions of the Senior Indenture.

"Purchase Price" means, with respect to any Senior Bond tendered or deemed tendered pursuant to the Senior Indenture, an amount equal to 100% of the principal amount of any Senior Bond tendered or deemed tendered to the Senior Indenture Trustee for purchase pursuant to the Senior Indenture, plus, if such Purchase Date is not an Interest Payment Date, accrued interest thereon to but not including the Purchase Date; provided, however, if such Purchase Date occurs before an Interest Payment Date, but after the Record Date applicable to such Interest Payment Date, then the Purchase Price shall not include accrued interest, which shall be paid to the Owner of record as of the applicable Record Date.

"Qualified Swap Agreement" means a contract or agreement, intended to place such Series of Senior Bonds or portion thereof or such applicable investments, as the Authority shall specify in a resolution authorizing the execution of such contract or agreement, on the interest rate, currency, cash flow or other basis desired by the Authority, payments (other than payments of fees and expenses and termination payments which shall in all cases be payable on a subordinate basis) with respect to which the Authority has specified in its authorizing resolution shall be payable from Revenue on a parity with the payment of Senior Bonds, including, without limitation, any interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract, any contract providing for payments based on levels of, or changes in, interest rates, currency exchange rates, stock or other indices, any contract to exchange cash flows or a series of payments, or any contract, including, without limitation, an interest rate floor or cap, or an option, put or call, to hedge payment, currency, rate, spread or similar exposure, between the Authority and a Swap Party, provided that in each case: (i) the notional amount of the Qualified Swap Agreement shall not exceed the principal amount of the related Series of Senior Bonds or portion thereof or the amount of such investments, as applicable; and (ii) the Authority shall have received a Rating Confirmation from each Rating Agency then rating any Series of Senior Bonds with respect to such Qualified Swap Agreement.

"Rail Extension Reserves" means ninety percent (90%) of the twenty-five cent (25¢) toll increase on two-axle vehicles on the San Francisco-Oakland Bay Bridge authorized by Regional Measure 1 which are transferred by the Authority to MTC on an annual basis to be applied by MTC to rail transit capital extension and improvement projects that are designed to reduce vehicular traffic congestion on the San Francisco-Oakland Bay Bridge.

"Rate" means, with respect to any Senior Bond of a Series, the interest rate applicable to such Senior Bond as provided in the Senior Indenture.

"Rate Index" means the Daily Index, the Weekly Rate Index or both, as the context may require.

"Rate Period" means any Daily Rate Period, Weekly Rate Period, Commercial Paper Rate Period, Term Rate Period, Index Rate Period or Fixed Rate Period.

"Rating Agency" means each of Fitch, Moody's and S&P.

"Rating Category" means: (i) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier; and (ii) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

"Rating Confirmation" means written evidence from each rating agency then rating any Series of Senior Bonds to the effect that, following the event which requires the Rating Confirmation, the then current rating for such Series of Senior Bonds will not be lowered or withdrawn solely as a result of the occurrence of such event.

"Rebate Fund" means the fund by that name created pursuant to the Senior Indenture.

"Record Date" means for any Interest Payment Date in respect of any Daily Rate Period or Weekly Rate Period, the Business Day next preceding such Interest Payment Date.

"Redemption Date" means the date fixed for redemption of Senior Bonds of a Series subject to redemption in any notice of redemption given in accordance with the terms of the Senior Indenture.

"Redemption Fund" means the fund by that name created pursuant to the Senior Indenture.

"Redemption Price" means, with respect to any Senior Bond or a portion thereof, 100% of the principal amount thereof to be redeemed, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Senior Bond or the Senior Indenture.

"Regional Measure 1" means Regional Measure 1 which was approved by voters of the City and County of San Francisco and the counties of Alameda, Contra Costa, Marin, San Mateo, Santa Clara and Solano on November 8, 1988 and which took effect on January 1, 1989.

"Regional Measure 2" means Regional Measure 2 which was approved by voters of the City and County of San Francisco and the counties of Alameda, Contra Costa, Marin, San Mateo, Santa Clara and Solano on March 2, 2004 and which took effect on July 1, 2004.

"Regional Measure 2 Reserves" means an amount of up to thirty eight percent (38%) of the funds generated by Regional Measure 2 which are transferred by the Authority to MTC on an annual basis to be applied by MTC to provide operating assistance for transit purposes pursuant to Section 30914(d) of the Act.

"Remarketing Agent" means the one or more banks, trust companies or members of the National Association of Securities Dealers, Inc. meeting the qualifications set forth in the Senior Indenture and appointed by an Authorized Representative to serve as Remarketing Agent for any Series of Senior Bonds.

"Remarketing Agreement" means any agreement or agreements entered into by and between the Authority and a Remarketing Agent for any Series of Senior Bonds.

"Representation Letter" means the letter or letters of representation from the Authority to, or other instrument or agreement with, a Securities Depository for Book-Entry Bonds, in which the Authority, among other things, makes certain representations to the Securities Depository with respect to the Book-Entry Bonds, the payment thereof and delivery of notices with respect thereto.

"Reserve Facility" means a surety bond or insurance policy issued to the Senior Indenture Trustee by a company licensed to issue a surety bond or insurance policy guaranteeing the timely payment of the principal of and interest on the Senior Bonds, which company shall be rated in the highest long-term rating category by Moody's and S&P, or a letter of credit issued or confirmed by a state or national bank, or a foreign bank with an agency or branch located in the continental United States, which has outstanding an issue of unsecured long term debt securities rated in at least the second highest long-term rating category by Moody's and S&P, or any combination thereof, deposited with the Senior Indenture Trustee by the Authority to satisfy the Reserve Requirement or a portion thereof.

"Reserve Facility Costs" means amounts owed with respect to repayment of draws on a Reserve Facility, including interest thereon at the rate specified in the agreement pertaining to such Reserve Facility and expenses owed to the Reserve Facility Provider in connection with such Reserve Facility.

"Reserve Facility Provider" means any provider of a Reserve Facility, any successor thereto or any replacement therefor.

"Reserve Fund" means the fund by that name created pursuant to the Senior Indenture.

"Reserve Requirement" means, as of any date of calculation, an amount equal to the lesser of: (i) Maximum Annual Debt Service on all Senior Bonds then Outstanding; and (ii) 125% of average Annual Debt Service on all Senior Bonds then Outstanding; provided that with respect to a Series of variable rate Senior Bonds for which a fixed rate Swap is not in place, the interest rate thereon for purposes of calculating the Reserve Requirement shall be assumed to be equal to the rate published in The Bond Buyer as the "Bond Buyer Revenue Bond Index" by the most recent date preceding the sale of such Series; and provided, further, that with respect to a Series of Senior Bonds, if the Reserve Fund would have to be increased by an amount greater than ten percent (10%) of the stated principal amount of such Series (or, if the Series has more than a de minimis amount of original issue discount or premium, of the issue price of such Senior Bonds) then the Reserve Requirement shall be such lesser amount as is determined by a deposit of such ten percent (10%).

"Revenue" means: (i) Bridge Toll Revenues; (ii) all interest or other income from investment of money in any fund or account of the Authority, including the Operations and Maintenance Fund established pursuant to the Senior Indenture and held by the Authority; (iii) all amounts on deposit in the funds and accounts established pursuant to the Senior Indenture and held by the Senior Indenture Trustee (excluding the Rebate Fund and any fund or account established to hold the proceeds of a drawing on any Credit Support Instrument) and all interest or other income from investment of money in the funds and accounts established pursuant to the Senior Indenture and held by the Senior Indenture Trustee (excluding the Rebate Fund and any fund or account established to hold the proceeds of a drawing on any Credit Support Instrument); and (iv) all Swap Revenues.

"Revenue Bond Law of 1941" means Chapter 6 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 54300), as may be amended from time to time hereafter.

"S&P" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, the term "S & P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

"Securities Depository" means a trust company or other entity which provides a book-entry system for the registration of ownership interests of Participants in securities and which is acting as security depository for Book-Entry Bonds.

"Semi-Annual Interest Payment Date" means April 1 or October 1.

"Senior Bonds" means the bonds or commercial paper identified as the Bay Area Toll Authority San Francisco Bay Area Toll Bridge Revenue Bonds authorized by, and at any time Outstanding pursuant to, the Senior Indenture.

"Senior Indenture" or "Master Indenture" means the Master Indenture, dated as of May 1, 2001, between the Authority and the Senior Indenture Trustee, as the same may be amended or supplemented from time to time as permitted thereby.

"Senior Indenture Trustee" means Union Bank, N.A., as trustee under the Senior Indenture, and its successors and assigns.

"Senior Parity Obligations" means obligations of the Authority, the principal of and interest on which are payable from Revenue on a parity with the payment of the Senior Bonds, including payments due under Credit Support Agreements and Qualified Swap Agreements (excluding fees and expenses and termination payments on Qualified Swap Agreements which shall be payable on a subordinate basis).

"Series" means all Senior Bonds identified in a Supplemental Indenture as a separate Series.

"SIFMA Swap Index" means, on any date, a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations, as produced by Municipal Market Data and published or made available by the Securities Industry & Financial Markets Association (formerly the Bond Market Association) ("SIFMA") or any Person acting in cooperation with or under the sponsorship of SIFMA and acceptable to the Senior Indenture Trustee and effective from such date.

"Sinking Fund Installment" means, with respect to any Series of Senior Bonds, each amount so designated for the Term Bonds of such Series in the Supplemental Indenture providing for the issuance of such Series of Senior Bonds requiring payments by the Authority to be applied to the retirement of such Series of Senior Bonds on and prior to the stated maturity date thereof.

"Southern Bridge Group" means the Dumbarton Bridge, the San Francisco-Oakland Bay Bridge and the San Mateo-Hayward Bridge.

"State" means the State of California.

"Stepped Rate" means the rate or rates of interest applicable with respect to any Series of Senior Bonds should insufficient funds be available to purchase such Senior Bonds in connection with a mandatory tender at the end of an Index Rate Period or a Term Rate Period during which such Series of Senior Bonds is not supported by a Liquidity Instrument, as specified by the Authority in the Pricing Notice delivered in connection with the Conversion of such Series of Senior Bonds to a Term Rate Period or an Index Rate Period or with the continuation of a Term Rate Period or Index Rate Period with respect to such Series of Senior Bonds pursuant to the terms of the Senior Indenture. If no Stepped Rate was specified in the Pricing Notice relating to the expiring Term Rate Period or Index Rate Period for such Series of Senior Bonds, the Stepped Rate is to be (a) for the period from and including the Failed Tender Date to but excluding the ninetieth (90^{th}) day thereafter, a per annum interest rate equal to the Stepped Rate Index plus 2.50%; (b) for the period from and including the ninetieth (90^{th}) day after the Failed Tender Date to but excluding the one hundred eightieth (180^{th}) day after the Failed Tender Date, a per annum interest rate equal to the greater of (P) the Stepped Rate Index plus 5.00% or (Q) 7.50%; and (c) thereafter, the Maximum Interest Rate; provided that, if the rates specified in either (a) or (b) above are less than the rate of interest applicable to such Series of Senior Bonds on the Business Day prior to the Failed Tender Date, the Stepped Rate for the specified period is to be the rate of interest applicable to such Series of Senior Bonds on the Business Day prior to the Failed Tender Date. Notwithstanding anything to the contrary in this definition or the Senior Indenture, the Stepped Rate is to never exceed twelve percent (12%) per annum.

"Stepped Rate Index" means an index specified by the Authority in the Pricing Notice delivered in connection with the Conversion of such Series of Senior Bonds to a Term Rate Period or an Index Rate Period or with the continuation of a Term Rate Period or Index Rate Period with respect to such Series of Senior Bonds pursuant to the terms of the Senior Indenture. If no Stepped Rate Index was specified in the Pricing Notice relating to the expiring Term Rate Period or Index Rate Period for such Series of Senior Bonds, the Stepped Rate Index shall be 67% of the Three-Month LIBOR Rate or, if the Three-Month LIBOR Rate is not available, 67% of the Treasury Rate.

"Subordinated Maintenance Expenditures" means maintenance expenditures payable to Caltrans from Bridge Toll Revenues that are Category A maintenance expenditures within the meaning of Streets and Highways Code section 188.4, including all normal highway maintenance on the Bay Area Bridges that would be performed by the State according to State procedures if the Bay Area Bridges were toll-free state facilities."

"Subordinate Obligations" means any obligations of the Authority secured by and payable from Revenue on a basis which is subordinate to the Senior Bonds and Senior Parity Obligations, including, without limitation, fees and expenses and termination payments on Qualified Swap Agreements and payments on Swaps.

"Subordinate Obligations Fund" means the fund by that name created pursuant to the Senior Indenture.

"Subsidy Payments" means payments from the United States Treasury to or upon the order of the Authority with respect to the eligible Senior Bonds pursuant to Sections 54AA and 6431 of the Code in an amount equal to 35% of the interest due thereon on each Interest Payment Date.

"Supplemental Indenture" means any indenture executed and delivered by the Authority and the Senior Indenture Trustee that is stated to be a supplemental indenture to the Master Indenture.

"Swap" means any interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract, any contract providing for payments based on levels of, or changes in, interest rates, currency exchange rates, stock or other indices, any contract to exchange cash flows or a series of payments, or any contract, including, without limitation, an interest rate floor or cap, or an option, put or call, to hedge payment, currency, rate, spread or similar exposure, between the Authority and a Swap Party, which is not a Qualified Swap Agreement.

"Swap Party" means each entity which is a party to either a Qualified Swap Agreement or a Swap entered into with the Authority.

"Swap Revenues" means any amount paid by a Swap Party to the Authority pursuant to any Qualified Swap Agreement or Swap, after any netting of payments required by such Qualified Swap Agreement or Swap, as applicable, and any payments paid to the Authority by a Swap Party as consideration for termination or amendment of a Qualified Swap Agreement or Swap, as applicable.

"Tax Certificate" means the Tax Certificate delivered by the Authority at the time of the issuance of a Series of Senior Bonds the interest on which is intended to be exempt from federal income taxation, as the same may be amended and supplemented in accordance with its terms.

"Tax-Exempt" means, with respect to interest on any obligations of a state or local government, that such interest is excluded from the gross income of the holders thereof (other than any holder who is a "substantial user" of facilities financed with such obligations or a "related person" within the meaning of Section 147(a) of the Code) for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code.

"Tax-Exempt Securities" means bonds, notes or other securities the interest on which is Tax-Exempt.

"Term Bonds" means Senior Bonds of any Series which are payable on or before their specified maturity dates from Sinking Fund Installments established for that purpose in the Supplemental Indenture providing for the issuance of such Series of Senior Bonds, which Sinking Fund Installments are calculated to retire such Senior Bonds on or before their specified maturity dates.

"Term Rate" means the interest rate on any Series of Senior Bonds in the Term Rate Period established from time to time pursuant to the provisions of the Senior Indenture.

"Term Rate Computation Date" means any Business Day during the period from and including the date of receipt of a Conversion Notice relating to a Conversion to a Term Rate for any Series of Senior Bonds to and including the Business Day next preceding the proposed Term Rate Conversion Date.

"Term Rate Continuation Notice" means a written notice of an Authorized Representative delivered by the Authority to establish a new Term Rate Period for any Series of Senior Bonds in the Term Rate, such notice to be delivered to the Senior Indenture Trustee, the Remarketing Agent and the applicable Liquidity Provider as specified in the Senior Indenture.

"Term Rate Conversion Date" means: (i) the Conversion Date on which the interest rate on any Series of Senior Bonds shall be converted to a Term Rate; and (ii) the date on which a new Term Rate Period and Term Rate are to be established.

"Term Rate Period" means any period during which any Series of Senior Bonds bear interest at the Term Rate established pursuant to the provisions of the Senior Indenture.

"Termination" (and other forms of "terminate") means, when used with respect to any Liquidity Instrument, the replacement, removal, surrender or other termination of such Liquidity Instrument by the Authority other than an Expiration or an extension or renewal thereof; provided, however, that Termination does not include immediate suspension or termination events.

"Three-Month LIBOR Rate" means the rate for deposits in U.S. dollars with a three-month maturity that appears on Reuters Screen LIBOR01 Page (or such other page as may replace that page on that service, or such other service as may be nominated by the British Bankers Association, for the purpose of displaying London interbank offered rates for U.S. dollar deposits) as of 11:00 a.m., London time, on the Index Rate Determination Date, except that, if such rate does not appear on such page on the Index Rate Determination Date, the Three-Month LIBOR Rate means a rate determined on the basis of the rates at which deposits in U.S. dollars for a three-month maturity and in a principal amount of at least U.S. $1,000,000 are offered at approximately 11:00 a.m., London time, on the Index Rate Determination Date, to prime banks in the London interbank market by three major banks in the London interbank market (herein referred to as the "Reference Banks") selected by the Index Agent (provided, however, that if the Index Agent is the Senior Indenture Trustee, the Senior Indenture Trustee may appoint an agent to identify such Reference Banks). The Index Agent is to request the principal London office of each of such Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the Three-Month LIBOR Rate will be the arithmetic mean of such quotations. If fewer than two quotations are provided, the Three-Month LIBOR Rate will be the arithmetic mean of the rates quoted by three (if three quotations are not provided, two or one, as applicable) major banks in New York City, selected by the Index Agent, at approximately 11:00 a.m., New York City time, on the Index Rate Determination Date for loans in U.S. dollars to leading European banks in a principal amount of at least U.S. $1,000,000 having a three-month maturity. If none of the banks in New York City selected by the Index Agent is then quoting rates for such loans, then the Three-Month LIBOR Rate for the ensuing interest period will mean the Three-Month LIBOR Rate then in effect in the immediately preceding Index Rate Interest Accrual Period.

"Toll Coverage Calculation Date" means the date the Authority computes the coverage ratios required to be computed pursuant to the provisions of the Senior Indenture, which date shall be within 10 Business Days of the beginning of each Fiscal Year.

"Traffic Consultant" means any engineer or engineering firm or other consulting firm with requisite expertise appointed by the Authority to prepare estimates of Bridge Toll Revenues. The appointed Person or entity may not be an employee of the Authority or MTC, but may have other contracts with the Authority or MTC or any other Person to provide, directly or indirectly, other services to the Authority or MTC and still be appointed as Traffic Consultant.

“Treasury Rate” means the interest rate applicable to 13-week United States Treasury bills determined by the Remarketing Agent on the basis of the average per annum discount rate at which such 13-week Treasury bills shall have been sold at the most recent Treasury auction.

“Variable Rate” means any of the Daily Rate, the Weekly Rate, the Commercial Paper Rate, the Term Rate or the Index Rate.

“Weekly Put Bonds” means any Senior Bond of a Series bearing interest at a Weekly Rate tendered for purchase pursuant to the provisions of the Senior Indenture.

“Weekly Rate” means the interest rate on any Series of Senior Bonds in the Weekly Rate Period established from time to time pursuant to the provisions of the Senior Indenture.

“Weekly Rate Index” means, on any Business Day, the SIFMA Swap Index or, if the SIFMA Swap Index is no longer published, an index or rate agreed upon by the Authority and the Remarketing Agents, but in no event in excess of the Maximum Interest Rate.

“Weekly Rate Period” means each period during which any Series of Senior Bonds bear interest at the Weekly Rate established pursuant to the provisions of the Senior Indenture.

“Written Request of the Authority” means an instrument in writing signed by an Authorized Representative.

THE SENIOR INDENTURE

Statutory Lien, Pledge of State, Pledge of Revenue and Funds and Accounts

Statutory Lien. All Bridge Toll Revenues shall be deposited by the Authority in the Bay Area Toll Account and are subject to a statutory lien created pursuant to Section 30960 of the Act in favor of the Bondholders to secure all amounts due on the Senior Bonds and in favor of any provider of credit enhancement for the Senior Bonds to secure all amounts due to that provider with respect to those Senior Bonds. Pursuant to Section 30960 of the Act, such lien, subject to expenditures for operation and maintenance of the Bay Area Bridges, including toll collection, unless those expenditures are otherwise provided for by statute as provided in Section 30960(c) of the Act, shall immediately attach to the Bridge Toll Revenues as such Bridge Toll Revenues are received by the Authority and shall be effective, binding, and enforceable against the Authority, its successors, creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act, and the Bridge Toll Revenues shall remain subject to such statutory lien until all Senior Bonds are paid in full or provision made therefor, and the Bay Area Bridges shall not become toll-free prior to that time.

Pledge of State. Pursuant to Section 30963 of the Act, the State pledges and agrees with the Holders of the Senior Bonds and those parties who may enter into contracts with the Authority pursuant to the Act that the State will not limit, alter, or restrict the rights vested by the Act in the Authority to finance the toll bridge improvements authorized by the Act and agrees not to impair the terms of any agreements made with the Holders of the Senior Bonds and the parties who may enter into contracts with the Authority pursuant to the Act and pledges and agrees not to impair the rights or remedies of the Holders of Senior Bonds or any such parties until the Senior Bonds, together with interest, are fully paid and discharged and any contracts are fully performed on the part of the Authority.

Pledge of Revenue and Certain Funds and Accounts. All Revenue and all amounts (including the proceeds of Senior Bonds) held by the Senior Indenture Trustee in each fund and account established under the Senior Indenture (except for amounts on deposit in the Rebate Fund and amounts on deposit in any fund or account established to hold the proceeds of a drawing on any Credit Support Instrument) are pledged to secure the punctual payment of the principal of and interest on the Senior Bonds, Senior Parity Obligations and Reserve Facility Costs, subject only to the provisions of the Senior Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein. Said pledge constitutes a first lien on such amounts, is valid and binding from and after the issuance of the Initial Senior Bonds, without any physical delivery or further act and will be irrevocable until all Senior Bonds, Senior Parity Obligations and Reserve Facility Costs are no longer outstanding.

Conversion of Interest Rate Determination Method.

Conversion Notice and Pricing Notice.

Each Conversion Notice must specify: (1) the proposed Conversion Date; (2) the new Interest Rate Determination Method to take effect; (3) whether the Credit Support Instrument then in effect, if any, will remain in effect and, if applicable, the terms upon which the Owners of such Series of Senior Bonds shall have the option to tender such Series of Senior Bonds for purchase during the new Interest Rate Determination Method; (4) if a new Credit Support Instrument will be in effect after the proposed Conversion Date, the form and terms of such Credit Support Instrument for such Series of Senior Bonds; and (5) if the Conversion is to the Fixed Rate, the redemption dates and redemption prices applicable to such Fixed Rate Period.

Each Pricing Notice delivered in connection with a Conversion to or continuation of a Term Rate must specify: (1) the duration of the Term Rate Period, (2) the optional redemption provisions applicable to such Series of Senior Bonds during such Term Rate Period, if any, and (3) the Stepped Rate to be applicable to such Series of Senior Bonds should insufficient funds be available to purchase such bonds at the end of such Term Rate Period.

Each Pricing Notice delivered in connection with a Conversion to or continuation of an Index Rate must specify: (1) the duration of the Index Rate Period, (2) the optional redemption provisions applicable to such Series of Senior Bonds during such Index Rate Period, if any, (3) the Stepped Rate to be applicable to such Series of Senior Bonds should insufficient funds be available to purchase such bonds at the end of such Index Rate Period, (4) the proposed next Purchase Date, if any, (5) the Index Rate Index, if other than 67% of the Three-Month LIBOR Rate, (6) the frequency with which the Index Rate shall be recalculated, (7) the proposed Interest Payment Dates applicable to such Series of Senior Bonds while bearing interest in an Index Rate Period, and (8) alternative Index Rate Determination Dates, if any.

Notice to Owners. Upon receipt of a Conversion Notice from an Authorized Representative, as soon as possible, but in any event not less than 30 days prior to the proposed Conversion Date, the Senior Indenture Trustee is to give notice by first-class mail to the affected Owners of the Series of Senior Bonds to be converted, which notice is to state in substance:

(A) that the Interest Rate Determination Method for the applicable Series of Senior Bonds is to be converted to the specified Variable Rate or the Fixed Rate, as the case may be, on the applicable Conversion Date if the conditions specified in the Senior Indenture (and generally described in such notice) are satisfied on or before such date;

(B) the applicable Conversion Date;

(C) that the Authority has delivered to the Senior Indenture Trustee a form of Opinion of Bond Counsel and a summary of the matters covered in such opinion in the form provided to the Senior Indenture Trustee by the Authority;

(D) that the Interest Rate Determination Method for such Series of Senior Bonds will not be converted unless the Opinion of Bond Counsel referred to above is redelivered to the Senior Indenture Trustee on (and as of) the Conversion Date and all such Senior Bonds are successfully purchased and remarketed in the new Interest Rate Determination Method on the Conversion Date;

(E) the CUSIP numbers or other identification information of such Senior Bonds;

(F) that all such Senior Bonds are subject to mandatory tender for purchase on the Conversion Date at the Purchase Price (whether or not the proposed Conversion becomes effective on such date, unless converting from Auction Rate Mode, an Index Rate Period or a Term Rate Period not supported by a Liquidity Instrument and the proposed Conversion does not occur, in which case the Senior Bonds subject to mandatory tender will not be purchased); and

(G) that, to the extent that there is to be on deposit with the Senior Indenture Trustee on the applicable Conversion Date an amount of money sufficient to pay the Purchase Price thereof, all such Series of Senior Bonds to be converted on the Conversion Date not delivered to the Senior Indenture Trustee on or prior to the Conversion Date are to be deemed to have been properly tendered for purchase and are to cease to constitute or represent a right on behalf of the Owner thereof to the payment of principal thereof or interest thereon and are to represent and constitute only the right to payment of the Purchase Price on deposit with the Senior Indenture Trustee, without interest accruing thereon after the Conversion Date.

Notice Failure No Bar. Failure of an Owner of a Senior Bond being converted to a new Interest Rate Determination Method to receive the notice of Conversion described above, or any defect therein, is not to affect the validity of any Rate or any continuation of or change in the Interest Rate Determination Method for any such Senior Bonds or extend the period for tendering any of such Senior Bonds for purchase, and the Senior Indenture Trustee is not to be liable to any Owner of such a Senior Bond by reason of the failure of such Owner to receive such notice or any defect therein.

Rescission of Election. The Authority may rescind any Conversion Notice with respect to a Series of Senior Bonds prior to the proposed Conversion Date set forth in the Conversion Notice by giving written notice thereof to the Senior Indenture Trustee, the Liquidity Provider for the applicable Series of Senior Bonds and the applicable Remarketing Agent two or more Business Days prior to such proposed Conversion Date. If the Senior Indenture Trustee receives notice of such rescission prior to the time the Senior Indenture Trustee has given notice of the Conversion to the Owners of the affected Series of Senior Bonds, then the Conversion Notice previously delivered by the Authority is to be of no force and effect. If the Senior Indenture Trustee receives notice from the Authority of rescission of the Conversion Notice after the Senior Indenture Trustee has given notice of the Conversion to the Owners of the affected Series of Senior Bonds, then such Series of Senior Bonds are to continue to be subject to mandatory tender for purchase on the Conversion Date specified in the Conversion Notice (unless such Senior Bonds were in an Index Rate Period or a Term Rate Period not supported by a Liquidity Instrument prior to such proposed Conversion Date) and the Rate Period for such Series of Senior Bonds is to automatically adjust to, or continue as, a Weekly Rate Period on the Conversion Date specified in the Conversion Notice.

Limitations. Any Conversion must comply with the following:

(A) the Conversion Date must be a date on which such Series of Senior Bonds are subject to mandatory tender;

(B) the Conversion Date must be a Business Day;

(C) the Liquidity Instrument for such Senior Bonds after a Conversion to a Variable Rate must cover (except for conversion to an Index Rate Period or a Term Rate Period) principal plus accrued interest (computed at the Maximum Interest Rate then in effect on the basis of a 365-day year and actual days elapsed or a 360 day year of twelve 30-day months, as applicable) for the maximum number of days between Interest Payment Dates permitted under that Interest Rate Determination Method, plus such additional number of days, if any, as shall be required by each Rating Agency then rating such Series of Senior Bonds; provided that if the number of days of interest coverage provided by the applicable Liquidity Instrument is being changed from the number of days previously in place, the Senior Indenture Trustee shall have also received a Rating Confirmation from each of the Rating Agencies then rating such Senior Bonds;

(D) no Conversion shall become effective unless the Opinion of Bond Counsel is delivered on (and as of) the Conversion Date and all affected Outstanding Senior Bonds are successfully purchased or deemed purchased and remarketed in the new Interest Rate Determination Method on the Conversion Date; and

(E) upon Conversion of any Series of Senior Bonds to a Fixed Rate Period, an Index Rate Period or a Term Rate Period, an Authorized Representative may provide in the Conversion Notice to the applicable Liquidity Provider a request for termination of the Liquidity Instrument with respect to such Senior Bonds to be effective upon such Conversion to a Fixed Rate Period, an Index Rate Period or a Term Rate Period.

No Conversion During Continuance of Event of Default. No Conversion is to occur if at the time of such Conversion an Event of Default shall have occurred and be continuing.

Conversion of Credit Provider Bonds. Notwithstanding anything to the contrary contained in the Senior Indenture, if all of the Outstanding Senior Bonds of any Series are Credit Provider Bonds, such Senior Bonds may be converted to a Fixed Rate on such Conversion Date as shall be acceptable to the applicable Liquidity Provider, the Senior Indenture Trustee, the Remarketing Agent and the Authority, provided that on such Conversion Date the Authority is to deliver to the Senior Indenture Trustee an Opinion of Bond Counsel stating that the Conversion is authorized and permitted under the Senior Indenture and will not, in and of itself, adversely affect the Tax-Exempt status of the interest on any Senior Bonds of such Series.

Mechanics of Optional and Mandatory Tenders

Purchase of Senior Bonds of a Series

Delivery of a Senior Bond to the Senior Indenture Trustee in connection with any optional or mandatory tender for purchase pursuant to the Senior Indenture is to be effected by the making of, or the irrevocable authorization to make, appropriate entries on the books of the Securities Depository for such Senior Bond or any Participant of such Securities Depository to reflect the transfer of the beneficial ownership interest in such Senior Bond to the account of the Senior Indenture Trustee, or to the account of a Participant of such Securities Depository acting on behalf of the Senior Indenture Trustee.

If moneys sufficient to pay the Purchase Price of Senior Bonds to be purchased pursuant to the Senior Indenture are held by the Senior Indenture Trustee on the applicable Purchase Date, such Senior Bonds are to be deemed to have been purchased for all purposes of the Senior Indenture, irrespective of whether or not such Senior Bonds have been delivered to the Senior Indenture Trustee or transferred on the books of a Securities Depository for such Senior Bonds, and neither the former Owner or Beneficial Owner of such Senior Bonds nor any other person will have any claim thereon, under the Senior Indenture or otherwise, for any amount other than the Purchase Price thereof.

In the event of non-delivery of any Senior Bond to be purchased pursuant to the Senior Indenture, the Senior Indenture Trustee is to segregate and hold uninvested the moneys for the Purchase Price of such Senior Bond in trust, without liability for interest thereon, for the benefit of the former Owners or Beneficial Owners of such Senior Bond, who will, except as provided in the following sentence, thereafter be restricted exclusively to such moneys for the satisfaction of any claim for the Purchase Price of such Senior Bond. Any moneys that the Senior Indenture Trustee segregates and holds in trust for the payment of the Purchase Price of any Senior Bond and remaining unclaimed for two years after the date of purchase is to be paid automatically to the Authority. After the payment of such unclaimed moneys to the Authority, the former Owner or Beneficial Owner of such Senior Bond is to look only to the Authority for the payment thereof.

Remarketing of Tendered Senior Bonds.

Daily Put Bonds. Not later than 11:15 a.m. (New York City time) on each Business Day on which the Senior Indenture Trustee receives a notice from a Owner or Beneficial Owner of a Senior Bond bearing interest at a Daily Rate to be tendered pursuant to the provisions of the Senior Indenture permitting the Owner to tender such Senior Bond (the "Daily Put Bonds"), the Senior Indenture Trustee is to give notice to the Remarketing Agent and the Authority, specifying the principal amount of Senior Bonds for which it has received such notice and the names of the Owner or Owners thereof. The Remarketing Agent will thereupon offer for sale and use its best efforts to find purchasers for such Daily Put Bonds, other than Credit Provider Bonds, which are to be remarketed pursuant to the Senior Indenture.

Not later than 11:30 a.m. (New York City time) on the Purchase Date described in the immediately preceding paragraph, the Senior Indenture Trustee is to give notice to the Remarketing Agent and the Authority of the accrued amount of interest payable with respect to the Daily Put Bonds as of such Purchase Date and confirming the aggregate principal amount of the Daily Put Bonds.

Not later than 12:00 noon (New York City time) on any Purchase Date for Daily Put Bonds, the Remarketing Agent is to give notice to the Authority and the Senior Indenture Trustee of the principal amount of any Daily Put Bonds, that have not been remarketed in accordance with the applicable Remarketing Agreement and its commitment to deliver funds from the Daily Put Bonds that have been remarketed to the Senior Indenture Trustee by 2:00 p.m. (New York City time) on such day pursuant to the Senior Indenture.

If a Remarketing Agent's notice pursuant to the immediately preceding paragraph indicates that such Remarketing Agent has on hand less remarketing proceeds than are needed to purchase all the Daily Put Bonds to be purchased on any Purchase Date or if the Senior Indenture Trustee does not receive a notice from the Remarketing Agent pursuant to the immediately preceding paragraph, the Senior Indenture Trustee is to demand payment under the applicable Liquidity Instrument then in effect with respect to the Tendered Bonds by 12:30 p.m. (New York City time) on such Purchase Date so as to provide by 3:00 p.m. (New York City time) on such Purchase Date an amount sufficient, together with the remarketing proceeds to be available for such purchase, calculated solely on the basis of the notice given by the Remarketing Agent pursuant to the paragraph above, to pay the Purchase Price of the Daily Put Bonds. The Senior Indenture Trustee, immediately after such demand for payment, is to give notice to the Authority of the amount, if any, of such demand.

Weekly Put Bonds. Not later than 10:30 a.m. (New York City time) on each Business Day succeeding a day on which the Senior Indenture Trustee receives a notice from an Owner or Beneficial Owner of Senior Bonds bearing interest at a Weekly Rate to be tendered pursuant to the provisions of the Senior Indenture permitting the Owner to tender such Senior Bond (the "Weekly Put Bonds"), the Senior Indenture Trustee is to give notice to the Remarketing Agent and the Authority specifying the principal amount of Senior Bonds for which it has received such notice, the names of the Owner or Owners thereof and the Purchase Date. The Remarketing Agent is to thereupon offer for sale and use its best efforts to find purchasers for such Weekly Put Bonds, other than Credit Provider Bonds, which are to be remarketed pursuant to the Senior Indenture.

Not later than 11:00 a.m. (New York City time) on the Business Day immediately preceding the Purchase Date described in the immediately preceding paragraph, the Senior Indenture Trustee is to give notice to the Remarketing Agent and the Authority of the accrued amount of interest payable with respect to the Weekly Put Bonds as of such Purchase Date and confirming the aggregate principal amount of the Weekly Put Bonds.

Not later than 11:30 a.m. (New York City time) on any Purchase Date for Weekly Put Bonds, the Remarketing Agent is to give notice to the Authority and the Senior Indenture Trustee of the principal amount of Weekly Put Bonds that have not been remarketed in accordance with the applicable Remarketing Agreement and its commitment to deliver funds from the Weekly Put Bonds that have been remarketed to the Senior Indenture Trustee by 2:00 p.m. (New York City time) on the Purchase Date pursuant to the Senior Indenture.

If a Remarketing Agent's notice pursuant to the immediately preceding paragraph indicates that such Remarketing Agent has on hand less remarketing proceeds than are needed to purchase all the Weekly Put Bonds to be purchased on any Purchase Date or if the Senior Indenture Trustee does not receive a notice from the Remarketing Agent pursuant to the immediately preceding paragraph, the Senior Indenture Trustee is to demand payment under the applicable Liquidity Instrument then in effect with respect to the Weekly Put Bonds by 12:30 p.m. (New York City time) on such Purchase Date so as to provide by 3:00 p.m. (New York City time) on such Purchase Date an amount sufficient, together with the remarketing proceeds to be available for such purchase, calculated solely on the basis of the notice given by the Remarketing Agent pursuant to the immediately preceding paragraph, to pay the Purchase Price of the Weekly Put Bonds. The Senior Indenture Trustee, immediately after such demand for payment, is to give notice to the Authority of the amount, if any, of such demand.

Mandatory Tender Bonds. Not later than 9:30 a.m. (New York City time) on each Purchase Date occurring pursuant to the Senior Indenture, the Senior Indenture Trustee is to give notice to the Remarketing Agent and the Authority specifying the principal amount of all Outstanding Senior Bonds that are subject to mandatory tender on such Purchase Date pursuant to the Senior Indenture (the "Mandatory Tender Bonds") and the names of the registered Owner or Owners thereof. The Remarketing Agent thereupon is to offer for sale and use its best efforts to find purchasers for such Mandatory Tender Bonds (if there is still an obligation to remarket), other than Credit Provider Bonds, which are to be remarketed pursuant to the appropriate provisions of the Senior Indenture.

Not later than 10:00 a.m. (New York City time) on each Purchase Date described in the paragraph above, the Senior Indenture Trustee is to give notice to the Remarketing Agent and the Authority of the accrued amount of interest payable with respect to the Mandatory Tender Bonds as of the

Purchase Date and confirming the aggregate principal amount of the Mandatory Tender Bonds. With respect to Mandatory Tender Bonds that are in an Index Rate Period, the Senior Indenture Trustee is to also give notice to the Remarketing Agent and the Authority of the premium, if any, payable with respect to such Mandatory Tender Bonds as of the Purchase Date.

Not later than 11:30 a.m. (New York City time) on any Purchase Date with respect to Mandatory Tender Bonds, the Remarketing Agent is to give notice to the Senior Indenture Trustee and the Authority of the principal amount of Mandatory Tender Bonds that have not been remarketed in accordance with the Remarketing Agreement and its written commitment to deliver funds from the Mandatory Tender Bonds that have been remarketed to the Senior Indenture Trustee by 2:00 p.m. (New York City time) on the Purchase Date pursuant to the Senior Indenture.

If a Remarketing Agent's notice pursuant to the immediately preceding paragraph indicates that such Remarketing Agent has on hand less remarketing proceeds than are needed to purchase all the Mandatory Tender Bonds to be purchased on such Purchase Date or if the Senior Indenture Trustee does not receive a notice from the Remarketing Agent pursuant to the immediately preceding paragraph, the Senior Indenture Trustee is to demand payment under the applicable Liquidity Instrument then in effect with respect to the Mandatory Tender Bonds by 12:30 p.m. (New York City time) on such Purchase Date so as to provide by 3:00 p.m. (New York City time) on such Purchase Date an amount sufficient, together with the remarketing proceeds to be available for such purchase, calculated solely on the basis of the notice given by the Remarketing Agent pursuant to the paragraph above, to pay the Purchase Price of the Mandatory Tender Bonds. The Senior Indenture Trustee, immediately after such demand for payment, is to give notice to the Authority of the amount, if any, of such demand.

Optional Authority Deposit. If a Remarketing Agent's notice to the Senior Indenture Trustee and the Authority pursuant to the provisions summarized above indicates that such Remarketing Agent has remarketed less than all the Daily Put Bonds, Weekly Put Bonds, or Mandatory Tender Bonds to be purchased on any Purchase Date and the Senior Indenture Trustee does not receive sufficient funds from, or has received notice from a Liquidity Provider that it will not provide sufficient funds from, draws on the applicable Liquidity Instrument to pay the Purchase Price of all such Senior Bonds that have not been remarketed by 2:00 p.m. (New York City time) on the Purchase Date, the Senior Indenture Trustee immediately (but in no event later than 2:30 p.m. (New York City time)) is to give notice to the Authority specifying the principal amount and the Purchase Price of such Senior Bonds for which moneys will not be available in the applicable Bond Purchase Fund and requesting the Authority to deposit with the Senior Indenture Trustee as soon as possible on such Purchase Date, preferably by 3:00 p.m. (New York City time), an amount sufficient to pay that portion of the Purchase Price for which moneys will not be available in the applicable Bond Purchase Fund, such notice to be confirmed immediately by telecopy to the Authority. Such deposit by the Authority is to be at the option of the Authority.

Limitation. The Remarketing Agent is to remarket the Senior Bonds, as provided therein, at not less than the Purchase Price thereof, except for Credit Provider Bonds, which are to be remarketed pursuant to the appropriate provisions of the Senior Indenture.

Deposits into Accounts in the Bond Purchase Fund. The terms of any sale by a Remarketing Agent of any Senior Bond tendered or deemed tendered for purchase pursuant to the Senior Indenture are to provide for the payment of the Purchase Price for such tendered or deemed tendered Senior Bond by such Remarketing Agent to the Senior Indenture Trustee for deposit in the applicable Remarketing Account of the applicable Bond Purchase Fund in immediately available funds at or before 2:00 p.m. (New York City time) on the Purchase Date. The Remarketing Agent is to cause to be paid to the Senior Indenture Trustee on each Purchase Date for tendered or deemed tendered Senior Bonds all amounts representing proceeds of the remarketing of such Senior Bonds, based upon the notice given by the

Remarketing Agent pursuant to the Senior Indenture. All such amounts are to be deposited in the applicable Remarketing Account. The Senior Indenture Trustee is to deposit in the applicable Liquidity Instrument Purchase Account all amounts received under a Liquidity Instrument pursuant to the Senior Indenture. Upon receipt of any notice from the Senior Indenture Trustee that insufficient funds are on deposit in the applicable Bond Purchase Fund to pay the full Purchase Price of all Senior Bonds to be purchased on a Purchase Date, the Authority, at its option, is to deliver or cause to be delivered to the Senior Indenture Trustee immediately available funds in an amount equal to such deficiency prior to 3:00 p.m. (New York City time) on the Purchase Date. Any such funds are to be deposited in the applicable Authority Account. The Senior Indenture Trustee is to hold amounts in the applicable Bond Purchase Fund uninvested.

Disbursements from the Bond Purchase Fund.

Application of Moneys. Moneys in the applicable Bond Purchase Fund (other than the proceeds of any remarketing of Credit Provider Bonds, which are to be paid to the applicable Liquidity Provider on the remarketing date) are to be applied at or before 3:00 p.m. (New York City time) to the purchase of the applicable Senior Bonds as provided therein by the Senior Indenture Trustee, on each Purchase Date, as follows:

First – Moneys constituting funds in the applicable Remarketing Account are to be used by the Senior Indenture Trustee on any Purchase Date to purchase the applicable Senior Bonds tendered or deemed tendered for purchase at the Purchase Price.

Second – In the event such moneys in the applicable Remarketing Account on any Purchase Date are insufficient to purchase all applicable Senior Bonds tendered or deemed tendered for purchase pursuant to the Senior Indenture on such Purchase Date, moneys in the applicable Liquidity Instrument Purchase Account on such Purchase Date are to be used by the Senior Indenture Trustee at that time to purchase such remaining Senior Bonds at the Purchase Price thereof.

Third – If the amount of money in any applicable Remarketing Account and applicable Liquidity Instrument Purchase Account, if applicable, on any Purchase Date is insufficient to pay in full the Purchase Price of all applicable Senior Bonds tendered or deemed tendered for purchase pursuant to the Senior Indenture on such Purchase Date, moneys in the applicable Authority Account on such Purchase Date, if any, are to be used by the Senior Indenture Trustee at that time to purchase such remaining Senior Bonds at the Purchase Price thereof.

If the Senior Bonds tendered or deemed tendered for purchase pursuant to the Senior Indenture are Book-Entry Bonds, payment of the Purchase Price of such Senior Bonds will be made in accordance with the rules and procedures of the applicable Securities Depository.

Insufficient Funds; Stepped Rate. The Senior Indenture provides that except with respect to any Series of Senior Bonds bearing interest in an Index Rate Period or a Term Rate Period and not supported by a Liquidity Instrument, if sufficient funds are not available for the purchase of all Senior Bonds of a Series tendered or deemed tendered and required to be purchased on any Purchase Date, all Senior Bonds of such Series are to bear interest at the lesser of the SIFMA Swap Index plus three percent and the Maximum Interest Rate from the date of such failed purchase until all such Senior Bonds of a Series are purchased as required in accordance with the Senior Indenture, and all tendered Senior Bonds of such Series are to be returned to their respective Owners. Notwithstanding any other provision of the Senior Indenture, such failed purchase and return does not constitute an Event of Default. Thereafter, the Senior Indenture 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 Credit Provider for such Senior

Bonds, if any. In addition, the Remarketing Agent shall remain obligated to remarket such Series of Senior Bonds and such Series of Senior Bonds shall remain subject to optional and mandatory redemption, mandatory tender for purchase, and Conversion as provided in the Senior Indenture.

For any Series of Senior Bonds bearing interest in an Index Rate Period or a Term Rate Period and not supported by a Liquidity Instrument, the Senior Indenture provides that if sufficient funds are not available for the purchase of all Bonds of such Series of Senior Bonds tendered or deemed tendered and required to be purchased on any Purchase Date, all Senior Bonds of such Series are to automatically convert to a Weekly Rate Period and bear interest at a rate of interest equal to the Stepped Rate from the Failed Tender Date until all such Senior Bonds are purchased as required in accordance with the Senior Indenture, and all tendered Senior Bonds of such Series are to be returned to their respective Owners. No Opinion of Bond Counsel is to be required in connection with this automatic adjustment to a Weekly Rate Period. Notwithstanding any other provision of the Senior Indenture, such failed purchase and return shall not constitute an Event of Default. In addition, the Remarketing Agent is to remain obligated to remarket such Series of Senior Bonds and such Series of Senior Bonds are to remain subject to optional and mandatory redemption, mandatory tender for purchase, and Conversion as provided in the Senior Indenture.

Delivery of Remarketed Bonds. While the Senior Bonds are Book-Entry Bonds, transfer of ownership of the remarketed Senior Bonds is to be effected in accordance with the procedures of the applicable Securities Depository against delivery of funds for deposit into the applicable Remarketing Account of the applicable Bond Purchase Fund equal to the Purchase Price of the Senior Bonds that have been remarketed.

Any Senior Bonds purchased with funds in the applicable Liquidity Instrument Purchase Account of the applicable Bond Purchase Fund are to be delivered and held in accordance with the Senior Indenture. Any Senior Bonds purchased with funds in the applicable Authority Account of the applicable Bond Purchase Fund are to be delivered and held in accordance with the instructions of the Authority furnished to the Senior Indenture Trustee. Such Senior Bonds are to be held available for registration of transfer and delivery by the Senior Indenture Trustee in such manner as may be agreed between the Senior Indenture Trustee and the applicable Liquidity Provider or the Authority, as the case may be.

Liquidity Instruments

With respect to the Senior Bonds bearing interest at a Weekly Rate or a Daily Rate, the Authority is to provide, or cause to be provided, to the Senior Indenture Trustee a Liquidity Instrument for each Series of Senior Bonds. The Authority may not reduce the amount of the Liquidity Instrument or permit a substitution of a Liquidity Provider thereunder without obtaining a Rating Confirmation with respect to such action unless such action is considered a substitution of the Liquidity Instrument subjecting the Senior Bonds affected thereby to mandatory purchase pursuant to the Senior Indenture. The Authority has the right at any time to provide a substitute Liquidity Instrument for any Liquidity Instrument then in effect. If there have been delivered to the Senior Indenture Trustee (i) a substitute Liquidity Instrument meeting the requirements of the Senior Indenture and (ii) the opinions and documents required by the Senior Indenture, then the Senior Indenture Trustee is to accept such substitute Liquidity Instrument and, if so directed by the Authority, on or after the effective date of such substitute Liquidity Instrument, promptly surrender the Liquidity Instrument being so substituted in accordance with the respective terms thereof for cancellation; provided the Senior Indenture Trustee will not surrender any Liquidity Instrument until all draws or requests to purchase Senior Bonds made under such Liquidity Instrument have been honored in accordance with the terms thereof. In the event that the Authority elects to provide a substitute Liquidity Instrument, the affected Senior Bonds are to be subject to mandatory tender unless a Rating Confirmation is received with respect to such substitution as provided in the Senior Indenture.

Notwithstanding the foregoing, any Liquidity Instrument that is a direct pay Letter of Credit will only be substituted upon a mandatory tender of the Series of Bonds secured thereby.

In the event that a Liquidity Instrument is in effect, the Senior Indenture Trustee is to make a demand for payment under such Liquidity Instrument, subject to and in accordance with its terms and without seeking indemnity prior to the making of such demand, in order to receive payment thereunder on each Purchase Date.

Any Senior Bonds purchased with payments made under a Liquidity Instrument will constitute Credit Provider Bonds and are to be registered in the name of, or as otherwise directed by, the applicable Liquidity Provider and delivered to or upon the order of, or as otherwise directed by, such Liquidity Provider.

Unless otherwise provided in the Liquidity Instrument, Credit Provider Bonds are to be remarketed by the applicable Remarketing Agent prior to any other Senior Bonds of such Series tendered for purchase pursuant to the Senior Indenture and are to be remarketed in accordance with the terms of the applicable Remarketing Agreement. Upon (i) receipt by the Authority and the Senior Indenture Trustee of written notification from a Liquidity Provider that a Liquidity Instrument has been fully reinstated with respect to principal and interest and (ii) release by the applicable Liquidity Provider of any Credit Provider Bonds that the Remarketing Agent has remarketed, such Senior Bonds are to be made available to the purchasers thereof and no longer constitute Credit Provider Bonds for purposes of the Senior Indenture. The proceeds of any remarketing of Credit Provider Bonds are to be paid to the applicable Liquidity Provider by the Senior Indenture Trustee on such remarketing date in immediately available funds with interest on the sale price being calculated as if such Senior Bond were not a Credit Provider Bond; provided, however, if all such Senior Bonds are Credit Provider Bonds, at par plus accrued interest, and the remarketing date is to be considered an Interest Payment Date.

Substitute Liquidity Instruments

So long as any Series of Senior Bonds bear interest at a Variable Rate other than an Index Rate, a Term Rate or a Fixed Rate, on or prior to the expiration or termination of any existing Liquidity Instrument, including any renewals or extensions thereof (other than an expiration of such Liquidity Instrument at the final maturity of the Series of Senior Bonds to which such Liquidity Instrument relates), the Authority is to provide to the Senior Indenture Trustee a renewal or extension of the term of the existing Liquidity Instrument for such Series of Senior Bonds or a substitute Liquidity Instrument meeting the following requirements: (i) the obligations of the Liquidity Provider under the substitute Liquidity Instrument to purchase such Senior Bonds or otherwise provide for the Purchase Price of such Senior Bonds tendered or deemed tendered will not be subject to suspension or termination on less than 15 days notice to the Authority and the Senior Indenture Trustee; provided, however, that the obligations of a Liquidity Provider to purchase Senior Bonds of a Series or otherwise provide for the Purchase Price of such Senior Bonds may be immediately suspended or terminated without such notice upon the occurrence of such events as may be provided in a Liquidity Instrument and that are disclosed to the Owners of such Senior Bonds in connection with the provision of such substitute Liquidity Instrument or, if applicable, upon the remarketing of such Senior Bonds upon the mandatory tender thereof as a result of provision of another Liquidity Instrument; (ii) the substitute Liquidity Instrument must take effect on or before the Purchase Date for the applicable Series of Senior Bonds established pursuant to the Senior Indenture; and (iii) the substitute Liquidity Instrument must be in an amount sufficient to pay the maximum Purchase Price of the affected Series of Senior Bonds which is to be applicable during the Rate Period commencing on such substitution.

Prior to the date of the delivery of a substitute Liquidity Instrument to the Senior Indenture Trustee, the Authority is to cause to be furnished to the Senior Indenture Trustee (i) an Opinion of Bond Counsel addressed to the Senior Indenture Trustee to the effect that the delivery of such substitute Liquidity Instrument to the Senior Indenture Trustee is authorized under the Senior Indenture and complies with the terms thereof and will not, in and of itself, adversely affect the Tax-Exempt status of interest on the affected Series of Senior Bonds and (ii) an opinion or opinions of counsel to the Liquidity Provider for such substitute Liquidity Instrument addressed to the Senior Indenture Trustee, to the effect that the substitute Liquidity Instrument has been duly authorized, executed and delivered by the applicable Liquidity Provider and constitutes the valid, legal and binding obligation of such Liquidity Provider enforceable against such Liquidity Provider in accordance with its terms and (iii) if the affected Series of Senior Bonds are not subject to mandatory tender for purchase, the Rating Confirmation required by the Senior Indenture.

The Senior Indenture Trustee is to give notice of the proposed substitution of a Liquidity Instrument not later than the fifteenth day prior to the substitution date.

Purchase of Senior Bonds at Direction of Authority

If less than all of the Outstanding Senior Bonds of any Series are called for mandatory tender for purchase at the direction of the Authority, the principal amount and maturity of such Senior Bonds to be purchased are to be selected by the Authority in its sole discretion. If less than all of any Series of Senior Bonds of like maturity are to be called for mandatory tender for purchase at the direction of the Authority, the particular Senior Bonds or portions of Senior Bonds to be purchased are to be selected at random by the Senior Indenture Trustee in such manner as the Senior Indenture Trustee in its discretion may deem fair and appropriate; provided, however, that in selecting portions of Senior Bonds for purchase, the Senior Indenture Trustee is to treat each Senior Bond of the same Series as representing that number of Senior Bonds of the minimum Authorized Denomination for the Senior Bonds that is obtained by dividing the principal amount of such Senior Bond by the minimum Authorized Denomination for the Senior Bonds.

Deposit of Senior Bonds. The Senior Indenture Trustee agrees to accept and hold all Senior Bonds delivered to it pursuant to the Senior Indenture in trust for the benefit of the respective Owners or Beneficial Owners that will have so delivered such Senior Bonds until the Optional Purchase Price of such Senior Bonds will have been delivered to or for the account of or to the order of such Owners or Beneficial Owners pursuant to the Senior Indenture. Any Senior Bonds purchased pursuant to the Senior Indenture and registered for transfer to the Senior Indenture Trustee are to be held in trust by the Senior Indenture Trustee for the benefit of the Authority until delivery to the Authority.

Payment of Optional Purchase Price of Senior Bonds. Moneys held by the Senior Indenture Trustee for the payment of the Optional Purchase Price of Senior Bonds subject to mandatory tender for purchase at the option of the Authority are to be applied at or before 3:00 p.m. (New York City time) to the purchase of such Senior Bonds. While such Senior Bonds are Book-Entry Bonds, payment of the Optional Purchase Price for tendered Senior Bonds is to be made in accordance with the rules and procedures of the applicable Securities Depository.

Senior Bonds Owned by Authority. Any Senior Bonds purchased by the Authority pursuant to the Senior Indenture are not to be cancelled by the Senior Indenture Trustee unless such cancellation is directed by an Authorized Representative but are to remain Outstanding for all purposes of the Senior Indenture, except as otherwise provided in the Senior Indenture.

The Authority covenants and agrees in the Senior Indenture that it will not transfer or cause the transfer of any Senior Bond purchased by the Authority pursuant to the Senior Indenture unless the Authority delivers to the Senior Indenture Trustee a Favorable Opinion of Bond Counsel with respect to such transfer.

The Authority covenants and agrees in the Senior Indenture that, in the event that at any time there are insufficient funds in the Bond Fund or the Redemption Fund, as applicable, to pay the principal of and interest then due on the Outstanding Senior Bonds, it is to surrender or cause to be surrendered to the Senior Indenture Trustee for cancellation any Senior Bonds held by the Authority.

Funds and Accounts

Establishment and Application of Bond Fund. Not less than three Business Days prior to each date when the Authority is required to pay principal or interest on the Senior Bonds or amounts due on Senior Parity Obligations, as provided in the Senior Indenture, the Authority is to transfer to the Senior Indenture Trustee from the Bay Area Toll Account such amount of Revenue as is required to make such payments. Upon receipt, all Revenue is to be deposited by the Senior Indenture Trustee in the Bond Fund which the Senior Indenture Trustee is to establish, maintain and hold in trust. All Revenue held in the Bond Fund is to be held, applied, used and withdrawn only as provided in the Senior Indenture. On or before the date when principal and interest on the Senior Bonds and amounts due on Senior Parity Obligations are due and payable, the Senior Indenture Trustee is to transfer from the Bond Fund and deposit (or transfer as appropriate to the holder or trustee of the Senior Parity Obligations the amounts then due thereon) into the following respective accounts (each of which the Senior Indenture Trustee is to establish and maintain within the Bond Fund), in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenue sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(1) Interest Account. The Senior Indenture Trustee is to set aside in the Interest Account in the manner and at the times specified in the Senior Indenture amounts sufficient to pay the interest on the Senior Bonds and scheduled payments on Qualified Swap Agreements as and when due. Moneys in the Interest Account are to be used and withdrawn by the Senior Indenture Trustee solely for the purpose of paying interest on the Senior Bonds and scheduled payments on Qualified Swap Agreements as such interest and payments become due and payable, provided that moneys in any separate account established to pay interest on a Series of Senior Bonds is to be used and withdrawn solely to pay interest on such Senior Bonds as and when due.

(2) Principal Account. The Senior Indenture Trustee is to set aside in the Principal Account in the manner and at the times specified in the Senior Indenture amounts sufficient to pay the principal of Senior Bonds (including any sinking fund payments) as and when due (whether at maturity or upon redemption or on account of sinking fund requirements). Moneys in the Principal Account are to be used and withdrawn by the Senior Indenture Trustee solely for the purpose of paying principal of the Senior Bonds (including any sinking fund payments) as and when due, provided that moneys in any separate account established to pay principal on a Series of Senior Bonds are to be used and withdrawn solely to pay principal of such Senior Bonds as and when due.

Any moneys remaining in the Bond Fund after the foregoing transfers are to be transferred to the Authority and are to be deposited by the Authority in the Bay Area Toll Account; provided, however, that if the amount then on deposit in the Reserve Fund is less than the Reserve Requirement or if any Reserve Facility Costs will then be due and payable, such moneys are to be transferred to the Reserve Fund until such time as the amount on deposit in the Reserve Fund is equal to the Reserve Requirement and all

Reserve Facility Costs have been paid; and provided further that if the amount on deposit in the Reserve Fund is equal to the Reserve Requirement, no Reserve Facility Costs are then due and payable and the Authority is to so direct the Senior Indenture Trustee in writing, such moneys are to be transferred to and deposited in the Subordinate Obligations Fund or if there are no Subordinate Obligations then outstanding, such moneys are to be transferred to and deposited in the Fees and Expenses Fund.

Establishment and Application of the Reserve Fund. On the date of issuance of each Series of Senior Bonds, an amount equal to the Reserve Requirement for such Senior Bonds is required to be deposited in the Reserve Fund. Moneys in the Reserve Fund are to be used and withdrawn by the Senior Indenture Trustee solely for the purposes of paying principal and interest on the Senior Bonds when due when insufficient moneys for the payment thereof are on deposit in the Principal Account and the Interest Account or (together with any other moneys available therefor) for the payment or redemption of all Senior Bonds then Outstanding or, for the payment of the final principal and interest payment of a Series of Senior Bonds, if following such payment the amounts in the Reserve Fund (including the amounts which may be obtained from letters of credit, surety bonds and insurance policies on deposit therein) will equal the Reserve Requirement.

In the event that the Senior Indenture Trustee has withdrawn moneys in the Reserve Fund for the purpose of paying principal and interest on the Senior Bonds when due as provided pursuant to the provisions of the Senior Indenture described in the immediately preceding paragraph, the Senior Indenture Trustee is to promptly notify the Authority of such withdrawal. Upon receipt of such notification, the Authority, on or prior to the first Business Day of each month, commencing the month after such notification is received from the Senior Indenture Trustee by the Authority, is to transfer to the Senior Indenture Trustee for deposit in the Reserve Fund, an amount equal to 1/12th of the aggregate amount of each unreplenished withdrawal until the amount on deposit in the Reserve Fund is equal to the Reserve Requirement.

Upon receipt of any notification from the Senior Indenture Trustee of a deficiency in the Reserve Fund due to any required valuation of investments in the Reserve Fund provided by the Senior Indenture Trustee pursuant to the Senior Indenture, the Authority, on or prior to the first Business Day of each month, commencing the month after such notification is received from the Senior Indenture Trustee by the Authority, is to transfer to the Senior Indenture Trustee for deposit in the Reserve Fund, an amount equal to 1/12th of the aggregate amount of each unreplenished withdrawal until the amount on deposit in the Reserve Fund is equal to the Reserve Requirement.

Funding of the Reserve Fund. The Reserve Requirement for any Series of Senior Bonds, or any portion thereof, may be funded with a Reserve Facility. If the Reserve Requirement is satisfied by a Reserve Facility, the Senior Indenture Trustee is to draw on such Reserve Facility in accordance with its terms and the terms of the Senior Indenture, in a timely manner, to the extent necessary to fund any deficiency in the Interest Account or the Principal Account. The Authority is to repay solely from Revenue any draws under a Reserve Facility and any Reserve Facility Costs related thereto. Interest is to accrue and be payable on such draws and expenses from the date of payment by a Reserve Facility Provider at the rate specified in the agreement with respect to such Reserve Facility.

If any obligations are due and payable under the Reserve Facility, any new funds deposited into the Reserve Fund are to be used and withdrawn by the Senior Indenture Trustee to pay such obligations. The pledge of amounts on deposit in certain funds and accounts held by the Senior Indenture Trustee under the Senior Indenture to secure payment of Reserve Facility Costs set forth in the Senior Indenture is on a basis subordinate to the pledge of such amounts to the Senior Indenture Trustee for payment of the Senior Bonds and Senior Parity Obligations.

Amounts in respect of Reserve Facility Costs paid to a Reserve Facility Provider are to be credited first to the expenses due, then to interest due and then to principal due. As and to the extent payments are made to a Reserve Facility Provider on account of principal due, the coverage under the Reserve Facility is to be increased by a like amount, subject to the terms of the Reserve Facility. Payment of Reserve Facility Costs with respect to amounts drawn under multiple Reserve Facilities are to be made on a pro-rata basis prior to the replenishment of any cash drawn from the Reserve Fund.

If the Authority fails to pay any Reserve Facility Costs in accordance with the requirements described above, a Reserve Facility Provider is to be entitled to exercise any and all legal and equitable remedies available to such Reserve Facility Provider, including those provided under the Senior Indenture other than remedies which would adversely affect Owners of the Senior Bonds. The Senior Indenture will not be discharged until all Reserve Facility Costs owing to a Reserve Facility Provider have been paid in full. The Authority's obligation to pay such amounts expressly survives payment in full of the Senior Bonds.

In the event that the rating for a Reserve Facility Provider is withdrawn or reduced by Moody's or S&P to a rate below the requirements specified in the definition of Reserve Facility set forth above, the Authority is to obtain a substitute or replacement Reserve Facility within 60 days from the date of such reduction or withdrawal to the extent that, in the judgment of the Authority, such a substitute or replacement Reserve Facility is available upon reasonable terms and at a reasonable cost, or the Authority has deposited cash or other Permitted Investments (to the extent the same are available from Revenue), in order to provide that there is to be on deposit in the Reserve Fund an amount equal to the Reserve Requirement.

If the Authority causes a cash-funded Reserve Fund or any portion thereof to be replaced with a Reserve Facility, the amount on deposit in the Reserve Fund which is being replaced is to be transferred to the Authority which will deposit such amount in the Bay Area Toll Account, subject, in the case where such moneys are proceeds of Senior Bonds, to the receipt by the Authority of an Opinion of Bond Counsel to the effect that such transfer will not cause the interest on the Senior Bonds to be included in gross income for purposes of federal income taxation.

Establishment and Application of Subordinate Obligations Fund. Upon the written direction of the Authority, the Senior Indenture Trustee is to establish, maintain and hold in trust a separate fund designated as the "Subordinate Obligations Fund." After the transfers required from the Bond Fund have been made pursuant to the Senior Indenture, if there are Subordinate Obligations then Outstanding, the Senior Indenture Trustee is to transfer remaining Revenue to the Subordinate Obligations Fund and is to comply with the directions provided by the Authority pursuant to the Senior Indenture with respect to application of amounts deposited in the to the Subordinate Obligations Fund. The Authority has entered into the Subordinate Indenture, dated as of June 1, 2010, in order to provide for the issuance of Subordinate Obligations and will make debt service payments on bonds issued under the Subordinate Indenture directly from the Bay Area Toll Account and not through the Subordinate Obligations Fund under the Senior Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS" in the Information Statement for information about Subordinate Obligations.

Establishment and Application of Fees and Expenses Fund. The Senior Indenture Trustee is to establish, maintain and hold in trust a separate fund designated as the "Fees and Expenses Fund." After the transfers required from the Bond Fund have been made pursuant to the Senior Indenture, if there are Subordinate Obligations then Outstanding, the Senior Indenture Trustee is to transfer remaining Revenue to the Subordinate Obligations Fund and is to comply with the directions provided by the Authority pursuant to the Senior Indenture with respect to application of amounts deposited in the Subordinate

Obligations Fund. After such funds have been applied, the Senior Indenture Trustee is to transfer remaining Revenue to the Fees and Expenses Fund. All moneys in the Fees and Expenses Fund are to be used and withdrawn by the Senior Indenture Trustee to pay Fees and Expenses as directed by and in accordance with a Written Request of the Authority. Upon the payment of Fees and Expenses by the Senior Indenture Trustee, remaining Revenue, if any, are to be promptly transferred by the Senior Indenture Trustee to the Authority for deposit in the Bay Area Toll Account. The payment of obligations from the Fees and Expenses Fund is subordinate to the payment of Subordinate Obligations, and so the Authority will instruct the Senior Indenture Trustee that, in the event of a shortfall in funds to pay Subordinate Obligations, amounts in the Fees and Expenses Fund that are not needed to pay Senior Obligations will be made available to pay Subordinate Obligations.

Establishment and Application of Redemption Fund. The Senior Indenture Trustee is to establish, maintain and hold in trust a special fund designated as the "Redemption Fund." All moneys deposited by the Authority with the Senior Indenture Trustee for the purpose of redeeming Senior Bonds of any Series, unless otherwise provided in the Supplemental Indenture establishing the terms and conditions for such Series of Senior Bonds, are to be deposited in the Redemption Fund. All amounts deposited in the Redemption Fund are to be used and withdrawn by the Senior Indenture Trustee solely for the purpose of redeeming Senior Bonds of such Series and maturity as are specified by the Authority in a Written Request of the Authority delivered to the Senior Indenture Trustee, in the manner, at the times and upon the terms and conditions specified in the Supplemental Indenture pursuant to which such Series of Senior Bonds was issued.

Application of Operations and Maintenance Fund. Within ten Business Days after the beginning of each Fiscal Year, the Authority is to deposit in the Operations and Maintenance Fund such amount as is necessary so that the amount on deposit in the Operations and Maintenance Fund will equal two times budgeted Operations & Maintenance Expenses for such Fiscal Year, such amount to be deposited from Bridge Toll Revenues on deposit in the Bay Area Toll Account. Amounts on deposit in the Operations and Maintenance Fund are to be used and withdrawn by the Authority solely to pay Operations & Maintenance Expenses.

In the event that Bridge Toll Revenues on deposit in the Bay Area Toll Account are not sufficient at the beginning of any Fiscal Year to enable the Authority to make the transfer provided for pursuant to the provisions of the Senior Indenture described in the preceding paragraph at the beginning of such Fiscal Year, the Authority is not required to make such transfer for such Fiscal Year and failure of the Authority to make the transfer at the beginning of any Fiscal Year does not constitute an Event of Default under the Senior Indenture for as long as the Authority is in compliance with the provisions of the Senior Indenture concerning payment of principal and interest on the Senior Bonds and the covenants concerning toll rates described below under the caption "Covenants of the Authority - Toll Rate Covenants."

Establishment and Application of Rebate Fund. Upon the written direction of the Authority, the Senior Indenture Trustee is to establish and maintain a separate fund designated as the Rebate Fund and there is to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to each Tax Certificate and the Code. All money at any time deposited in the Rebate Fund are to be held by the Senior Indenture Trustee to satisfy the Rebate Requirement (as such term is defined in the Tax Certificate) for payment to the United States of America.

Credit Support Instruments; Principal and Interest Payments. In the event the Authority has provided to the Trustee a Credit Support Instrument in the form of a direct pay letter of credit for any Series of Senior Bonds providing for drawings by the Trustee to pay principal of and interest on Bonds of such Series, the Trustee will draw under such Credit Support Instrument in accordance with the Credit Support Instrument and apply the proceeds to the payment of principal of and interest on such Series of

Senior Bonds in accordance with the Credit Support Instrument and prior to applying Revenue received from the Authority to the payment of principal of and interest on such Senior Bonds and Parity Obligations. Such drawings are to be made in an amount necessary and in sufficient time (in accordance with the terms of such Credit Support Instrument) to allow the Trustee to pay, as applicable: (i) the interest on such Series of Bonds in the manner and at the times specified by the Supplemental Indenture relating to such Series of Bonds; and (ii) principal (including sinking fund payments) as and when due (whether at maturity or upon redemption or on account of sinking fund requirements).

The reimbursement obligation under a Credit Support Agreement relating to any drawing on a Credit Support Instrument to pay principal of or interest due on a Series of Bonds referred to in the preceding paragraph will, if specified in such Credit Support Agreement, constitute a Parity Obligation of the Authority, and the amounts due under such Credit Support Agreement on account of such drawing will be paid by the Authority to the Trustee pursuant to and in accordance with the provisions described above under the caption "Establishment and Application of Bond Fund". After a drawing under a Credit Support Instrument has been honored by a Credit Provider and the proceeds of such drawing have been applied to the payment of principal of and interest on the applicable Series of Bonds as provided in the preceding paragraph, the Trustee will reimburse such Credit Provider for the amount of the interest drawing when due using moneys so provided by the Authority to the Trustee.

In the event the Authority has provided to the Trustee a Credit Support Instrument in the form of a direct pay letter of credit for any Series of Bonds providing for drawings by the Trustee to purchase Bonds of such Series, the Trustee will make drawings under such Credit Support Instrument in accordance with the Credit Support Instrument and apply the proceeds to the purchase of Bonds of such Series in accordance with the Credit Support Instrument and the provisions of the Indenture providing for the purchase of Bonds of such Series. The reimbursement obligation under a Credit Support Agreement relating to any drawing on a Credit Support Instrument to so purchase Bonds will, if specified in such Credit Support Agreement, constitute a Parity Obligation of the Authority, and the amounts due under such Credit Support Agreement on account of such drawing are to be paid by the Authority to the Trustee pursuant to and in accordance with the provisions of described above under the caption "Establishment and Application of Bond Fund" and paid to the Credit Provider(s) entitled thereto pursuant to the Credit Support Agreement and in accordance with the first paragraph described above under the caption "Establishment and Application of Bond Fund" (without duplication of any amounts otherwise paid as principal of or interest on the Credit Provider Bonds resulting from such drawing from Revenue or from remarketing proceeds).

Funds received by the Trustee on account of any such drawing under a Credit Support Agreement to purchase Bonds will be held uninvested and be deposited in the bond purchase fund established under the Indenture for such Series of Bonds and also held uninvested in that fund. Such funds will be held in trust in accordance with the Indenture, shall not be used for any other purpose, and the Trustee shall have no lien for its own benefit thereon.

Establishment and Application of Credit Support Instrument Sub-Accounts. Notwithstanding anything to the contrary contained in the Indenture, the Trustee will segregate funds received from a Credit Provider pursuant to a draw on a Credit Support Instrument in the form of a direct pay letter of credit for any Series of Bonds from all other funds held by the Trustee pursuant to the terms of the Indenture and will establish within the funds and accounts held by the Trustee pursuant to the Indenture such sub-accounts as the Trustee determines are necessary to carry out such obligation.

Investment of Moneys in Funds and Accounts

Moneys held by the Authority in the Bay Area Toll Account and in the funds and accounts created under the Senior Indenture and held by the Authority, including the Operations and Maintenance Fund, will be invested and reinvested in any lawful investment of the Authority.

Moneys held by the Senior Indenture Trustee in the funds and accounts created under the Senior Indenture are to be invested and reinvested in Permitted Investments in accordance with the written instructions of an Authorized Representative of the Authority.

Unless otherwise specified in the Supplemental Indenture creating a Series of Senior Bonds, all Permitted Investments are to be held by or under the control of the Senior Indenture Trustee and are to be deemed at all times to be a part of the fund or account which was used to purchase the Permitted Investment. Unless otherwise provided by written instruction of an Authorized Representative or in a Supplemental Indenture, all interest, profits and other income received from the investment of moneys in any fund or account held by the Senior Indenture Trustee, other than a Construction Fund or the Rebate Fund, are to be transferred to the Bond Fund when received and all interest, profits and other income received from the investment of moneys in any Construction Fund are to be deposited in such Construction Fund. All interest, profits and other income received from the investment of moneys in the Rebate Fund will be deposited in the Rebate Fund. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security is to be credited to the fund or account from which such accrued interest was paid.

The Senior Indenture Trustee is authorized to sell or redeem and reduce to cash a sufficient amount of Permitted Investments whenever the cash balance in any fund or account is or will be insufficient to make any required disbursement. Absent specific instructions from an Authorized Representative, the Senior Indenture Trustee is to invest cash balances in Permitted Investments described in clause (xii) of the definition thereof unless otherwise specified in a Supplemental Indenture.

All Investment Securities credited to the Reserve Fund are to be valued as of April 1 of each year (or the next succeeding Business Day if such day is not a Business Day). All Investment Securities credited to the Reserve Fund are to be valued at their fair market value determined to the extent practical by reference to the closing bid price thereof published in the Wall Street Journal or any other financial publication or quotation service selected by the Senior Indenture Trustee in its discretion.

The Senior Indenture Trustee or its affiliates may act as sponsor, advisor, principal or agent in the acquisition or disposition of any investment with the prior written approval of an Authorized Representative. The Senior Indenture Trustee may commingle any of the moneys held by it pursuant to the Senior Indenture (except for amounts on deposit in the Rebate Fund and amounts on deposit in any fund or account established to hold the proceeds of a drawing on any Credit Support Instrument) for investment purposes only; provided, however, that the Senior Indenture Trustee is to account separately for the moneys belonging to each fund or account established pursuant to the Senior Indenture and held by it.

Additional Senior Bonds; Subordinate Obligations

Restrictions on Issuance of Additional Senior Bonds. Subsequent to the issuance of the Initial Senior Bonds, no additional Senior Bonds (or Senior Parity Obligations) are to be issued unless at least one of the following is true immediately following the issuance of such additional Senior Bonds:

(a) the additional Senior Bonds (or Senior Parity Obligations) are issued for refunding purposes to provide funds for the payment of any or all of the following: (1) the principal or redemption price of the Outstanding Senior Bonds (or Senior Parity Obligations) to be refunded; (2) all expenses incident to the calling, retiring or paying of such Outstanding Senior Bonds (or Senior Parity Obligations) and the Costs of Issuance of such refunding Senior Bonds; (3) interest on all Outstanding Senior Bonds (or Senior Parity Obligations) to be refunded to the date such Senior Bonds will be called for redemption or paid at maturity; and (4) interest on the refunding Senior Bonds (or Senior Parity Obligations) from the date thereof to the date of payment or redemption of the Senior Bonds (or Senior Parity Obligations) to be refunded.

(b) the Board determines that one of the following is true: (1) the ratio of (A) Net Revenue for the most recent Fiscal Year for which audited financial statements are available to (B) Maximum Annual Debt Service on the Senior Bonds (and Senior Parity Obligations), calculated as of the date of sale of, and including such additional Senior Bonds, will not be less than 1.50:1; or (2) the ratio of (A) projected Net Revenue for each of the next three (3) Fiscal Years, including in such projections amounts projected to be received from any adopted toll increase or planned openings of an additional Bay Area Bridge, to (B) Maximum Annual Debt Service on the Senior Bonds (and Senior Parity Obligations), calculated as of the date of sale of, and including such additional Senior Bonds (and Senior Parity Obligations), will not be less than 1.50:1.

Maximum annual debt service with respect to Senior Parity Obligations is to be determined using the principles set forth in the definition of Maximum Annual Debt Service; provided that if a Senior Parity Obligation is contingent upon funds being provided under a Credit Support Instrument to pay principal or purchase price of or interest on a Senior Bond, such Senior Parity Obligations will not be considered outstanding until such payment is made thereunder.

For Additional Senior Bonds and Senior Parity Obligations issued to finance a Project that includes toll bridge program capital improvements for any bridge newly designated after January 1, 2006 as a Bay Area Bridge, projected Net Revenue for such bridge is to be calculated using estimates of Bridge Toll Revenues prepared by a Traffic Consultant unless that bridge has been an operating toll bridge for at least three Fiscal Years.

Proceedings for Issuance of Additional Senior Bonds. Subsequent to the issuance of the Initial Senior Bonds, whenever the Authority determines to issue additional Senior Bonds (and Senior Parity Obligations), the Authority shall, in addition to fulfilling the requirements of the Senior Indenture described above, file with the Senior Indenture Trustee:

(a) a certificate of the Authority stating that no Event of Default specified in the Senior Indenture has occurred and is then continuing;

(b) a certificate of the Authority stating that the requirements of the Senior Indenture described under the caption "Restrictions on Issuance of Additional Senior Bonds" have been satisfied;

(c) if such additional Senior Bonds are being issued based upon compliance with subparagraph (b)(1) above under the caption "Restrictions on Issuance of Additional Senior Bonds," a Certificate of the Authority stating that nothing has come to the attention of the Authority that would lead the Authority to believe that there has been a material adverse change in the operation of the Bay Area Bridges such that Net Revenue for the then current Fiscal Year would be insufficient to meet the debt service coverage requirement set forth in subparagraph (b)(1) above under the caption "Restrictions on Issuance of Additional Senior Bonds";

(d) the balance in the Reserve Fund upon receipt of the proceeds of the sale of such Series of Senior Bonds shall be increased, if necessary, to an amount at least equal to the Reserve Requirement with respect to all Senior Bonds Outstanding upon the issuance of such Series of Senior Bonds; and

(e) an Opinion of Bond Counsel to the effect that the execution of the Supplemental Indenture creating such Series of Senior Bonds has been duly authorized by the Authority in accordance with the Senior Indenture and that such Series of Senior Bonds, when duly executed by the Authority and authenticated and delivered by the Senior Indenture Trustee, are to be valid and binding obligations of the Authority.

Subordinate Obligations. Except to the extent restricted by a Supplemental Indenture, the Authority may issue or incur obligations payable out of Revenue on a basis junior and subordinate to the payment of the principal, interest and reserve fund requirements for the Senior Bonds and Senior Parity Obligations, as the same become due and payable and at the times and in the manner as required by the Senior Indenture or as required by the instrument pursuant to which such Senior Parity Obligations were issued or incurred, as applicable.

Covenants of the Authority

Punctual Payment. The Authority is to punctually pay the principal and Purchase Price of and the interest on (and redemption premiums, if any) to become due on the Senior Bonds in strict conformity with the terms of the Act, the Senior Indenture and the Senior Bonds, and is to faithfully observe and perform all of the agreements and covenants contained in the Senior Indenture and the Senior Bonds.

Against Encumbrances; First Lien Indebtedness; Subordinated Bonds. The Authority is not to create or cause or permit to be created any pledge, lien, charge or encumbrance having priority over, or having parity with, the lien of the Senior Bonds and Senior Parity Obligations upon any of the Revenue or issue any bonds, notes or other obligations secured by a pledge of or charge or lien upon Revenue except Senior Bonds and Senior Parity Obligations; provided that the Authority may at any time, or from time to time, issue or incur Subordinate Obligations as provided in the Senior Indenture.

Tax Covenants. The Authority is not to use or permit the use of any proceeds of the Senior Bonds or any funds of the Authority, directly or indirectly, to acquire any securities or obligations that would cause the interest on Senior Bonds intended by the Authority to be exempt from federal income taxation to become subject to federal income taxation, and will not take or permit to be taken any other action or actions, which would cause any such Senior Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code or “federally guaranteed” within the meaning of Section 149(b) of the Code and any such applicable regulations promulgated from time to time thereunder. The Authority is to observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. The Authority covenants to comply with the provisions and procedures of each Tax Certificate.

With respect to build America bonds it has issued, the Authority is not to use or permit the use of any proceeds of such Senior Bonds or any funds of the Authority or any funds held by the Senior Indenture Trustee under the Senior Indenture, directly or indirectly, in any manner, nor to take or omit to take any action, that would adversely affect the receipt of the Subsidy Payments.

Toll Rate Covenants. The Authority covenants that it is at all times to establish and maintain tolls on the Bay Area Bridges at rates sufficient to meet Operations & Maintenance Expenses, to otherwise comply with the Act and to pay debt service on all Outstanding Senior Bonds and Senior Parity Obligations secured by Revenue.

In addition to the requirements of the Senior Indenture described in the above paragraph, while any Senior Bonds or Senior Parity Obligations remain Outstanding, the Authority covenants: (i) to compute Net Revenue, MTC Transfers, Subordinated Maintenance Expenditures, Annual Debt Service, Subordinate Obligations, and the ratios required by the provisions of the Senior Indenture described in the following subsection (iii) (such ratios being hereinafter referred to as the "Coverage Ratios") within ten Business Days after the beginning of each Fiscal Year (such date of computation being hereinafter referred to as a "Toll Coverage Calculation Date"), commencing with the Fiscal Year beginning July 1, 2001; (ii) to furnish to the Senior Indenture Trustee and each Credit Provider a Certificate of the Authority setting forth the results of such computations and such Coverage Ratios, such Certificate to be provided no later than two months after the beginning of each Fiscal Year; and (iii) to increase tolls if on any Toll Coverage Calculation Date, (x) the ratio produced by dividing Net Revenue by the sum of Annual Debt Service and MTC Transfers (such sum being hereinafter referred to as "Fixed Charges"), Subordinated Maintenance Expenditures for the then current Fiscal Year and payments on Subordinate Obligations for the then current Fiscal Year (determined using the principles set forth in the definition of Annual Debt Service but excluding payments that are one-time or extraordinary payments, such as termination payments on Qualified Swap Agreements) is less than 1.0 or (y) the ratio produced by dividing the sum of (1) Net Revenue and (2) any funds then on deposit in the Operations and Maintenance Fund by Fixed Charges for the then current Fiscal Year is less than 1.25, or (z) the ratio produced by dividing Net Revenue by Annual Debt Service for the then current Fiscal Year is less than 1.20. For purposes of such calculations, Net Revenue and Subordinated Maintenance Expenditures are determined by reference to the current budget of the Authority.

Toll Rate Coverage and Additional Senior Bonds Calculations. In calculating the additional Senior Bonds (or Senior Parity Obligations) test provided for in the Senior Indenture and determining compliance with the toll rate covenants in the Senior Indenture, the Authority in its computations shall not include in the Revenue component of Net Revenue any amounts on deposit in the Reserve Fund.

Payment of Claims. The Authority is to pay and discharge any and all lawful claims which, if unpaid, might become a charge or lien upon the Revenue or any part thereof or upon any funds in the hands of the Authority or the Senior Indenture Trustee prior to or on a parity with the charge and lien upon the Revenue securing any Senior Bonds.

Accounting Records and Financial Statements. The Authority is to keep appropriate accounting records in accordance with generally accepted accounting principles. Such accounting records, at all times during business hours, are to be subject to the inspection of the Senior Indenture Trustee or of any Holder (or its representative authorized in writing).

The Authority is to prepare and file with the Senior Indenture Trustee annually within 210 days after the close of each Fiscal Year financial statements of the Authority for such fiscal year, together with an audit report thereon prepared by an Independent Certified Public Accountant.

Protection of Revenue and Rights of Holders. The Authority is to preserve and protect the security of the Senior Bonds and Senior Parity Obligations and the rights of the Bondholders and the holders of Senior Parity Obligations and is to warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Senior Bonds by the Authority, the Senior Bonds are to be incontestable by the Authority.

Payment of Governmental Charges and Compliance with Governmental Regulations. The Authority is to pay and discharge all taxes or payments in lieu of taxes, assessments and other governmental charges or liens that may be levied, assessed or charged upon the Revenue, or any part thereof, promptly as and when the same become due and payable, except that the Authority will not be required to pay any such governmental charges so long as the application or validity thereof is contested in good faith and the Authority has set aside reserves to cover such payments.

Further Assurances. The Authority is to adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Senior Indenture and for the better assuring and confirming unto the Holders of the rights and benefits provided therein.

Debt Policy. The Authority is to maintain in effect at all times a debt policy that includes a prohibition against the use by the Authority of financial instruments authorized by California Government Code sections 5920-5924 or any similar law for speculative purposes.

Additional Security. The Authority irrevocably directs that all Subsidy Payments be made to the Senior Indenture Trustee for the payment of interest on Senior Bonds pursuant to this Indenture. Any Subsidy Payments received by the Authority shall be promptly remitted to the Senior Indenture Trustee. The Senior Indenture Trustee shall deposit all Subsidy Payments to the Interest Account upon receipt thereof and thereby constitute those amounts Revenue. The Senior Indenture Trustee shall file such forms with the Internal Revenue Service and take all other such actions as the Authority has notified it in writing may be necessary to request and receive the Subsidy Payments on the Authority's behalf and the Senior Indenture Trustee has no responsibility therefor other than following the Authority's written instructions. All Subsidy Payments received or expected to be received, as applicable, shall be included in Net Revenue for purposes of the additional bonds test and rate covenants set forth in the Senior Indenture, and Net Revenue shall be calculated by excluding the Subsidy Payments therefrom but the deposit of the Subsidy Payments to the Interest Account upon receipt thereof shall continue.

Events of Default and Remedies of Bondholders

Events of Default. The following events shall be Events of Default:

(a) Default in the payment of any interest on any Senior Bond when and as the same has become due;

(b) Default in the payment of the principal or Purchase Price of or premium, if any, on any Senior Bond when and as the same has become due, whether at the stated maturity or redemption date thereof or otherwise; or

(c) Default in the observance or performance of any other covenant or agreement of the Authority contained in the Senior Indenture and the continuance thereof for a period of 60 days after written notice thereof to the Authority given by the Senior Indenture Trustee.

Notwithstanding the foregoing, pursuant to amendments to the Senior Indenture, the failure to pay the Purchase Price of Senior Bonds is not an Event of Default. See "Mechanics of Optional and Mandatory Tenders" herein.

In case one or more Events of Default occurs, then and in every such case the Senior Indenture Trustee may, and shall at the request of the Holders of not less than a majority of the aggregate principal amount of any Series of Senior Bonds then Outstanding (or such greater percentage of the Holders of Senior Bonds of any Series as may be specified in the Supplemental Indenture creating such Series), proceed to protect and enforce Bondholder rights by such appropriate judicial proceeding as the Senior Indenture Trustee deems most effectual to protect and enforce any such right, either by suit in equity or by action at law, whether for the specific performance of any covenant or agreement contained in the

Senior Indenture, or in aid of the exercise of any power granted in the Senior Indenture, or to enforce any other legal or equitable right vested in the Bondholders by the Senior Indenture or the Senior Bonds or by law.

No Acceleration Permitted. The remedies available to the Senior Indenture Trustee and the Holders of Senior Bonds upon and following the occurrence of an Event of Default do not include acceleration of the maturity of any Senior Bonds. The remedies available to the Subordinate Indenture Trustee and the holders of Subordinate Bonds upon and following the occurrence of an event of default under the Subordinate Indenture do not include acceleration of the maturity of any Subordinate Bonds.

Senior Indenture Trustee

The Senior Indenture Trustee, during the existence of any Event of Default (which has not been cured), is to exercise such of the rights and powers vested in it by the Senior Indenture, and use the same degree of care and skill in their exercise as reasonable persons would exercise or use under the circumstances in the conduct of their own affairs.

No provision of the Senior Indenture is to be construed to relieve the Senior Indenture Trustee from liability for its own negligent action or its own negligent failure to act, except that, at all times regardless of whether or not any Event of Default shall exist: (i) the duties and obligations of the Senior Indenture Trustee are to be determined solely by the express provisions of the Senior Indenture, and the Senior Indenture Trustee is not to be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations are to be read into this Indenture against the Senior Indenture Trustee; and (ii) in the absence of bad faith on the part of the Senior Indenture Trustee, the Senior Indenture Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Senior Indenture Trustee conforming to the requirements of this Indenture; but in the case of any such certificate or opinion which by any provision of the Senior Indenture is specifically required to be furnished to the Senior Indenture Trustee, the Senior Indenture Trustee is to be under a duty to examine the same to determine whether or not it conforms to the requirements of the Senior Indenture; (iii) the Senior Indenture Trustee is not liable for any error of judgment made in good faith unless it is proved that the Senior Indenture Trustee was negligent in ascertaining the pertinent facts; and (iv) the Senior Indenture Trustee is not liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of any Credit Provider or the Holders of not less than a majority, or such larger percentage as may be required under the Senior Indenture, in aggregate principal amount of the Senior Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Senior Indenture Trustee or exercising any trust or power conferred upon the Senior Indenture Trustee under the Senior Indenture.

None of the provisions contained in the Senior Indenture shall require the Senior Indenture Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

In case at any time either of the following shall occur: (i) the Senior Indenture Trustee shall cease to be eligible in accordance with the provisions of the Senior Indenture relating to Senior Indenture Trustee eligibility and shall fail to resign after written request therefor by the Authority or by any Holder who has been a bona fide Holder of a Senior Bond for at least six months; or (ii) the Senior Indenture Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Senior Indenture Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Senior Indenture Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case, the Authority may remove the Senior Indenture

Trustee and appoint a successor trustee by an instrument in writing executed by an Authorized Representative, or any Holder who has been a bona fide Holder of a Senior Bond for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Senior Indenture Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Senior Indenture Trustee and appoint a successor trustee.

The Authority or Holders of a majority in aggregate principal amount of the Senior Bonds at the time Outstanding may at any time remove the Senior Indenture Trustee and appoint a successor trustee by an instrument or concurrent instruments in writing signed by an Authorized Representative of the Authority or by such Holders, as the case may be. Any resignation or removal of the Senior Indenture Trustee and appointment of a successor trustee pursuant to any of the applicable provisions of the Senior Indenture shall become effective upon acceptance of appointment by the successor trustee acceptable to the Authority. Any successor trustee shall execute, acknowledge and deliver to the Authority and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusts hereunder, with like effect as if originally named as Senior Indenture Trustee in the Senior Indenture.

Modification or Amendment of the Senior Indenture

Amendments Permitted Without Bondholder Consent. Except to the extent restricted by a Supplemental Indenture, the Authority, without the consent of or notice to any Bondholders, may adopt amendments to the Senior Indenture for one or more of the following purposes:

(a) To grant to or confer upon the Bondholders of any Series any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders;

(b) To grant or pledge to the Bondholders of any Series any additional security;

(c) To amend the Senior Indenture in such manner as may be necessary or convenient in connection with the book-entry system for payments, transfers and other matters relating to the Senior Bonds;

(d) To cure any ambiguity or to correct or supplement any provision contained in the Senior Indenture or in any Supplemental Indenture which may be defective or inconsistent with any provision contained therein or in any Supplemental Indenture, or to make such other provisions in regard to matters or questions arising under the Senior Indenture which will not materially adversely affect the interest of the Bondholders;

(e) To make any change therein necessary, in the Opinion of Bond Counsel, to maintain the exclusion from gross income for federal income tax purposes of the interest on any Outstanding Senior Bonds;

(f) To make modifications or adjustments necessary in order to accommodate a Credit Support Instrument or a Reserve Facility;

(g) To modify, alter, amend or supplement the Senior Indenture or any Supplemental Indenture in any other respect, including any amendments which would otherwise be described in the Senior Indenture, if (i) all Senior Bonds to be affected thereby are variable interest rate bonds, (ii) such amendments will not become effective until written notice thereof has been given to Bondholders by the Senior Indenture Trustee, and (iii) thirty days

will have passed during which time such Bondholders will have had the opportunity to tender their variable interest rate bonds for purchase; and

(h) To issue additional Senior Bonds under the Senior Indenture in accordance with the terms thereof.

Any Supplemental Indenture entered into pursuant to the provisions of the Senior Indenture summarized above are to be deemed not to materially adversely affect the interest of the Bondholders so long as (i) all Senior Bonds are secured by a Credit Support Instrument and (ii) each Credit Provider will have given its written consent to such Supplemental Indenture.

No modification or amendment to the Senior Indenture that affects to a material extent the security or remedies of the Credit Provider will be entered into without the prior written consent of such Credit Provider.

Amendments Requiring Bondholder Consent. Exclusive of amendments authorized by the provisions of the Senior Indenture described above and subject to the terms and provisions of the Senior Indenture, the Holders of not less than a majority of the aggregate principal amount of the then Outstanding Senior Bonds, or if less than all of the Outstanding Senior Bonds are affected, the Holders of not less than a majority of the aggregate principal amount of the Outstanding Senior Bonds affected, will have the right, from time to time, anything contained in the Senior Indenture to the contrary notwithstanding, to consent to such other amendments to the Senior Indenture as will be consented to by the Authority in its sole discretion for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Senior Indenture or in any Supplemental Indenture; provided, however, that nothing in the Senior Indenture is to permit, or be construed as permitting (a) an extension of the maturity of the principal of, or the mandatory redemption date of, or interest on, any Senior Bond, or (b) a reduction in the principal amount of, or the redemption premium or the rate of interest on, any Senior Bond, (c) a preference or priority of any Senior Bond or Senior Bonds over any other Senior Bond or Senior Bonds except as provided in the provisions of the Senior Indenture summarized above under the heading "Additional Senior Bonds; Subordinate Obligations," or (d) a reduction in the aggregate principal amount of the Senior Bonds required for any consent to any amendment.

Exclusive of amendments authorized by the provisions of the Senior Indenture described above under the subheading "Amendments Permitted Without Bondholder Consent" and subject to the terms and provisions of the Senior Indenture described therein, the Authority and the Senior Indenture Trustee may also enter into a Supplemental Indenture for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Senior Indenture or in any Supplemental Indenture, which Supplemental Indenture becomes binding, without the consent of any Holder, when the written consents of each Credit Provider then providing a Credit Support Instrument for any Series of Outstanding Senior Bonds will have been obtained and filed with the Senior Indenture Trustee, provided that at such time the payment of principal of and interest on all Senior Bonds then Outstanding are to be insured by or payable under a Credit Support Instrument provided by a Credit Provider then rated in one of the two highest Rating Categories of each rating agency then maintaining a rating on any Senior Bonds and provided, further, however, that nothing in the Senior Indenture is to permit, or be construed as permitting (a) an extension of the maturity of the principal of, or the mandatory redemption date of, or interest on, any Senior Bond, or (b) a reduction in the principal amount of, or the redemption premium or the rate of interest on, any Senior Bond, (c) a preference or priority of any Senior

Bond or Senior Bonds over any other Senior Bond or Senior Bonds except as provided in the provisions of the Senior Indenture summarized above under the heading "Additional Senior Bonds; Subordinate Obligations," or (d) a reduction in the aggregate principal amount of the Senior Bonds required for any consent to any amendment.

Effect of Supplemental Indentures. Upon the execution and delivery of any Supplemental Indenture pursuant to the provisions of the Senior Indenture, the Senior Indenture is to be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Senior Indenture of the Authority, the Senior Indenture Trustee and all Owners of Outstanding Senior Bonds are to thereafter be determined, exercised and enforced subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture are to be deemed to be part of the terms and conditions of the Senior Indenture for any and all purposes.

Discharge of Lien

Discharge of Lien and Security Interest. At the election of the Authority, upon payment in full of all the Senior Bonds and of all amounts payable under the Senior Indenture, the pledge and lien on the Revenue arising under the Senior Indenture is to cease, determine and be void; provided, however, such discharge of the Senior Indenture will not terminate the powers and rights granted to the Senior Indenture Trustee with respect to the payment, transfer and exchange of the Senior Bonds.

If the principal of or interest on any Senior Bonds are to be paid by a Credit Provider, those Senior Bonds are to remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Authority within the meaning of the Senior Indenture, and the pledge of the Revenue and all covenants, agreements and other obligations of the Authority as therein provided are to continue to exist and will run to the benefit of each Credit Provider, and such Credit Provider is to be subrogated to the rights of the Holders.

Provision for Payment of Senior Bonds. Senior Bonds (or any portion of the Senior Bonds) are deemed to have been paid within the meaning of the above paragraphs if:

(a) there has been irrevocably deposited with the Senior Indenture Trustee in trust either (i) lawful money of the United States of America in an amount which is to be sufficient, or (ii) Government Obligations, the principal and interest on which when due, together with the moneys, if any, deposited with the Senior Indenture Trustee at the same time, are to be sufficient (as confirmed by a report of an Independent Certified Public Accountant), to pay when due the principal amount of, redemption premium (if any) and all unpaid interest on such Senior Bonds (or any portion thereof) to the maturity or the redemption date thereof, as the case may be; and

(b) if any such Senior Bonds are to be redeemed on any date prior to their maturity, (i) the Senior Indenture Trustee has received (not less than 45 days prior to the proposed redemption date) in form satisfactory to it irrevocable instructions from an Authorized Representative to redeem such Senior Bonds on such date and (ii) notice of such redemption has been given or provision satisfactory to the Senior Indenture Trustee has been made for the giving of such notice.

In addition, all money so deposited with the Senior Indenture Trustee as provided in the provisions of the Senior Indenture described in the paragraph above may also be invested and reinvested, at the direction of an Authorized Representative, in Government Obligations, maturing in the amounts and times as set forth in the Senior Indenture, and all income from all Government Obligations in the hands of the Senior Indenture Trustee pursuant to the Senior Indenture which is not required for the payment of the principal of the Senior Bonds and interest and redemption premium, if any, thereon with respect to which such money has been so deposited, is to be deposited in the Bond Fund as and when realized and applied as is other money deposited in the Bond Fund, or in the event there are no longer any Senior Bonds Outstanding under the Senior Indenture, such income is to be automatically paid over to the Authority.

No Senior Bond which is subject to optional or mandatory tender in accordance with the provisions of the Supplemental Indenture pursuant to which such Senior Bond was issued, is to be deemed to be paid within the meaning of the Senior Indenture, unless arrangements have been made to assure that such Senior Bond, if tendered for purchase in accordance with the provisions of the applicable Supplemental Indenture, could be paid and redeemed from such moneys or Government Obligations as are provided pursuant to the provisions described above.

Defeasance of Senior Bonds Supported by a Liquidity Instrument

A Rating Confirmation is required with respect to the defeasance of any Senior Bonds supported by a Liquidity Instrument.

Liability of Authority Limited to Revenue

The Authority is not required to advance any money derived from any source of income other than Revenue as provided in the Senior Indenture for the payment of the interest on or principal or Purchase Price of or redemption premium, if any, on the Senior Bonds or for the performance of any agreements or covenants contained therein. The Authority may, however, advance funds for any such purpose so long as such funds are derived from a source legally available for such purpose and may be used by the Authority for such purpose without incurring an indebtedness prohibited by the Senior Indenture.

Rights of Credit Providers

A Supplemental Indenture authorizing a Series of Senior Bonds may provide that any Credit Provider providing a Credit Support Instrument with respect to Senior Bonds of such Series may exercise any right under the Senior Indenture given to the Owners of the Senior Bonds to which such Credit Support Instrument relates.

All provisions under the Senior Indenture authorizing the exercise of rights by a Credit Provider with respect to consents, approvals, directions, waivers, appointments, requests or other actions, are to be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and is to be read as if the Credit Provider were not mentioned therein (i) during any period during which there is a default by such Credit Provider under the applicable Credit Support Instrument or (ii) after the applicable Credit Support Instrument at any time for any reason ceases to be valid and binding on the Credit Provider, or is declared to be null and void by final judgment of a court of competent jurisdiction, or after the Credit Support Instrument has been rescinded, repudiated by the Credit Provider or terminated, or after a receiver, conservator or liquidator has been appointed for the Credit Provider. All provisions relating to the rights of a Credit Provider are to be of no further force and effect if all amounts owing to the Credit Provider under a Credit Support Instrument have been paid and the Credit Support Instrument provided by such Credit Provider is no longer in effect.

APPENDIX B

DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE

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Set forth below are definitions of certain terms used elsewhere in the Information Statement or the most recent Supplement thereto. In addition, this Appendix B includes a summary of certain provisions of the Subordinate Indenture, dated as of June 1, 2010, as supplemented, including as supplemented by the Second Supplemental Indenture, dated as of November 1, 2010 (hereinafter collectively referred to as the "Subordinate Indenture"), between the Bay Area Toll Authority and The Bank of New York Mellon Trust Company, N.A., as trustee. This summary does not purport to be complete or definitive and is qualified in its entirety by reference to the full terms of the Subordinate Indenture. This summary does not repeat information set forth in the Information Statement, or any Supplement to the Information Statement, concerning terms (such as interest rates and maturities), redemption provisions, and certain other features of any particular series of the Subordinate Bonds that are described in the most recent Supplement to the Information Statement that describes that series of the Subordinate Bonds. See also "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS" in the Information Statement for information about the security and sources of payment for Subordinate Bonds and the security and sources of payment for Senior Obligations.

DEFINITIONS

"Act" means Chapter 4, Chapter 4.3, and Chapter 4.5 of Division 17 of the California Streets and Highways Code and the provisions of the Revenue Bond Law of 1941 made applicable to the Authority by Streets and Highways Code section 30961, as each may be amended from time to time hereafter.

"Authority" means the Bay Area Toll Authority, a public entity duly established and existing pursuant to the Act, and any successor thereto.

"Authorized Denominations" means, with respect to the 2010 Series S-1 Bonds, the 2010 Series S-2 Bonds and the 2010 Series S-3 Bonds, $5,000 and any integral multiple thereof, and with respect to any other Series of Subordinate Bonds, the denomination or denominations designated as such in the Supplemental Indenture providing for the issuance of such Series of Subordinate Bonds.

"Authorized Representative" means the Executive Director of the Authority, any Deputy Executive Director of the Authority, the Chief Financial Officer of the Authority, or any other employee of the Authority at the time designated to act on behalf of the Authority in a Certificate of the Authority executed by any of the foregoing officers and filed with the Subordinate Trustee, which Certificate shall contain such employee's specimen signature.

"Available Revenue" means, for any Fiscal Year, Revenue less Maintenance and Operation Expenses for that Fiscal Year, as set forth in the audited financial statements of the Authority for Fiscal Years for which audited financial statements are available or as projected by the Authority for Fiscal Years for which audited financial statements are not yet available. Available Revenue shall not include any amount on deposit in the Reserve Fund or in the reserve fund under the Senior Indenture or any Subsidy Payments.

"Bay Area Bridges" means the state owned bridges in the San Francisco Bay Area under the jurisdiction of the Authority, comprised of the Antioch Bridge, the Benicia-Martinez Bridge, the Carquinez Bridge, the Dumbarton Bridge, the Richmond-San Rafael Bridge, the San Francisco-Oakland Bay Bridge, the San Mateo-Hayward Bridge, and any additional bridges added to the Authority's jurisdiction and designated by resolution of the Board to be included as a "Bay Area Bridge" under the Subordinate Indenture. Each Bay Area Bridge includes the existing bridge or bridges and any replacement spans or additional adjacent spans.

"Bay Area Toll Account" means the account by that name created pursuant to Section 30953 of the Act.

"Beneficial Owner" means, with respect to any Book-Entry Bond, the beneficial owner of such Subordinate Bond as determined in accordance with the applicable rules of the Securities Depository for such Book-Entry Bonds.

"Board" means the governing board of the Authority.

"Bond Counsel" means a firm of nationally-recognized attorneys-at-law experienced in legal work relating to the issuance of municipal bonds selected by the Authority.

"Bond Fund" means the fund by that name created pursuant to the Subordinate Indenture.

"Bond Register" means the registration books for the ownership of Subordinate Bonds maintained by the Subordinate Trustee pursuant to the Subordinate Indenture.

"Bondholder" or "Holder" or "Owner" means the record owner of any Subordinate Bond shown on the books of registration kept by the Subordinate Trustee, which, during any period when ownership of such Subordinate Bond is a Book-Entry Bond, shall be the Securities Depository or its Nominee.

"Book-Entry Bonds" means Subordinate Bonds issued under a book-entry only depository system as provided in the Subordinate Indenture.

"Bridge Toll Revenues" means toll revenues and all other income derived by the Authority from the Bay Area Bridges and not limited or restricted by law to a specific purpose.

"Business Day" means any day, other than a Saturday, Sunday or other day on which banks are authorized or obligated by law or executive order to be closed in the State of California or the State of New York or in any city in which the Principal Office of the Subordinate Trustee or the office where draws are to be made on a Credit Provider is located.

"Caltrans" means the California Department of Transportation.

"Certificate of the Authority" means an instrument in writing signed by an Authorized Representative of the Authority.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder.

"Commercial Paper Program" means a program of short-term Bonds having the characteristics of commercial paper in that (i) such Subordinate Bonds have a stated maturity not later than 270 days from their date of issue and (ii) maturing Bonds of such program may be paid with the proceeds of renewal Bonds.

"Continuing Disclosure Agreement" means, with respect to each Series of Subordinate Bonds requiring an undertaking regarding disclosure under Rule 15c2-12, the Continuing Disclosure Agreement, entered into by the Authority, the Subordinate Trustee and the Dissemination Agent, as the same may be supplemented, modified or amended in accordance with its terms.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the Authority and related to the authorization, execution, sale and delivery of Subordinate Bonds, including, but not limited to, advertising and printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Subordinate Trustee, legal fees and charges, fees and disbursements of consultants and professionals, financial advisor fees and expenses, underwriting fees and discounts, rating agency fees, fees and charges for preparation, execution, transportation and safekeeping of Subordinate Bonds, surety, insurance, liquidity and credit enhancements costs, and any other cost, charge or fee incurred in connection with the issuance of Subordinate Bonds.

"Coverage Calculation Date" means the date within ten Business Day after the beginning of the Fiscal Year on which the Coverage Ratio is calculated.

"Coverage Ratio" means the ratio produced by dividing projected Available Revenue by projected Debt Service for the Fiscal Year.

"Credit Provider" means any municipal bond insurance company, bank or other financial institution or organization or group of financial institutions or organizations providing a Credit Support Instrument for a Series of Subordinate Bonds.

"Credit Support Instrument" means a policy of insurance, letter of credit, line of credit, standby purchase agreement, revolving credit agreement or other credit arrangement pursuant to which a Credit Provider provides credit or liquidity support with respect to, or available for, the payment of interest, principal or Purchase Price of any Series of Subordinate Bonds, as the same may be amended from time to time pursuant to its terms, and any replacement therefor.

"CUSIP" means the Committee on Uniform Securities Identification Procedures of the American Bankers Association, or any successor to its functions.

"DTC" means The Depository Trust Company, New York, New York or any successor thereto.

"Debt Service" for any Fiscal Year means the aggregate amount of payments due on Subordinate Bonds, Subordinate Parity Obligations, and Senior Obligations for that Fiscal Year, as calculated by the Authority, utilizing the assumptions about payments on Subordinate Bonds, Subordinate Parity Obligations, and Senior Obligations listed in the definition of Maximum Annual Debt Service.

"Defeasance Securities" means: (a) non-callable, non-prepayable obligations of the type listed in clause (i) or clause (ii) of the definition of Permitted Investments; (b) non-callable, non-prepayable obligations of the type listed in clause (iii) of the definition of Permitted Investments that are rated in the highest long-term Rating Category by Moody's or S&P; and (c) bonds and other obligations described in clause (vi) of the definition of Permitted Investments.

"Dissemination Agent" means, with respect to each Series of Subordinate Bonds requiring an undertaking regarding disclosure under Rule 15c2-12, the party acting as dissemination agent under the Continuing Disclosure Agreement delivered in connection with such Series of Subordinate Bonds, or any successor dissemination agent designated in writing by the Authority and which has filed a written acceptance with the Authority and the Subordinate Trustee.

"Electronic" means, with respect to notice, notice through the internet or through a time-sharing terminal.

"Event of Default" means any of the events specified in the Subordinate Indenture.

"Fiscal Year" means the period of twelve months terminating on June 30 of each year, or any other annual period hereafter selected and designated by the Authority as its Fiscal Year in accordance with applicable law.

"Independent Certified Public Accountant" means any certified public accountant or firm of such accountants appointed by the Authority, and who, or each of whom, is independent with respect to the Authority, pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

"Interest Account" means the account by that name created pursuant to the Subordinate Indenture.

"Maintenance and Operation Expenses" means all expenses of the Authority and Caltrans for the maintenance and operation of the Bay Area Bridges payable from Revenue, determined in accordance with generally accepted accounting principles, excluding any extraordinary or one-time expenses; expenses paid from proceeds of Subordinate Bonds, Subordinate Parity Obligations or Senior Obligations; capital expenditures; expenditures for rehabilitation and operational improvement projects on the Bay Area Bridges; depreciation or obsolescence charges or reserves therefor; credit, liquidity or remarketing fees relating to Subordinate Bonds, Subordinate Parity Obligations or Senior Obligations; and amortization of intangibles or other bookkeeping entries of a similar nature.

"Maximum Annual Debt Service" means the highest amount of payments due on Subordinate Bonds, Subordinate Parity Obligations, and Senior Obligations for any Fiscal Year during the period from the date of such determination through the final maturity date of the Subordinate Bonds, Subordinate Parity Obligations, and Senior Obligations then Outstanding and proposed to be issued, as calculated by the Authority, utilizing the following assumptions about payments on Subordinate Bonds, Subordinate Parity Obligations, and Senior Obligations (and if more than one of the following assumptions could apply to any such payment, the Authority shall select the assumption to be applied):

(i) in determining the principal amount of a Subordinate Bond, Subordinate Parity Obligation or Senior Obligation due in each year, payment shall be assumed to be made in accordance with the amortization schedule established for such principal, including any minimum sinking fund or account payments;

(ii) if 20 percent or more of the principal of a Series of Subordinate Bonds, Subordinate Parity Obligations or Senior Obligations is not due until the final stated maturity of that Series of Subordinate Bonds, Subordinate Parity Obligations or Senior Obligations, principal and interest may be treated as if such principal and interest were due based upon a level amortization of such principal and interest over the term of that Series of Subordinate Bonds, Subordinate Parity Obligations or Senior Obligations;

(iii) if the Subordinate Bond, Subordinate Parity Obligation or Senior Obligation is supported by a line of credit or a letter of credit, principal may be treated as if it were due based upon the level amortization of such principal over the maximum term of repayment of borrowings under such line of credit or letter of credit;

(iv) if an Outstanding Subordinate Bond, Subordinate Parity Obligation or Senior Obligation bears a variable interest rate, the interest rate shall be assumed to be the greater of (a) the daily average interest rate during the 12 months ending with the month preceding the date of calculation, or such shorter period that the Subordinate Bond, Subordinate Parity Obligation or Senior Obligation has been Outstanding, or (b) the rate of interest on that Bond, Subordinate Parity Obligation or Senior Obligation on the date of calculation;

(v) if Subordinate Bonds or Subordinate Parity Obligations proposed to be issued will be variable interest rate obligations, the interest on which is excluded from gross income for federal income tax purposes, then such obligations shall be assumed to bear interest at an interest rate equal to the average SIFMA Index during the three months preceding the month of calculation, or if SIFMA Index is no longer published, at an interest rate equal to 75% of the average One Month USD LIBOR Rate during that three month period, or if the One Month USD LIBOR Rate is not available for such period, another similar rate or index selected by the Authority;

(vi) if Subordinate Bonds or Subordinate Parity Obligations proposed to be issued will be variable interest rate obligations the interest on which is included in gross income for federal income tax purposes, then such obligations shall be assumed to bear interest at an interest rate equal to the average One Month USD LIBOR Rate during the three months preceding the month of calculation, or if the One Month USD LIBOR Rate is not available for such period, another similar rate or index selected by the Authority;

(vii) if Subordinate Bonds proposed to be issued are part of a Commercial Paper Program, the principal of such Subordinate Bonds may be treated as if such principal were due based upon a 30-year level amortization of principal from the date of calculation and the interest on such

Subordinate Bonds shall be calculated as if such Subordinate Bonds were variable interest rate Subordinate Bonds;

(viii) if the variable interest on any Subordinate Bond, Subordinate Parity Obligation or Senior Obligation plus the variable payments due to the Authority and fixed payments due from the Authority under a Qualified Swap Agreement or a Swap designated by the Authority are treated by the Authority as synthetic fixed rate debt, the variable interest rate Subordinate Bond or Subordinate Parity Obligation or Senior Obligation may be treated as bearing such synthetic fixed rate for the duration of the synthetic fixed rate;

(ix) if the fixed interest on any Subordinate Bond, Subordinate Parity Obligation or Senior Obligation plus the fixed payments due to the Authority and variable payments due from the Authority under a Qualified Swap Agreement or a Swap designated by the Authority are treated by the Authority as synthetic variable rate debt, the fixed interest rate Subordinate Bond, Subordinate Parity Obligation or Senior Obligation may be treated as bearing such synthetic variable rate for the duration of the synthetic variable rate and such synthetic variable rate shall be calculated using the principles of clauses (iv), (v) or (vi) of this definition;

(x) if any of the Subordinate Bonds, Subordinate Parity Obligations, or Senior Obligations are Short-Term Put Bonds, the principal of such obligations may be treated as if such principal were due based upon a 30-year level amortization of principal from the date of calculation and the interest on such obligations may be calculated as if such obligations were variable interest rate Subordinate Bonds;

(xi) principal and interest payments on Subordinate Bonds, Subordinate Parity Obligations, and Senior Obligations may be excluded to the extent such payments are to be paid from amounts then currently on deposit with the Subordinate Trustee or another fiduciary in escrow specifically therefor and interest payments on any Subordinate Bonds, Subordinate Parity Obligations, and Senior Obligations may be excluded to the extent that such interest payments are to be paid from capitalized interest held by the Subordinate Trustee or another fiduciary specifically to pay such interest;

(xii) if any of the Subordinate Bonds, Subordinate Parity Obligations or Senior Obligations are, or upon issuance will be, obligations for which the Authority is entitled to receive Subsidy Payments, as evidenced by an Opinion of Bond Counsel delivered at the time of issuance of such Subordinate Bonds, Subordinate Parity Obligations or Senior Obligations, the obligations may be treated as bearing an interest rate equal to the rate of interest borne or assumed to be borne, as applicable, by the obligations for the period of determination minus the Subsidy Payments to which the Authority is entitled for that period;

(xiii) Any payment obligation under a Subordinate Bond, Subordinate Parity Obligation or Senior Obligation that was or is optional or contingent (such as the obligation to make a termination payment under a Qualified Swap Agreement or a Swap), whether or not the option is exercised or the contingency occurs, and any payments that are not scheduled payments, may be excluded.

"Moody's" means Moody's Investors Service, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, the term "Moody's" shall be deemed to refer to any other nationally recognized statistical rating organization selected by the Authority.

"MSRB" means the Municipal Securities Rulemaking Board, and its successors and assigns. Until otherwise designated by the MSRB, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB located at http://emma.msrb.org.

"MTC" means the Metropolitan Transportation Commission, a regional transportation commission duly established and existing pursuant to Sections 66500 et seq. of the California Government Code, and any successor thereto.

"Nominee" means the nominee of the Securities Depository for the Book-Entry Bonds in whose name such Subordinate Bonds are to be registered. The initial Nominee shall be Cede & Co., as the nominee of DTC.

"One Month USD LIBOR Rate" means the British Banker's Association average of interbank offered rates in the London market for Dollar deposits for a one month period.

"Opinion of Bond Counsel" means a written opinion of Bond Counsel.

"Outstanding," when used with reference to Subordinate Bonds, Subordinate Parity Obligations, and Senior Obligations means all Subordinate Bonds, Subordinate Parity Obligations, and Senior Obligations that have been issued by the Authority, except Subordinate Bonds, Subordinate Parity Obligations, and Senior Obligations: (i) canceled or delivered for cancellation; (ii) deemed to be paid in accordance with the provisions of the Subordinate Indenture or any similar provisions in the constituent instruments defining the rights of the holders of Subordinate Parity Obligations or Senior Obligations; (iii) in lieu of which other Subordinate Bonds, Subordinate Parity Obligations or Senior Obligations have been authenticated under the provisions of the Subordinate Indenture or any similar provisions in the constituent instruments defining the rights of the holders of Subordinate Parity Obligations or Senior Obligations; and (iv) held by or for the account of the Authority.

"Participating Underwriter" means any of the original underwriters of any Series of Subordinate Bonds required to comply with Rule 15c2-12.

"Permitted Investments" means the following:

(i) bonds or other obligations of or fully and unconditionally guaranteed by the United States of America as to timely payment of principal and interest on such bonds or other obligations, including obligations described in clause (iii) below to the extent fully and unconditionally guaranteed by the United States of America, and including interest strips of any such obligations or of bonds issued by the Resolution Funding Corporation and held in book-entry form by the Federal Reserve Bank of New York;

(ii) any certificates, receipts, securities or other obligations evidencing ownership of, or the right to receive, a specified portion of one or more interest payments or principal payments, or any combination thereof, to be made on any bond, note, or other obligation described above in clause (i);

(iii) federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including obligations of Fannie Mae Corporation, Government National Mortgage Association, Farm Credit System Financial Corporation, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Tennessee Valley Authority, Washington Metropolitan Area Transit Authority, United States Import-Export Bank, United States Department of Housing and Urban Development, Farmers Home Administration, General Services Administration, and United States Maritime Administration;

(iv) housing authority bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or project notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(v) obligations of any state, territory or commonwealth of the United States of America or any political subdivision thereof or any agency or department of the foregoing; provided that such obligations are rated in either of the two highest Rating Categories by Moody's or S&P; provided, that, in the event such obligations are in the form of variable rate demand bonds, the obligations shall have mandatory investor tender rights supported by a third-party liquidity facility from a financial institution with short-term ratings in the highest Rating Category by Moody's or S&P;

(vi) any bonds or other obligations of any state of the United States of America or any political subdivision thereof (a) that are not callable prior to maturity or as to which irrevocable instructions have been given to the trustee of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (b) that are secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or bonds or other obligations of the character described above in clause (i) or (ii) which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the interest payment dates and the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, (c) as to which the principal of and interest on the bonds and obligations of the character described above in clause (i) or (ii) that have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay the principal of and interest and redemption premium, if any, on the bonds or other obligations described in this clause (vi) on the interest payment dates and the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (vi), as appropriate, and (d) that are rated in one of the two highest long-term Rating Categories by Moody's or S&P;

(vii) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by any corporation that are rated by Moody's or S&P in their highest short-term Rating Category, or, if the term of such indebtedness is longer than three (3) years, rated by Moody's or S&P in one of their two highest long-term Rating Categories, for comparable types of debt obligations;

(viii) demand or time deposits, trust funds, trust accounts, interest-bearing money market accounts, interest bearing deposits, overnight bank deposits, bankers' acceptances of depository institutions or certificates of deposit, whether negotiable or nonnegotiable, including those placed by a third party pursuant to an agreement between the Authority and the Subordinate Trustee issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association (including the Subordinate Trustee or any of its affiliates) or by a state licensed branch of any foreign bank, provided that such certificates of deposit shall be purchased directly from such bank, trust company, national banking association or branch and shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities and obligations as are described above in clauses (i) through (v), inclusive, that shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Subordinate Trustee or third-party agent, as custodian, by the bank, trust company, national banking association or branch issuing such certificates of deposit, and the bank, trust company, national banking association or branch issuing each such certificate of deposit required to be so secured shall furnish the Subordinate Trustee with an undertaking satisfactory to it that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount equal to the principal amount of each such certificate of deposit and the Subordinate Trustee shall be entitled to rely on each such undertaking, or (3) rated in one of the two highest long-term Rating Categories by Moody's or S&P;

(ix) taxable commercial paper or tax-exempt commercial paper rated in the highest Rating Category by Moody's or S&P;

(x) variable rate obligations required to be redeemed or purchased by the obligor or its agent or designee upon demand of the holder thereof secured as to such redemption or purchase requirement by a liquidity agreement with a corporation and as to the payment of interest and principal either upon maturity or redemption (other than upon demand by the holder thereof) thereof by an unconditional credit facility of a corporation, provided that the variable rate obligations themselves are rated in the highest short-term Rating Category, if any, and in either of the two highest long-term Rating Categories, if any, by Moody's or S&P, and that the corporations providing the liquidity agreement and credit facility have, at the date of acquisition of the variable rate obligations by the Subordinate Trustee, an outstanding issue of unsecured, uninsured and unguaranteed debt obligations rated in either of the two highest long-term Rating Categories by Moody's or S&P;

(xi) any repurchase agreement entered into with a financial institution or insurance company (including the Subordinate Trustee or any of its affiliates) that has at the date of execution thereof an outstanding issue of unsecured, uninsured and unguaranteed debt obligations or a claims paying ability rated (or the parent company of which is rated) in either of the two highest long-term Rating Categories by Moody's or S&P, which agreement is secured by any one or more of the securities and obligations described in clauses (i), (ii), (iii) or (iv) above, which shall have a market value (exclusive of accrued interest and valued at least weekly) at least equal to one hundred three percent (103%) of the principal amount of such investment and shall be lodged with the Subordinate Trustee or other fiduciary, as custodian, by the provider executing such repurchase agreement, and the provider executing each such repurchase agreement required to be so secured shall furnish the Subordinate Trustee with an undertaking satisfactory to the Subordinate Trustee to the effect that the aggregate market value of all such obligations securing each such repurchase agreement (as valued at least weekly) will be an amount equal to one hundred three percent (103%) of the principal amount of each such repurchase agreement and the Subordinate Trustee shall be entitled to rely on each such undertaking;

(xii) any cash sweep or similar account arrangement of or available to the Subordinate Trustee, the investments of which are limited to investments described in clauses (i), (ii), (iii), (iv), (v) and (xi) of this definition of Permitted Investments and any money market fund, the entire investments of which are limited to investments described in clauses (i), (ii), (iii), (iv), (v) and (xi) of this definition of Permitted Investments; provided that as used in this clause (xii) and clause (xiii) investments will be deemed to satisfy the requirements of clause (xi) if they meet the requirements set forth in clause (xi) ending with the words "clauses (i), (ii), (iii) or (iv) above" and without regard to the remainder of such clause (xi), including, without limitation any mutual fund for which the Subordinate Trustee or an affiliate of the Subordinate Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (1) the Subordinate Trustee or an affiliate of the Subordinate Trustee receives fees from funds for services rendered, (2) the Subordinate Trustee collects fees for services rendered pursuant to the Subordinate Indenture, which fees are separate from the fees received from such funds, and (3) services performed for such funds and pursuant to the Subordinate Indenture may at times duplicate those provided to such funds by the Subordinate Trustee or an affiliate of the Subordinate Trustee;

(xiii) any investment agreement with, or the obligations under which are guaranteed by, a financial institution or insurance company or domestic or foreign bank that has at the date of execution thereof an outstanding issue of unsecured, uninsured and unguaranteed debt obligations or a claims paying ability rated (or the parent company of which is rated) in either of the two highest long-term Rating Categories by Moody's or S&P;

(xiv) shares of beneficial interest in diversified management companies investing exclusively in securities and obligations described in clauses (i) through (vi) above and which companies have either the highest rating by Moody's or S&P or have an investment advisor registered with the Securities and Exchange Commission with not less than 5 years experience investing in such securities and obligations and with assets under management in excess of $500,000,000;

(xv) shares in a California common law trust, established pursuant to Title 1, Division 7, Chapter 5 of the California Government Code, that invests exclusively in investments permitted by

Section 53635 of Title 5, Division 2, Chapter 4 of the California Government Code, as it may be amended from time to time;

(xvi) the Local Agency Investment Fund or similar pooled fund operated by or on behalf of the State of California and which is authorized to accept investments of moneys held in any of the funds or accounts established pursuant to the Subordinate Indenture; and

(xvii) any investment approved by the Board for which a Rating Confirmation is received from each rating agency then rating any of the Subordinate Bonds at the request of the Authority that such investment will not adversely affect such rating agency's rating on such Subordinate Bonds.

"Person" means any natural person, firm, partnership, association, corporation, or public body.

"Principal Account" means the account by that name created pursuant to the Subordinate Indenture.

"Principal Office" means, with respect to the Subordinate Trustee, the corporate trust office of the Subordinate Trustee at 700 South Flower Street, Suite 500, Los Angeles, CA 90017, and solely for purposes of the presentation of Subordinate Bonds for transfer, exchange or payment, such other or additional offices as may be designated by the Subordinate Trustee from time to time.

"Project Fund" means, with respect to a Series of Subordinate Bonds, a Project Fund established in the Supplemental Indenture providing for the issuance of such Series of Subordinate Bonds.

"Purchase Price" means, with respect to Subordinate Bonds, the amount set forth in the Subordinate Indenture as the amount to be paid when such Subordinate Bonds are tendered for purchase or deemed tendered for purchase in accordance with the provisions of the Subordinate Indenture.

"Qualified Swap Agreement" means a contract or agreement, intended to place Senior Bonds or such investments as the Authority shall specify in a resolution authorizing the execution of such contract or agreement, on the interest rate, currency, cash flow or other basis desired by the Authority, payments (other than payments of fees and expenses and termination payments) with respect to which the Authority has specified in its authorizing resolution shall be payable from Revenue on a parity with the payment of Senior Bonds, including, without limitation, any interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract, any contract providing for payments based on levels of, or changes in, interest rates, currency exchange rates, stock or other indices, any contract to exchange cash flows or a series of payments, or any contract, including, without limitation, an interest rate floor or cap, or an option, put or call, to hedge payment, currency, rate, spread or similar exposure, between the Authority and a Swap Party, provided that in each case: (i) the notional amount of the Qualified Swap Agreement shall not exceed the principal amount of the related Senior Bonds or the amount of such investments, as applicable; and (ii) the Authority shall have received a Rating Confirmation from each Rating Agency then rating any series of Senior Bonds at the request of the Authority with respect to such Qualified Swap Agreement.

"Rating Agency" means each of Moody's and S&P.

"Rating Category" means: (i) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier; and (ii) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

"Rating Confirmation" means written evidence from each rating agency then rating any Series of Subordinate Bonds or Senior Bonds at the request of the Authority to the effect that, following the event that requires the Rating Confirmation, the then current rating for such Series of Subordinate

Bonds or Senior Bonds, as applicable, will not be lowered to a lower Rating Category or suspended or withdrawn solely as a result of the occurrence of such event.

"Rebate Fund" means the fund by that name created pursuant to the Subordinate Indenture.

"Redemption Fund" means the fund by that name created pursuant to the Subordinate Indenture.

"Representation Letter" means the letter or letters of representation from the Authority to, or other instrument or agreement with, a Securities Depository for Book-Entry Bonds, in which the Authority, among other things, makes certain representations to the Securities Depository with respect to the Book-Entry Bonds, the payment thereof and delivery of notices with respect thereto.

"Reserve Facility" means a surety bond or insurance policy issued to the Subordinate Trustee by a company licensed to issue a surety bond or insurance policy guaranteeing the timely payment of the principal of and interest on the Subordinate Bonds supported by the Reserve Facility.

"Reserve Facility Costs" means amounts owed with respect to repayment of draws on a Reserve Facility, including interest thereon at the rate specified in the agreement pertaining to such Reserve Facility and expenses owed to the Reserve Facility Provider in connection with such Reserve Facility.

"Reserve Facility Provider" means any provider of a Reserve Facility, any successor thereto or any replacement therefor.

"Reserve Fund" means the fund by that name created pursuant to the Subordinate Indenture.

"Reserve Requirement" for any Subordinate Bonds means, as of any date of calculation, the amount specified by a Supplemental Indenture as the amount required to be held in the Reserve Fund for the payment of principal of and interest on those Subordinate Bonds.

"Revenue," as defined in the Subordinate Indenture, means: (i) Bridge Toll Revenues; (ii) all interest or other income from investment of money in any fund or account of the Authority, including the Operations and Maintenance Fund established under the Senior Indenture; (iii) all amounts on deposit in the funds and accounts established pursuant to the Senior Indenture and held by the Senior Indenture Trustee (excluding amounts held in the reserve fund for Senior Bonds, the proceeds of sale of Senior Bonds, Subsidy Payments with respect to Senior Bonds, the rebate fund under the Senior Indenture and any fund or account established to hold the proceeds of a drawing on any credit support instrument (as defined in the Senior Indenture)); (iv) all amounts on deposit in the funds and accounts established pursuant to the Subordinate Indenture and held by the Subordinate Trustee (excluding the Rebate Fund and any fund or account established to hold the proceeds of a drawing on any Credit Support Instrument and including any Subsidy Payments deposited pursuant to the Subordinate Indenture); (v) all interest or other income from investment of money in the funds and accounts established pursuant to the Senior Indenture and held by the Senior Indenture Trustee (excluding the proceeds of Senior Obligations, Subsidy Payments with respect to Senior Bonds, the rebate fund under the Senior Indenture and any fund or account established to hold the proceeds of a drawing on any credit support instrument (as defined in the Senior Indenture)); (vi) all interest or other income from investment of money in the funds and accounts established pursuant to the Subordinate Indenture and held by the Subordinate Trustee (excluding the Rebate Fund and any fund or account established to hold the proceeds of a drawing on any Credit Support Instrument); and (vii) all Swap Revenues.

"Revenue Bond Law of 1941" means Chapter 6 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 54300), as the same may be amended from time to time hereafter.

"Rule 15c2-12" means Securities and Exchange Commission Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, the term "S&P" shall be deemed to refer to any other nationally recognized statistical rating organization selected by the Authority.

"Securities Depository" means DTC or any other trust company or other entity that provides a book-entry system for the registration of ownership interests in securities and which is acting as security depository for Book-Entry Bonds.

"Senior Bonds" means bonds or commercial paper authorized by, and at any time Outstanding pursuant to, the Senior Indenture and bonds or commercial paper that are "parity obligations" as defined in the Senior Indenture.

"Senior Indenture" means the Master Indenture between the Authority and Union Bank, N.A., as Trustee, dated as of May 1, 2001, as amended and supplemented, and each other indenture of trust or resolution, if any, under which Senior Bonds are Outstanding.

"Senior Indenture Fees and Expenses Fund" means the special fund created under the Senior Indenture designated therein as the "Fees and Expenses Fund."

"Senior Indenture Trustee" means the trustee under the Senior Indenture.

"Senior Obligations" means Senior Bonds, regularly-scheduled payments on Qualified Swap Agreements, reserve costs for Senior Obligations required by the Senior Indenture, and other obligations of the Authority that are payable from Revenue on a parity with the payment of principal of and interest on Senior Bonds or otherwise prior to the Subordinate Bonds and Subordinate Parity Obligations.

"Series" means all Subordinate Bonds identified in the Subordinate Indenture as a separate Series or all Senior Bonds identified in the Senior Indenture as a separate Series, as applicable.

"Short-Term Put Bond" means a Subordinate Bond, Subordinate Parity Obligation or Senior Obligation with a stated maturity of five years or less, the principal of which the Authority determines on or before the date of issuance that it intends to pay from remarketing proceeds or proceeds of refunding obligations.

"SIFMA Index" means Securities Industry and Financial Markets Association Municipal Swap Index as of the most recent date such index was published by the Securities Industry and Financial Markets Association or any successor thereto, or in the event such index is no longer published by the Securities Industry and Financial Markets Association or any successor thereto, such comparable replacement index as shall be published by the Securities Industry and Financial Markets Association or any successor thereto. In the event that such comparable replacement index is no longer published by the Securities Industry and Financial Markets Association or any successor thereto, an alternative index shall be selected by the Authority.

"Sinking Fund Installment" means, with respect to any Series of Subordinate Bonds, each amount so designated for the Term Bonds of such Series in the Supplemental Indenture providing for the issuance of such Series of Subordinate Bonds requiring payments by the Authority to be applied to the retirement of such Series of Subordinate Bonds on and prior to the stated maturity date thereof.

"State" means the State of California.

"Subordinate Bonds" means the Subordinate Bonds or commercial paper identified as the Bay Area Toll Authority San Francisco Bay Area Subordinate Toll Bridge Revenue Bonds authorized by, and at any time Outstanding pursuant to, the Subordinate Indenture.

"Subordinate Indenture" means the Subordinate Indenture, dated as of June 1, 2010, as supplemented by the First Supplemental Indenture, dated as of June 1, 2010, and the Second Supplemental Indenture, dated as of November 1, 2010, by and between the Authority and the Subordinate Trustee, as the same may be amended or further supplemented from time to time as permitted thereby.

"Subordinate Parity Obligations" means obligations of the Authority that are payable from Revenue on a parity with the payment of principal of and interest on Subordinate Bonds, including payments to the holders of obligations of the Authority entered into pursuant to California Government Code section 5922 (or any similar statute), in each case to the extent the Authority has contracted to make those payments as Subordinate Parity Obligations.

"Subordinate Trustee" means The Bank of New York Mellon Trust Company, N.A., a national bank association duly organized and existing under and by virtue of the laws of the United States of America, or its successor.

"Subsidy Payments" means payments from the United States Treasury to or upon the order of the Authority pursuant to Sections 54AA and 6431 of the Code with respect to Subordinate Bonds, Subordinate Parity Obligations, or Senior Obligations.

"Supplemental Indenture" means any indenture executed and delivered by the Authority and the Subordinate Trustee that is stated to be a supplemental indenture to the Subordinate Indenture.

"Swap" means any interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract, any contract providing for payments based on levels of, or changes in, interest rates, currency exchange rates, stock or other indices, any contract to exchange cash flows or a series of payments, or any contract, including, without limitation, an interest rate floor or cap, or an option, put or call, to hedge payment, currency, rate, spread or similar exposure, between the Authority and a Swap Party, which is not a Qualified Swap Agreement.

"Swap Party" means each entity that is a party to either a Qualified Swap Agreement or a Swap entered into with the Authority.

"Swap Revenues" means any amount paid by a Swap Party to the Authority pursuant to any Qualified Swap Agreement or Swap, after any netting of payments required by such Qualified Swap Agreement or Swap, as applicable, and any payments paid to the Authority by a Swap Party as consideration for termination or amendment of a Qualified Swap Agreement or Swap, as applicable.

"Tax Certificate" means the Tax Certificate delivered by the Authority at the time of the issuance of a Series of Subordinate Bonds, as the same may be amended and supplemented in accordance with its terms.

"Term Bonds" means Subordinate Bonds of any Series that are payable on or before their specified maturity dates from Sinking Fund Installments established for that purpose in the Supplemental Indenture providing for the issuance of such Series of Subordinate Bonds, which Sinking Fund Installments are calculated to retire such Subordinate Bonds on or before their specified maturity dates.

"2010 Series S-1 Bonds" means the Bay Area Toll Authority San Francisco Bay Area Subordinate Toll Bridge Revenue Bonds, 2010 Series S-1.

"2010 Series S-2 Bonds" means the Bay Area Toll Authority San Francisco Bay Area Subordinate Toll Bridge Revenue Bonds, 2010 Series S-2 (Tax-Exempt).

"2010 Series S-3 Bonds" means the Bay Area Toll Authority San Francisco Bay Area Subordinate Toll Bridge Revenue Bonds, 2010 Series S-3 (Taxable Build America Bonds).

"2010 Series S-1 Reserve Account" means the 2010 Series S-1 Reserve Account established pursuant to the Subordinate Indenture.

"2010 Series S-2 Reserve Account" means the 2010 Series S-2 Reserve Account established pursuant to the Subordinate Indenture.

"2010 Series S-3 Reserve Account" means the 2010 Series S-3 Reserve Account established pursuant to the Subordinate Indenture.

"2010 Series S-1 Reserve Requirement" means, as of any date of calculation, the highest amount of interest due on the 2010 Series S-1 Bonds then Outstanding in any Fiscal Year during the period from the date of such calculation through the final maturity date of the 2010 Series S-1 Bonds, calculated treating such Series of Subordinate Bonds as bearing an interest rate equal to the applicable fixed interest rate or rates for the period of determination minus the amount of the Subsidy Payments with respect to such Series of Subordinate Bonds to which the Authority is entitled for that period.

"2010 Series S-2 Reserve Requirement" means, as of any date of calculation, the highest amount of interest due on the 2010 Series S-2 Bonds then Outstanding in any Fiscal Year during the period from the date of such calculation through the final maturity date of the 2010 Series S-2 Bonds.

"2010 Series S-3 Reserve Requirement" means, as of any date of calculation, the highest amount of interest due on the 2010 Series S-3 Bonds then Outstanding in any Fiscal Year during the period from the date of such calculation through the final maturity date of the 2010 Series S-2 Bonds, calculated treating such Series of Subordinate Bonds as bearing an interest rate equal to the applicable fixed interest rate or rates for the period of determination minus the amount of the Subsidy Payments with respect to such Series of Subordinate Bonds to which the Authority is entitled for that period.

"Written Instruction" means the Written Request of the Authority dated the date of delivery of the first Series of Subordinate Bonds and entitled "Instructions to Bond Trustees Regarding Fund Transfers Under Master Indenture and Subordinate Indenture."

"Written Request of the Authority" means an instrument in writing signed by an Authorized Representative.

THE SUBORDINATE INDENTURE

Statutory Lien; Pledges; Funds and Accounts

Statutory Lien. All Bridge Toll Revenues are to be deposited by the Authority in the Bay Area Toll Account and are subject to a statutory lien created pursuant to Section 30960 of the Act in favor of the holders of Senior Bonds and Bondholders to secure all amounts due on the Senior Bonds and the Subordinate Bonds and in favor of any provider of credit enhancement for the Senior Bonds and the Subordinate Bonds to secure all amounts due to that provider with respect to the Senior Bonds and the Subordinate Bonds, respectively. Pursuant to Section 30960 of the Act, such lien, subject to expenditures for operation and maintenance of the Bay Area Bridges, including toll collection, unless those expenditures are otherwise provided for by statute as provided in Section 30960(c) of the Act, shall immediately attach to the Bridge Toll Revenues as such Bridge Toll Revenues are received by the Authority and shall be effective, binding, and enforceable against the Authority, its successors, creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act, and the Bridge Toll Revenues shall remain subject to such statutory lien until all Subordinate Bonds are paid in full or provision made therefor, and the Bay Area Bridges shall not become toll-free prior to that time.

Pledge of State. Pursuant to Section 30963 of the Act, the State pledges and agrees with the Holders of the Subordinate Bonds and those parties who may enter into contracts with the Authority pursuant to the Act that the State will not limit, alter, or restrict the rights vested by the Act in the Authority to finance the toll bridge improvements authorized by the Act and agrees not to impair the terms of any agreements made with the Holders of the Subordinate Bonds and the parties who may enter into contracts with the Authority pursuant to the Act and pledges and agrees not to impair the rights or remedies of the Holders of Subordinate Bonds or any such parties until the Subordinate Bonds, together with interest, are fully paid and discharged and any contracts are fully performed on the part of the Authority.

Pledge of Revenue and Certain Funds and Accounts. All Revenue and all amounts (including the proceeds of Subordinate Bonds) held by the Subordinate Trustee in each fund and account established under the Subordinate Indenture (except for amounts on deposit in the Rebate Fund and amounts on deposit in any fund or account established to hold the proceeds of a drawing on any Credit Support Instrument) are pledged to secure the punctual payment of the principal of and interest on the Subordinate Bonds, Subordinate Parity Obligations and Reserve Facility Costs, subject only to the provisions of the Subordinate Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein. Said pledge constitutes a lien on such amounts, is valid and binding without any physical delivery or further act and will be irrevocable until all Subordinate Bonds, Subordinate Parity Obligations and Reserve Facility Costs are no longer Outstanding. The pledge and lien are subordinate to every pledge and lien, theretofore or thereafter made, to secure the payment of the principal of and interest on Senior Bonds and amounts due on other Senior Obligations. The pledge to secure payment of Reserve Facility Costs set forth in the Subordinate Indenture is on a basis subordinate to the pledge of such amounts to the Subordinate Trustee for payment of the Subordinate Bonds and Subordinate Parity Obligations.

Funds and Accounts Establishment and Application of Bond Fund

Establishment and Application of Bond Fund. Not less than three Business Days prior to each date when the Authority is required to pay principal or interest on the Subordinate Bonds or amounts due on Subordinate Parity Obligations, as provided in the Subordinate Indenture, the Authority is to transfer to the Subordinate Trustee, from the Bay Area Toll Account, for deposit in the Bond Fund, such amount of Revenue as is required to increase the balance of the Bond Fund to an amount sufficient to pay all Subordinate Bonds and Subordinate Parity Obligations then due and payable and such amount as is required by the Subordinate Indenture to replenish the Reserve Fund for any Subordinate Bonds and to pay Reserve Facility Costs then due and payable. To the extent the interest rate on the Subordinate Bonds or Subordinate Parity Obligations has not yet been determined, the Subordinate Trustee is to assume such rate to be 12% per annum or such other rate as the Authority specifies to the Subordinate Trustee in writing at the time of such transfer.

All Revenue so received by the Subordinate Trustee will be deposited by the Subordinate Trustee as the Bond Fund, which the Subordinate Trustee is to establish, maintain and hold in trust. All Subsidy Payments with respect to Subordinate Bonds received by the Subordinate Trustee will be deposited in the Bond Fund. All amounts held in the Bond Fund are to be held, applied, used and withdrawn only as provided in the Subordinate Indenture or in the Written Instruction. As explained in the Information Statement under "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS—Certain Provisions of the Subordinate Indenture—Transfers of Revenue," the Subordinate Indenture Trustee has been instructed by the Authority to transfer to the Senior Indenture Trustee any Revenue (as defined in the Senior Indenture) on deposit in the Bond Fund held by the Subordinate Indenture Trustee to the extent that there is any shortfall in amounts needed to make timely payments of principal, interest, and premium, if any, on Senior Obligations or to replenish the reserve fund for the Senior Bonds. Any such transfer to the Senior Indenture Trustee will not include proceeds of Subordinate Bonds, amounts attributable to interest subsidy payments received from the federal government on account of the issuance of Subordinate Bonds as Build America Bonds or any amounts attributable to a reserve account for Subordinate Bonds. The Senior Indenture Trustee has been instructed by the Authority to transfer to the Subordinate Indenture Trustee any amounts on deposit in the Fees and Expenses Fund under the Senior Indenture to the extent that there is any shortfall in the Bond Fund under the Subordinate Indenture of amounts needed to make timely payments of principal, interest, and premium, if any, on Subordinate Obligations and to replenish the reserve fund for the Subordinate Bonds, provided that no such transfer is to be made to the extent there is also a concurrent shortfall in the Bond Fund or reserve fund under the Senior Indenture. The Authority has instructed each trustee to notify the other trustee on the third Business Day preceding each principal or interest payment date of the need for such a transfer and to request such transfer on the second Business Day preceding each such payment date.

On or before each date when principal and interest on the Subordinate Bonds and amounts due on Subordinate Parity Obligations are due and payable, the Subordinate Trustee is to transfer from the Bond Fund and deposit (or transfer as appropriate to the holder or trustee of such Subordinate Parity Obligations the amounts then due thereon) into the following respective accounts (each of which the Subordinate Trustee is to establish and maintain within the Bond Fund), in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenue sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority.

(a) **Interest Account**. The Subordinate Trustee is to set aside in the Interest Account in the manner and at the times specified in the Subordinate Indenture amounts sufficient to pay the interest on the Subordinate Bonds and amounts due on Subordinate Parity Obligations as and when due. Moneys in the Interest Account are to be used and withdrawn by the Subordinate Trustee solely for the purpose of paying interest on the Subordinate Bonds and amounts due on Subordinate Parity Obligations as such interest and other amounts becomes due and payable, provided that moneys in any separate account established to pay interest on a Series of Subordinate Bonds is to be used and withdrawn solely to pay interest on such Subordinate Bonds as and when due.

(b) **Principal Account**. The Subordinate Trustee is to set aside in the Principal Account in the manner and at the times specified in the Subordinate Indenture amounts sufficient to pay the principal of Subordinate Bonds (including any sinking fund payments) as and when due (whether at maturity or upon redemption or on account of sinking fund requirements). Moneys in the Principal Account are to be used and withdrawn by the Subordinate Trustee solely for the purpose of paying principal of the Subordinate Bonds (including any sinking fund payments) as and when due, provided that moneys in any separate account established to pay principal on a Series of Subordinate Bonds are to be used and withdrawn solely to pay principal of such Subordinate Bonds as and when due.

Any moneys remaining in the Bond Fund after the foregoing transfers are to be transferred to the Reserve Fund until the amount on deposit in the Reserve Fund is equal to the Reserve Requirement for all Subordinate Bonds that have a Reserve Requirement and all Reserve Facility Costs have been paid and, if amounts remain on deposit in the Bond Fund after all such transfers are made, such amounts are to be transferred to or upon the order of the Authority. If such amounts are not sufficient to fulfill the Reserve Requirement for each Reserve Account within the Reserve Fund, such moneys transferred to the Reserve Fund are to be allocated ratably among each Reserve Account in proportion to the then-current deficiency therein.

Establishment, Funding and Application of the Reserve Fund; Reserve Accounts. On the date of issuance of any Series of Subordinate Bonds that has a Reserve Requirement, the Reserve Requirement for those Subordinate Bonds will be deposited in the Reserve Fund in an account solely for the benefit of those Subordinate Bonds. Alternatively, the Supplemental Indenture for any Series of Subordinate Bonds may establish a pooled Reserve Requirement for that Series of Subordinate Bonds and any one or more subsequently issued Series of Subordinate Bonds with the same pooled Reserve Requirement, in which case the Reserve Requirement for the initial such Series of Subordinate Bonds will be deposited in the Reserve Fund in an account solely for the benefit of those Subordinate Bonds and any additional Subordinate Bonds with the same pooled Reserve Requirement, and on the date of issuance of any such additional Subordinate Bonds, there will be deposited in the account the amount necessary to increase the balance in the account to an amount equal to the Reserve Requirement for all Subordinate Bonds secured by that account.

Moneys in an account in the Reserve Fund are to be used and withdrawn by the Subordinate Trustee solely for the purposes of paying principal of and interest on the Subordinate Bonds for which such account is held when such principal and interest are due if insufficient moneys for the payment thereof are on deposit in the Principal Account and the Interest Account or (together with any other moneys available therefor) for the payment of principal and interest on all such Subordinate Bonds then Outstanding when due whether upon maturity or earlier redemption or, for the payment of the final principal and interest payment of all such Subordinate Bonds that are Outstanding.

In the event that the Subordinate Trustee has withdrawn moneys in an account in the Reserve Fund for the purpose of paying principal and interest on Subordinate Bonds when due as provided in the provisions of the Subordinate Indenture described in the immediately preceding paragraph, the Subordinate Trustee will promptly notify the Authority of such withdrawal. Upon receipt of such notification, the Authority, on or prior to the first Business Day of each month, commencing the month after such notification is received from the Subordinate Trustee by the Authority, is to transfer to the Subordinate Trustee for deposit in that depleted account in the Reserve Fund, an amount equal to 1/12th of the aggregate amount of each unreplenished withdrawal until the amount on deposit in that account in the Reserve Fund is equal to the Reserve Requirement for the Subordinate Bonds secured by that account.

Upon receipt of any notification from the Subordinate Trustee of a deficiency in the Reserve Fund due to any required valuation of investments in the Reserve Fund provided by the Subordinate Trustee pursuant to the Subordinate Indenture, the Authority, on or prior to the first Business Day of each month, commencing the month after such notification is received from the Subordinate Trustee by the Authority, is to transfer to the Subordinate Trustee for deposit in the Reserve Fund, an amount equal to 1/12th of the aggregate amount of such deficiency until the amount on deposit in the Reserve Fund is equal to the Reserve Requirement for all Subordinate Bonds secured by the Reserve Fund.

The Reserve Requirement for any Series of Subordinate Bonds may be permitted or required by the Supplemental Indenture establishing the Reserve Requirement to be funded in whole or in part with a Reserve Facility. The terms and conditions for any Reserve Facility are to be set forth in the Reserve Facility or the Supplemental Indenture establishing the Reserve Requirement to be met in whole or in part by the Reserve Facility, provided that those terms and conditions must conform to and be consistent with the provisions set forth in the Subordinate Indenture.

The Subordinate Trustee is to withdraw cash (and liquidate investments to produce cash) and draw on Reserve Facilities in any account in the Reserve Fund to fund payments of principal of and interest on Subordinate Bonds supported by such account in the Reserve Fund in the manner and in the order specified in the applicable Supplemental Indenture or Supplemental Indentures.

The Subordinate Indenture will not be discharged until all Reserve Facility Costs owing to a Reserve Facility Provider have been paid in full.

2010 Series S-1 Reserve Account. The monies set aside and placed in the 2010 Series S-1 Reserve Account on account of the 2010 Series S-1 Reserve Requirement shall be held solely for the benefit of the 2010 Series S-1 Bonds and shall be used, withdrawn, and replenished as provided in the

Subordinate Indenture. The 2010 Series S-1 Reserve Requirement shall not be funded in whole or in part with a Reserve Facility.

2010 Series S-2 Reserve Account. The monies set aside and placed in the 2010 Series S-2 Reserve Account on account of the 2010 Series S-2 Reserve Requirement shall be held solely for the benefit of the 2010 Series S-2 Bonds and shall be used, withdrawn, and replenished as provided in the Subordinate Indenture. The 2010 Series S-2 Reserve Requirement shall not be funded in whole or in part with a Reserve Facility.

2010 Series S-3 Reserve Account. The monies set aside and placed in the 2010 Series S-3 Reserve Account on account of the 2010 Series S-3 Reserve Requirement shall be held solely for the benefit of the 2010 Series S-3 Bonds and shall be used, withdrawn, and replenished as provided in the Subordinate Indenture. The 2010 Series S-3 Reserve Requirement shall not be funded in whole or in part with a Reserve Facility.

Establishment and Application of Redemption Fund. The Subordinate Trustee is to establish, maintain and hold in trust a special fund designated as the "Redemption Fund." All moneys deposited by the Authority with the Subordinate Trustee for the purpose of redeeming Subordinate Bonds of any Series, unless otherwise provided in the Supplemental Indenture establishing the terms and conditions for such Series of Subordinate Bonds, are to be deposited in the Redemption Fund. All amounts deposited in the Redemption Fund are to be used and withdrawn by the Subordinate Trustee solely for the purpose of redeeming Subordinate Bonds of such Series and maturity as are specified by the Authority in a Written Request of the Authority delivered to the Subordinate Trustee, in the manner, at the times and upon the terms and conditions specified in the Supplemental Indenture pursuant to which such Series of Subordinate Bonds was issued. Such Written Request of the Authority may specify that amounts on deposit in the Redemption Fund that remain unclaimed for a specified period of time will be paid to the Authority, and the Subordinate Trustee is to pay such unclaimed amounts to the Authority in accordance with the Written Request of the Authority.

Establishment and Application of Rebate Fund. Upon the Written Request of the Authority, the Subordinate Trustee is to establish, maintain and hold in trust a separate fund designated as the "Rebate Fund" and there will be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to each Tax Certificate and the Code. All money at any time deposited in the Rebate Fund is to be held by the Subordinate Trustee to satisfy the Rebate Requirement (as defined in the Tax Certificate) for payment to the United States of America. The Subordinate Trustee will have no responsibility with respect to the Rebate Fund or the Rebate Requirement except to follow the written instructions of the Authority.

Investment of Moneys in Funds and Accounts

Moneys held by the Authority in the Bay Area Toll Account and in the funds and accounts created under the Subordinate Indenture and held by the Authority will be invested and reinvested in any lawful investment of the Authority.

Moneys held by the Subordinate Trustee in the funds and accounts created under the Subordinate Indenture are to be invested and reinvested in Permitted Investments in accordance with the written instructions of an Authorized Representative.

Unless otherwise specified in the Supplemental Indenture creating a Series of Subordinate Bonds, all Permitted Investments are to be held by or under the control of the Subordinate Trustee and will be deemed at all times to be a part of the fund or account that was used to purchase the Permitted Investment. Unless otherwise provided by a Written Request of the Authority or in a Supplemental Indenture, all interest, profits and other income received from the investment of moneys in any fund or account held by the Subordinate Trustee, other than the Rebate Fund or a Project Fund, are to be transferred to the Bond Fund when received. All interest, profits and other income received from the investment of moneys in the Rebate Fund will be deposited in the Rebate Fund. Unless otherwise provided in the Supplemental Indenture establishing a Project Fund, all interest, profits and other income received from the investment of moneys in each Project Fund are to be deposited in such Project Fund. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Permitted Investment equal to the amount of accrued interest, if any, paid as part of the purchase price of such Permitted Investment is to be credited to the fund or account from which such accrued interest was paid.

The Subordinate Trustee is authorized to sell or redeem and reduce to cash a sufficient amount of Permitted Investments whenever the cash balance in any fund or account is or will be insufficient to make any required disbursement. The Subordinate Trustee is not to be responsible for any depreciation in the value of any Permitted Investment or for any loss resulting from such sale or redemption. Absent a Written Request of the Authority instructing the Subordinate Trustee how to invest the cash balance in a fund or account held by the Subordinate Trustee thereunder, the Subordinate Trustee is to hold such cash balances uninvested pending its receipt of such a Written Request of the Authority.

All Permitted Investments credited to the Reserve Fund are to be valued as of April 1 of each year (or the next succeeding Business Day if such day is not a Business Day). All Permitted Investments credited to the Reserve Fund are to be valued at their fair market value determined to the extent practical by reference to the closing bid price thereof published in *The Wall Street Journal* or any other financial publication or generally recognized pricing information service selected by the Subordinate Trustee in its discretion. The Subordinate Trustee may use and rely conclusively and without liability upon any generally recognized pricing information service (including brokers and dealers in securities) available to it.

The Subordinate Trustee or its affiliates may act as sponsor, advisor, principal or agent in the acquisition or disposition of any investment with the prior written approval of an Authorized Representative. The Subordinate Trustee may commingle any of the moneys held by it pursuant to the Subordinate Indenture (except for amounts on deposit in the Rebate Fund and amounts on deposit in any fund or account established to hold the proceeds of a drawing on any Credit Support Instrument) for investment purposes only; provided, however, that the Subordinate Trustee is to account separately for the moneys belonging to each fund or account established pursuant to the Subordinate Indenture and held by it.

Subsidy Payments

The Authority irrevocably directs in the Subordinate Indenture that all Subsidy Payments with respect to Subordinate Bonds be made directly to the Subordinate Trustee for deposit in the Bond Fund pursuant to the Subordinate Indenture. Any such Subsidy Payments received by the Authority will be promptly remitted to the Subordinate Trustee. The Subordinate Trustee will deposit all such Subsidy Payments to the Bond Fund upon receipt thereof and thereby constitute those amounts Revenue. The Subordinate Trustee will file such forms with the Internal Revenue Service and take all other such actions as the Authority has notified it in writing may be necessary to request and receive such Subsidy Payments on the Authority's behalf and the Subordinate Trustee will have no responsibility therefor other than following the Authority's written instructions.

Additional Subordinate Bonds; Subordinate Parity Obligations; Subordinated Obligations

Unless otherwise specified in a supplemental Indenture with respect to one or more Series of Bonds, the principal and Purchase Price of, premium, if any, and interest on the Subordinate Bonds will be payable in lawful currency of the United States of America.

Restrictions on Issuance of Additional Subordinate Bonds. Subsequent to the initial issuance of Subordinate Bonds pursuant to the Subordinate Indenture, additional Subordinate Bonds or Subordinate Parity Obligations may be issued if the requirements of (a) or (b) below are met.

(a) the Subordinate Bonds or Subordinate Parity Obligations are issued for refunding purposes to provide funds for the payment of any or all of the following: (1) the principal or redemption price of the Outstanding Subordinate Bonds or Subordinate Parity Obligations or Senior Obligations to be refunded; (2) all expenses incident to the calling, retiring or paying of such Outstanding Subordinate Bonds or Subordinate Parity Obligations or Senior Obligations, the Costs of Issuance of such refunding Subordinate Bonds or Subordinate Parity Obligations, and any termination payments or other payments to the holders of obligations of the Authority entered into pursuant to California Government Code Section 5922 (or any similar statute) related to such Outstanding Subordinate Bonds or Subordinate Parity Obligations or Senior Obligations; (3) interest on all Outstanding Subordinate Bonds or Subordinate Parity Obligations or Senior Obligations to be refunded to the date such Subordinate Bonds or Subordinate Parity Obligations or Senior Obligations will be called for redemption or paid at maturity; and (4) interest on the refunding Subordinate Bonds or Subordinate Parity Obligations from the date thereof to the date of payment or redemption of the Subordinate Bonds or Subordinate Parity Obligations or Senior Obligations to be refunded.

(b) the Authorized Representative determines and certifies, as of the date of issuance of the additional Subordinate Bonds or Subordinate Parity Obligations, that either: (1) the ratio of (A) Available Revenue for the most recent Fiscal Year for which audited financial statements are available to (B) Maximum Annual Debt Service, calculated as of the date of sale of, and including, such Subordinate Bonds or Subordinate Parity Obligations, will not be less than 1.20:1; or (2) the ratio of (A) projected Available Revenue for each of three consecutive Fiscal Years (beginning with the current Fiscal Year or the Fiscal Year after the current Fiscal Year) to (B) Debt Service, calculated as of the date of sale of and including such Subordinate Bonds or Subordinate Parity Obligations, for each such Fiscal Year, will not be less than 1.20:1, and of (X) projected Available Revenue for the third such consecutive Fiscal Year to (Y) Maximum Annual Debt Service, calculated as of the date of sale of, and including, such Subordinate Bonds or Subordinate Parity Obligations, will not be less than 1.20:1. In calculating projected Available Revenue, the Authority will take into account amounts projected to be received from any adopted toll increase or increases and any additional Bay Area Bridge or Bridges.

Proceedings for Issuance of Additional Subordinate Bonds. Subsequent to the initial issuance of Subordinate Bonds, whenever the Authority determines to issue additional Subordinate Bonds or Subordinate Parity Obligations, the Authority will, in addition to fulfilling the requirements of the Subordinate Indenture described above, file or provide to the Subordinate Trustee:

(a) a certificate of the Authority stating that no Event of Default has occurred and is then continuing;

(b) a certificate of the Authority stating that the applicable requirements of the Subordinate Indenture described under the caption "Restrictions on Issuance of Additional Subordinate Bonds" have been satisfied;

(c) such amount, in cash or in the form of a Reserve Facility, as will equal the Reserve Requirement, if any, for such Series of Subordinate Bonds for deposit in the Reserve Fund; and

(d) an Opinion of Bond Counsel to the effect that the Supplemental Indenture creating such Series of Subordinate Bonds has been executed and delivered by the Authority in accordance with the Subordinate Indenture and that such Series of Subordinate Bonds, when duly executed by the Authority and authenticated and delivered by the Subordinate Trustee, will be valid and binding obligations of the Authority.

Subordinated Obligations. Except to the extent restricted by a Supplemental Indenture, the Authority may issue or incur obligations payable out of Revenue on a basis junior and subordinate to the payment of the principal, interest and reserve fund requirements for the Subordinate Bonds and any Subordinate Parity Obligations.

Covenants of the Authority

Punctual Payment and Performance. The Authority will punctually pay the principal of and the interest on (and redemption premiums, if any) to become due on the Subordinate Bonds in strict conformity with the terms of the Act, the Subordinate Indenture and the Subordinate Bonds, and will faithfully observe and perform all of the agreements and covenants contained in the Subordinate Indenture and the Subordinate Bonds.

Against Encumbrances. The Authority will not create or cause or permit to be created any pledge, lien, charge or encumbrance having priority over the lien of the Subordinate Bonds and Subordinate Parity Obligations upon any of the Revenue except Senior Obligations. The Authority will not create or cause or permit to be created any pledge, lien, charge or encumbrance having parity with the lien of the Subordinate Bonds and Subordinate Parity Obligations upon any of the Revenue except Subordinate Bonds and Subordinate Parity Obligations. The Authority will not create or permit to be created or issue any Subordinate Bonds, notes or other obligations secured by a pledge of or charge or lien upon Revenue except Senior Obligations, Subordinate Bonds and Subordinate Parity Obligations, provided that the Authority may at any time, or from time to time, issue or incur subordinated obligations as provided in the Subordinate Indenture.

Tax Covenants. The Authority will not use or permit the use of any proceeds of the Subordinate Bonds or any funds of the Authority, directly or indirectly, to acquire any securities or obligations that would cause the interest on Subordinate Bonds intended by the Authority to be exempt from federal income taxation to become subject to federal income taxation, and will not take or permit to be taken any other action or actions that would cause any such Subordinate Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code or "federally guaranteed" within the meaning of Section 149(b) of the Code and any such applicable regulations promulgated from time to time thereunder. The Authority will observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. The Authority will comply with all requirements of Sections 148 and 149(b) of the Code to the extent applicable to Subordinate Bonds. In the event that at any time the Authority is of the opinion that for purposes of the provisions of the Subordinate Indenture it is necessary to restrict or to limit the yield on the investment of any moneys held by the Subordinate Trustee under the Subordinate Indenture, the Authority will so instruct the Subordinate Trustee under the Subordinate Indenture in writing, and the Subordinate Trustee is to take such action as may be necessary in accordance with such instructions.

Revenue Covenants. (a) The Authority covenants that it will at all times establish and maintain tolls on the Bay Area Bridges at rates projected by it to generate sufficient Revenue to pay, as and when due, amounts due on all Outstanding Senior Bonds, other Senior Obligations, Subordinate Bonds and Subordinate Parity Obligations, Maintenance and Operation Expenses, and other obligations of the Authority, and to otherwise comply with the Act.

(b) The Authority covenants to: (i) compute projected Available Revenue for each Fiscal Year (commencing with the Fiscal Year beginning July 1, 2010) and the ratio produced by dividing projected Available Revenue by projected Debt Service for that Fiscal Year (such ratio being hereinafter referred to as the "Coverage Ratio") within ten Business Days after the beginning of that Fiscal Year (such date of computation being hereinafter referred to as a "Coverage Calculation Date"); (ii) to promptly furnish to the Subordinate Trustee a Certificate of the Authority setting forth the results of such computations; and (iii) if the Coverage Ratio is less than 1.20:1, to take such action as promptly as practicable after the Coverage Calculation Date (including, without limitation, increasing Bridge Toll Revenues through toll increases) as the Authority projects is necessary to cause the projected Coverage Ratio for that Fiscal Year to equal or exceed 1.20:1.

Payment of Claims. The Authority will pay and discharge any and all lawful claims that, if unpaid, might become a charge or lien upon the Revenue or any part thereof, or upon any funds in the hands of the Authority or on deposit with the Subordinate Trustee, prior to or on a parity with the charge and lien upon the Revenue securing the Subordinate Bonds and any Subordinate Parity Obligations.

Accounting Records; Financial Statements and Other Reports. (a) The Authority will keep appropriate accounting records in accordance with generally accepted accounting principles. Such accounting records are at all times during business hours subject to the inspection of the Subordinate Trustee or of any Holder (or its representative authorized in writing).

(b) The Authority will prepare and file with the Subordinate Trustee annually within 210 days after the close of each Fiscal Year financial statements of the Authority for such Fiscal Year (which may be the financial statements of the Metropolitan Transportation Commission while the Authority is treated as a blended component unit thereof), together with an audit report thereon prepared by an Independent Certified Public Accountant.

Protection of Revenue and Rights of Holders. The Authority will preserve and protect the security of the Subordinate Bonds and Subordinate Parity Obligations and the rights of the Bondholders and the holders of Subordinate Parity Obligations and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Subordinate Bonds by the Authority, the Subordinate Bonds will be incontestable by the Authority.

Payment of Governmental Charges and Compliance with Governmental Regulations. The Authority will pay and discharge all taxes or payments in lieu of taxes, assessments and other governmental charges or liens that may be levied, assessed or charged upon the Revenue, or any part thereof, promptly as and when the same shall become due and payable, except that the Authority is not required to pay any such governmental charges so long as the application or validity thereof is contested in good faith and the Authority has set aside reserves to cover such payments.

Continuing Disclosure. Upon the issuance of any Series of Subordinate Bonds or upon conversion of any Series of Subordinate Bonds to an interest rate period requiring an undertaking regarding continuing disclosure under Rule 15c2-12, the Authority and the Subordinate Trustee covenant and agree in the Subordinate Indenture that they will execute and deliver a Continuing Disclosure Agreement with respect to such Series of Subordinate Bonds and comply with and carry out all of the provisions of such Continuing Disclosure Agreement applicable to each such party. Notwithstanding any other provision of the Subordinate Indenture, failure of the Authority or the Subordinate Trustee to comply with the provisions of any Continuing Disclosure Agreement does not constitute an Event of Default under the Subordinate Indenture; provided, however, that the Subordinate Trustee, at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of any Series of Subordinate Bonds then Outstanding, will (but only to the extent that the Subordinate Trustee is indemnified to its satisfaction from any liability or expense, including fees and expenses of its attorneys) or any Owner or Beneficial Owner of a Subordinate Bond may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order to cause the Authority or the Subordinate Trustee, as applicable, to comply with its obligations under this paragraph.

Further Assurances. The Authority will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Subordinate Indenture and for the better assuring and confirming unto the Holders of the rights and benefits provided therein.

Events of Default and Remedies of Bondholders

Events of Default. The following events are Events of Default under the Subordinate Indenture:

(a) default in the payment of any interest on any Subordinate Bond when and as the same has become due;

(b) default in the payment of the principal of or premium, if any, on any Subordinate Bond when and as the same has become due, whether at the stated maturity or redemption date thereof or otherwise; and

(c) default in the observance or performance of any other covenant or agreement of the Authority contained in the Subordinate Indenture and the continuance thereof for a period of 60 days after written notice thereof to the Authority given by the Subordinate Trustee.

The Subordinate Trustee is not required to take notice or be deemed to have notice of any Event of Default of the type described in clause (c) above unless the Subordinate Trustee has been specifically notified in writing of such default by the Authority, or by the Owners of at least 25% in aggregate principal amount of all Subordinate Bonds then Outstanding, by means of a written notice delivered at the Principal Office of the Subordinate Trustee.

Application of Revenue and Other Funds After Default. If an Event of Default occurs and is continuing, all Revenue pledged under the Subordinate Indenture and any other funds then held or thereafter received by the Subordinate Trustee under any of the provisions of the Subordinate Indenture are to be under the control of and applied by the Subordinate Trustee as follows and in the following order:

(a) first, to the payment of any amounts due the Senior Indenture Trustee pursuant to the Written Instruction;

(b) second, to the payment of any expenses necessary in the opinion of the Subordinate Trustee to protect the interests of the Holders of the Subordinate Bonds and payment of reasonable charges and expenses of the Subordinate Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under the Subordinate Indenture; and

(c) third, to the payment of the principal and interest then due on Subordinate Bonds and amounts then due on Subordinate Parity Obligations, in the order in which such amounts became due, subject to the provisions of the Subordinate Indenture and of the Written Instruction.

Suits at Law or in Equity and Mandamus. In case one or more Events of Default occur, then and in every such case the Subordinate Trustee may, and will at the request of the Holders of not less than a majority of the aggregate principal amount of any Series of Subordinate Bonds then Outstanding (or such greater percentage of the Holders of Subordinate Bonds of any Series as may be specified in the Supplemental Indenture creating such Series) upon receiving adequate indemnity, potentially including indemnity provided by such Holders, proceed to protect and enforce Bondholder rights by such appropriate judicial proceeding as the Subordinate Trustee deems most effectual to protect and enforce any such right, either by suit in equity or by action at law, whether for the specific performance of any covenant or agreement contained in the Subordinate Indenture, or in aid of the exercise of any power granted in the Subordinate Indenture, or to enforce any other legal or equitable right vested in the Bondholders by the Subordinate Indenture or the Subordinate Bonds or by law. The provisions of the Subordinate Indenture constitute a contract with each and every Bondholder and the duties of the Authority are to be enforceable by the Subordinate Trustee on behalf of any Bondholder by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Nothing therein is to be deemed to authorize the Subordinate Trustee to authorize or consent to or accept or adopt on behalf of any Bondholder any plan of reorganization, arrangement, adjustment, or composition affecting the Subordinate Bonds or the rights of any Holder thereof, or to authorize the Subordinate Trustee to vote in respect of the claim of any Bondholder in any such proceeding without the approval of the Bondholders so affected.

No Acceleration Permitted. The remedies available to the Subordinate Trustee and the Holders of Subordinate Bonds upon and following the occurrence of an Event of Default do not include acceleration of the maturity of any Subordinate Bonds. The remedies available to the Senior Indenture Trustee and the holders of Senior Bonds upon and following the occurrence of an event of default under the Senior Indenture do not include acceleration of the maturity of any Senior Bonds.

Subordinate Trustee

The Subordinate Trustee shall be required to perform such duties and only such duties as are specifically set forth in the Subordinate Indenture. The Subordinate Trustee has accepted the duties imposed upon it under the Subordinate Indenture and agreed, among other things: to hold all sums held by it under the Subordinate Indenture in trust for the benefit of the Holders of Subordinate Bonds; to perform its obligations under the Subordinate Indenture; and to keep such books and records relating to its duties as Subordinate Trustee as shall be consistent with reasonable industry practice.

No provision of the Subordinate Indenture is to be construed to relieve the Subordinate Trustee from liability for its own negligent action or its own negligent failure to act, except that, at all times regardless of whether or not any Event of Default shall exist: (i) the duties and obligations of the Subordinate Trustee are to be determined solely by the express provisions of the Subordinate Indenture, and the Subordinate Trustee is not to be liable except for the performance of such duties and obligations as are specifically set forth in the Subordinate Indenture, and no implied covenants or obligations are to be read into the Subordinate Indenture against the Subordinate Trustee; (ii) in the absence of bad faith on the part of the Subordinate Trustee, the Subordinate Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate, notice, order, requisition, request, consent or opinion furnished to the Subordinate Trustee conforming to the requirements of the Subordinate Indenture; but in the case of any such certificate, notice, order, requisition, request, consent or opinion which by any provision thereof is specifically required to be furnished to the Subordinate Trustee, the Subordinate Trustee is to be under a duty to examine the same to determine whether or not it, on its face, conforms to the requirements of the Subordinate Indenture; (iii) the Subordinate Trustee is not to be liable for any error of judgment made in good faith unless it shall be proved that the Subordinate Trustee was negligent in ascertaining the pertinent facts; and (iv) the Subordinate Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority, or such larger or smaller percentage as may be required under the Subordinate Indenture, in aggregate principal amount of the Subordinate Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Subordinate Trustee or exercising any trust or power conferred upon the Subordinate Trustee under the Subordinate Indenture. The permissive right of the Subordinate Trustee to do things enumerated in the Subordinate Indenture as a right is not to be construed as a duty and the Subordinate Trustee is not to be answerable for other than its negligence or willful misconduct.

None of the provisions contained in the Subordinate Indenture shall require the Subordinate Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers. The Subordinate Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises. Before taking any action under the Subordinate Indenture relating to an Event of Default, the Subordinate Trustee may require that adequate indemnity be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability.

The Subordinate Trustee is not to be accountable for the use or application by the Authority of the proceeds of the Subordinate Bonds or for the use or application of any money paid over to the Authority by the Subordinate Trustee in accordance with the provisions of the Subordinate Indenture. The Subordinate Trustee has no responsibility or liability with respect to any information, statements or recitals in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Subordinate Bonds other than information provided by the Subordinate Trustee for use therein, if any.

Whenever in the administration of the Subordinate Indenture the Subordinate Trustee deems it necessary or desirable that a matter be provided or established prior to taking or suffering any action to be taken under the Subordinate Indenture, such matter (unless other evidence in respect thereof is specifically prescribed in the Subordinate Indenture) may, in the absence of negligence or willful misconduct on the part of the Subordinate Trustee, be deemed to be conclusively proved and established by a Certificate of the Authority and delivered to the Subordinate Trustee and such certificate, in the absence of negligence or willful misconduct on the part of the Subordinate Trustee, shall be full warrant to the Subordinate Trustee for any action taken, suffered or omitted by it under the provisions of the Subordinate Indenture upon the faith thereof.

Removal. In case at any time either of the following occurs: (i) the Subordinate Trustee shall cease to be eligible in accordance with the provisions of the Subordinate Indenture and fails to resign after written request therefor by the Authority or by any Holder who has been a bona fide Holder of a Subordinate Bond for at least six months; or (ii) the Subordinate Trustee becomes incapable of acting, or is adjudged a bankrupt or insolvent, or a receiver of the Subordinate Trustee or of its property is appointed, or any public officer takes charge or control of the Subordinate Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case, the Authority may remove the Subordinate Trustee and appoint a successor trustee by an instrument in writing executed by an Authorized Representative, or any Holder who has been a bona fide Holder of a Subordinate Bond for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Subordinate Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it deems proper and prescribe, remove the Subordinate Trustee and appoint a successor trustee. If no successor trustee has been so appointed by the Authority and has accepted appointment within 30 days after such removal, the Subordinate Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee, or any Holder who has been a bona fide Holder of a Subordinate Bond for at least six months may, on behalf of itself and any others similarly situated, petition any such court for the appointment of a successor trustee.

The Authority or Holders of a majority in aggregate principal amount of the Subordinate Bonds at the time Outstanding may at any time remove the Subordinate Trustee and appoint a successor trustee by an instrument or concurrent instruments in writing signed by an Authorized Representative of the Authority or by such Holders, as the case may be.

Any resignation or removal of the Subordinate Trustee and appointment of a successor trustee pursuant to any of the provisions of the Subordinate Indenture becomes effective upon written acceptance of appointment by the successor trustee acceptable to the Authority. Any successor trustee shall execute, acknowledge and deliver to the Authority and to its predecessor trustee an instrument accepting such appointment under the Subordinate Indenture, and thereupon the resignation or removal of the predecessor trustee becomes effective and such successor trustee, without any further act, deed or conveyance, becomes vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusts under the Subordinate Indenture, with like effect as if originally named as Trustee therein; but, nevertheless, on the Written Request of the Authority or the request of the successor trustee, the predecessor trustee ceasing to act shall execute and deliver an instrument transferring to such successor trustee, upon the trusts therein expressed, all the rights, powers and trusts of the Subordinate Trustee so ceasing to act.

The Subordinate Trustee may execute any of the trusts or powers thereof and perform any of its duties and responsibilities under the Subordinate Indenture by or through attorneys, agents or receivers, including issuing and paying agents as provided in the Subordinate Indenture, and the Subordinate Trustee is not to be answerable for the conduct of the same if appointed with due care under the Subordinate Indenture, provided that the Subordinate Trustee remains responsible for its duties under the Subordinate Indenture. The Subordinate Trustee may consult with counsel and the advice or any opinion of counsel is to be full and complete authorization and protection in respect of any action taken or omitted by it under the Subordinate Indenture in the absence of negligence and willful misconduct and in accordance with such advice or opinion of counsel.

Modification or Amendment of the Subordinate Indenture

Amendments Permitted Without Bondholder Consent. Except to the extent restricted by a Supplemental Indenture, the Authority and the Subordinate Trustee, without the consent of or notice to any Bondholders, may execute Supplemental Indentures amending the Subordinate Indenture for one or more of the following purposes:

(a) to grant to or confer upon the Bondholders of any Series any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders;

(b) to grant or pledge to the Bondholders of any Series any additional security;

(c) to amend the Subordinate Indenture in such manner as may be necessary or convenient in connection with the book-entry system for payments, transfers and other matters relating to the Subordinate Bonds;

(d) to cure any ambiguity or to correct or supplement any provision of the Subordinate Indenture that, in the Opinion of Bond Counsel, is defective or inconsistent with any other provision of the Subordinate Indenture;

(e) to make any change therein necessary, in the Opinion of Bond Counsel, to maintain the exclusion from gross income for federal income tax purposes of the interest on any Outstanding Subordinate Bonds intended by the Authority to bear federally tax-exempt interest;

(f) to make modifications or adjustments necessary in order to accommodate a Credit Support Instrument or a Reserve Facility;

(g) to modify, alter, amend or supplement the Subordinate Indenture if (1) all of the Subordinate Bonds to be affected thereby are variable interest rate bonds, (2) the modification, alteration, amendment or supplement will not become effective until written notice thereof has been given to Bondholders of the affected Series by the Subordinate Trustee, and (3) 30 days will have passed during which time such Bondholders will have had the opportunity to tender their variable interest rate Subordinate Bonds for purchase;

(h) to make any change therein that does not materially and adversely affect Bondholders (and the absence of a material or adverse effect may, but is not required to, be evidenced by a Certificate of the Authority or an Opinion of Bond Counsel); and

(i) to issue additional Subordinate Bonds under the Subordinate Indenture in accordance with the terms of the Subordinate Indenture;

provided, that no such amendment may permit, or be construed as permitting, (i) an extension of the maturity of the principal of, or the mandatory redemption date of, or interest on, any Subordinate Bond, or (ii) a reduction in the principal amount of, or the redemption premium or the rate of interest on, any Subordinate Bond, or (iii) a preference or priority of any Subordinate Bond or Subordinate Bonds over any other Subordinate Bond or Subordinate Bonds, or (iv) a reduction in the aggregate principal amount of the Subordinate Bonds required for any consent to any amendment as described in the following paragraph.

Amendments Requiring Bondholder Consent. Exclusive of amendments authorized by the provisions of the Subordinate Indenture described above and subject to the terms and provisions contained in the Subordinate Indenture and in any Supplemental Indenture, the Holders of not less than a majority of the aggregate principal amount of the then Outstanding Subordinate Bonds, or if less than all of the Outstanding Subordinate Bonds are affected, the Holders of not less than a majority of the aggregate principal amount of the Outstanding Subordinate Bonds affected, will have the right, from time to time, anything contained in the Subordinate Indenture to the contrary notwithstanding, to consent to such other amendments thereto for the purpose of modifying, altering, amending, or supplementing any of the terms or provisions contained in the Subordinate Indenture or in any Supplemental Indenture; provided, however, that nothing in the Subordinate Indenture will permit, or be construed as permitting (i) an extension of the maturity of the principal of, or the mandatory redemption date of, or interest on, any Subordinate Bond, or (ii) a reduction in the principal amount of, or the redemption premium or the rate of interest on, any Subordinate Bond, or (iii) a preference or priority of any Subordinate Bond or Subordinate Bonds over any other Subordinate Bond or Subordinate Bonds, or (iv) a reduction in the aggregate principal amount of the Subordinate Bonds required for any consent to any amendment.

Execution and Effect of Supplemental Indenture. Prior to executing any Supplemental Indenture, the Subordinate Trustee is entitled to receive and rely upon an Opinion of Bond Counsel to the effect that such Supplemental Indenture is authorized or permitted under the Subordinate Indenture. The Subordinate Trustee is not obligated to execute any Supplemental Indenture adversely affecting its rights, duties protections and immunities under the Subordinate Indenture. Upon the execution and delivery of any Supplemental Indenture pursuant to the provisions of the Subordinate Indenture, the Subordinate Indenture is to be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Subordinate Indenture of the Authority, the Subordinate Trustee and all Owners of Outstanding Subordinate Bonds are thereafter to be determined, exercised and enforced subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture are to be deemed to be part of the terms and conditions of the Subordinate Indenture for any and all purposes.

Discharge of Lien

Discharge of Lien and Security Interest. At the election of the Authority, upon payment in full of all the Subordinate Bonds and of all other amounts payable under the Subordinate Indenture, the pledge and lien on the Revenue arising under the Subordinate Indenture is to cease, determine and be void; provided, however, such discharge of the Subordinate Indenture will not terminate the powers and rights granted to the Subordinate Trustee with respect to the payment, transfer and exchange of the Subordinate Bonds.

The Authority may at any time surrender to the Subordinate Trustee for cancellation any Subordinate Bonds previously authenticated and delivered under the Subordinate Indenture that the Authority at its option may have acquired in any manner whatsoever and such Subordinate Bonds upon such surrender and cancellation will be deemed to be paid and retired.

Notwithstanding any provision in the Subordinate Indenture to the contrary, if the principal of or interest on any Subordinate Bonds are paid by a Credit Provider, those Subordinate Bonds are to remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Authority within the meaning of the Subordinate Indenture, and the pledge of the Revenue and all covenants, agreements and other obligations of the Authority as therein provided are to continue to exist and will run to the benefit of such Credit Provider, and such Credit Provider is to be subrogated to the rights of the Holders.

Provision for Payment of Subordinate Bonds. Subordinate Bonds (or any portion of the Subordinate Bonds) are to be deemed to have been paid within the meaning of the above paragraphs if:

(a) there have been irrevocably deposited with the Subordinate Trustee in trust either (i) lawful money of the United States of America in an amount that will be sufficient, or (ii) Defeasance Securities, the principal and interest on which when due, together with the moneys, if any, deposited with the Subordinate Trustee at the same time, will be sufficient (as confirmed by a report of an Independent Certified Public Accountant), to pay when due the principal amount of, redemption premium (if any) and all unpaid interest on such Subordinate Bonds (or any portion thereof) to the maturity or the redemption date thereof, as the case may be; and

(b) if any such Subordinate Bonds are to be redeemed on any date prior to their maturity, (i) the Subordinate Trustee has received (not less than 45 days prior to the proposed redemption date) in form satisfactory to it irrevocable written instructions from an Authorized Representative to redeem such Subordinate Bonds on such date and (ii) notice of such redemption has been given or provision satisfactory to the Subordinate Trustee has been irrevocably made for the giving of such notice.

In addition, all money so deposited with the Subordinate Trustee as provided in the provisions of the Subordinate Indenture described under subparagraph (a)(i) above may also be invested and reinvested, at the written direction of an Authorized Representative, in Defeasance Securities, maturing in the amounts and times as set forth in the Subordinate Indenture, subject to the confirming report of an Independent Certified Public Accountant as to the sufficiency thereof as provided in the provisions of the Subordinate Indenture described under subparagraph (a)(ii) above, and all income from all Defeasance Securities in the hands of the Subordinate Trustee pursuant to the Subordinate Indenture, that is not required for the payment of the principal of the Subordinate Bonds and interest and redemption premium, if any, thereon with respect to which such money has been so deposited, is to be deposited in the Bond Fund as and when realized and applied as is other money deposited in the Bond Fund, or in the event there are no longer any Subordinate Bonds Outstanding under the Subordinate Indenture, such income is to be automatically paid over to the Authority.

Notwithstanding any other provision of the Subordinate Indenture, no Subordinate Bond that is subject to optional or mandatory tender in accordance with the provisions of the Supplemental Indenture pursuant to which such Subordinate Bond was issued, is to be deemed to be paid within the meaning of the Subordinate Indenture, unless arrangements have been made to assure that such Subordinate Bond, if tendered for purchase prior to the date of its redemption or maturity in accordance with the provisions of the applicable Supplemental Indenture, could be paid and redeemed from such moneys or Defeasance Securities as are provided pursuant to the provisions of the Subordinate Indenture summarized under "Provision for Payment of Subordinate Bonds."

Liability of Authority Limited to Revenue

The Authority is not required to advance any money derived from any source of income other than Revenue as provided in the Subordinate Indenture for the payment of the principal of or redemption premium, if any, or interest on the Subordinate Bonds or for the performance of any agreements or covenants contained therein. The Authority may, however, advance funds for any such purpose so long as such funds are derived from a source legally available for such purpose and may be used by the Authority for such purpose without incurring an indebtedness prohibited by the Subordinate Indenture.

Rights of Credit Providers

A Supplemental Indenture authorizing a Series of Subordinate Bonds may provide that any Credit Provider providing a Credit Support Instrument with respect to Subordinate Bonds of such

Series may exercise any right under the Subordinate Indenture given to the Owners of the Subordinate Bonds to which such Credit Support Instrument relates.

All provisions under the Subordinate Indenture authorizing the exercise of rights by a Credit Provider with respect to consents, approvals, directions, waivers, appointments, requests or other actions, are to be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and is to be read as if the Credit Provider were not mentioned therein during any period during which there is a default by such Credit Provider under the applicable Credit Support Instrument or after the applicable Credit Support Instrument at any time for any reason ceases to be valid and binding on the Credit Provider, or is declared to be null and void by final judgment of a court of competent jurisdiction, or after the Credit Support Instrument has been rescinded, repudiated by the Credit Provider or terminated, or after a receiver, conservator or liquidator has been appointed for the Credit Provider or if the Credit Provider is rated below Baa3 by Moody's or BBB- by S&P. All provisions relating to the rights of a Credit Provider are to be of no further force and effect if all amounts owing to the Credit Provider under a Credit Support Instrument have been paid and the Credit Support Instrument provided by such Credit Provider is no longer in effect.

APPENDIX C

REGIONAL MEASURE 2 PROJECTS[1]

RM2 Project	Authorized Amounts
BART/MUNI Connection at Embarcadero and Civic Center Stations	$ 3,000,000
MUNI Metro Third Street Light Rail Line	30,000,000
MUNI Waterfront Historic Streetcar Expansion	10,000,000
East to West Bay Commuter Rail Service over the Dumbarton Rail Bridge	44,000,000
Vallejo Station	28,000,000
Solano County Express Bus Intermodal Facilities	20,000,000
Solano County Corridor Improvements near Interstate 80/Interstate 680 Interchange	100,000,000
Interstate 80: Eastbound High-Occupancy Vehicle (HOV) Lane Extension from Route 4 to Carquinez Bridge	50,000,000
Richmond Parkway Transit Center	16,000,000
Sonoma-Marin Area Rail Transit District (SMART) Extension to Larkspur or San Quentin	36,500,000
Greenbrae Interchange/Larkspur Ferry Access Improvements	63,500,000
Direct High-Occupancy Vehicle (HOV) lane connector from Interstate 680 to the Pleasant Hill or Walnut Creek BART Stations	15,000,000
Rail Extension to East Contra Costa/E-BART	96,000,000
Capital Corridor Improvements in Interstate 80/Interstate 680 Corridor	25,000,000
Central Contra Costa Bay Area Rapid Transit (BART) Crossover	25,000,000
Regional Express Bus North	20,000,000
TransLink	22,000,000
Real-Time Transit Information	20,000,000
Safe Routes to Transit	22,500,000
BART Tube Seismic Strengthening	33,801,000
Transbay Terminal/Downtown Caltrain Extension	150,000,000
Oakland Airport Connector	115,199,000
AC Transit Enhanced Bus-Phase 1 on Telegraph Avenue, International Boulevard, and East 14th Street	65,000,000
Commute Ferry Service for Alameda/Oakland/Harbor Bay	12,000,000
Commute Ferry Service for Berkeley/Albany	12,000,000
Commute Ferry Service for South San Francisco	12,000,000
Water Transit Facility Improvements, Spare Vessels, and Environmental Review Costs	48,000,000
Regional Express Bus Service for San Mateo, Dumbarton, and San Francisco-Oakland Bay Bridge Corridors	22,000,000
I-880 North Safety Improvements	10,000,000
BART Warm Springs Extension	186,000,000
I-580 (Tri Valley) Rapid Transit Corridor Improvements	65,000,000
Regional Rail Master Plan	6,500,000
Integrated Fare Structure Program	1,500,000
Transit Commuter Benefits Promotion	5,000,000
Caldecott Tunnel Improvements	50,500,000
BART Transit Capital Match	24,000,000
TOTAL	$1,465,000,000

[1] RM2 also authorizes $50 million for the construction of the Benicia-Martinez Bridge in addition to amounts authorized under RM1, bringing the total project authorizations under RM2 to $1.515 billion.

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APPENDIX D

OUTSTANDING OBLIGATIONS

Senior Bonds and Senior Obligations

There are currently outstanding $5,519,440,000 principal amount of Senior Bonds as indicated below.

Bonds	Outstanding Principal Amount	Interest Rate
San Francisco Bay Area Toll Bridge Revenue Bonds, 2001 Series A	**$150,000,000**	**Variable**
San Francisco Bay Area Toll Bridge Revenue Bonds, 2006 Series C-1, 2006 Series C-2, 2006 Series C-3 and 2006 Series C-4	**$275,000,000**	**Variable**
San Francisco Bay Area Toll Bridge Revenue Bonds, 2006 Series F	**$982,250,000**	**Fixed**
San Francisco Bay Area Toll Bridge Revenue Bonds, 2007 Series A-1, 2007 Series C-1 and 2007 Series G-1	**$150,000,000**	**Variable**
San Francisco Bay Area Toll Bridge Revenue Bonds, 2007 Series F	**$302,980,000**	**Fixed**
San Francisco Bay Area Toll Bridge Revenue Bonds, 2007 Series A-2, 2007 Series B-2, 2007 Series C-2, 2007 Series D-2 and 2007 Series E-3	**$375,000,000**	**Variable**
San Francisco Bay Area Toll Bridge Revenue Bonds, 2008 Series A-1, 2008 Series B-1, 2008 Series C-1, 2008 Series D-1, 2008 Series E-1 and 2008 Series G-1	**$507,760,000**	**Variable**
San Francisco Bay Area Toll Bridge Revenue Bonds, 2008 Series F-1	**$707,730,000**	**Fixed**
San Francisco Bay Area Toll Bridge Revenue Bonds, 2009 Series F-1	**$768,720,000**	**Fixed**
San Francisco Bay Area Toll Bridge Revenue Bonds, 2009 Series F-2	**$1,300,000,000**	**Fixed (Taxable)**
TOTAL	**$5,519,440,000**	

The above-listed fixed interest rate Senior Bonds are rated "AA-" by Fitch, "Aa3" by Moody's and "AA" by Standard & Poor's. The ratings of the above-listed variable rate Senior Bonds are shown in Appendix E. Such ratings 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: Fitch Ratings, One State Street Plaza, New York, New York 10004; Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007; and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., 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. Such ratings could be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of any of such ratings may have an adverse effect on the market price of the Senior Bonds.

Qualified Swap Agreements

In addition to its outstanding Senior Bonds, the Authority has Senior Obligations outstanding, including the scheduled payment obligations under Qualified Swap Agreements listed below. Termination payments and payments of fees and expenses under the Qualified Swap Agreements are Subordinate Obligations and not Senior Obligations. See "OTHER AUTHORITY OBLIGATIONS — Qualified Swap Agreements" for additional information concerning Qualified Swap Agreements.

Qualified Swap Agreements
as of June 29, 2012

Counterparty	Notional Amount	Rate Paid by Authority	Rate Received by Authority
Bank of America, N.A.	$30,000,000 amortizing to $0 by April 1, 2045	3.633% per annum	A floating per annum rate based on 68% of the one-month LIBOR Index(1)
Bank of America, N.A.	$50,000,000 amortizing to $0 by April 1, 2047	3.6255% per annum	A floating per annum rate based on 68% of the one-month LIBOR Index(1)
Bank of America, N.A.	$160,000,000 amortizing to $0 by April 1, 2045(2)	A floating per annum rate based on the SIFMA Swap Index(3)	3.70% per annum
Bank of America, N.A.	$125,000,000 amortizing to $0 by April 1, 2045	3.6418% per annum	A floating per annum rate based on 68% of the one-month LIBOR Index(1)
Citibank, N.A.	$115,000,000 amortizing to $0 by April 1, 2045	3.6375% per annum	A floating per annum rate based on 53.80% of the one-month LIBOR Index(1) plus 0.74%
Wells Fargo	$110,000,000 amortizing to $0 by April 1, 2045	3.6375% per annum	A floating per annum rate based on 53.80% of the one-month LIBOR Index(1) plus 0.74%
Citibank, N.A.	$260,000,000 amortizing to $0 by April 1, 2047	3.636% per annum	A floating per annum rate based on 53.80% of the one-month LIBOR Index(1) plus 0.74%
Bank of America, N.A.	$40,000,000 amortizing to $0 by April 1, 2047(2)	A floating per annum rate based on the SIFMA Swap Index(3)	3.764% per annum
Wells Fargo	$75,000,000 amortizing to $0 by April 1, 2036	4.10% per annum	A floating per annum rate based on 65% of the one-month LIBOR Index(1)
Goldman Sachs Mitsui Marine Derivative Products, L.P.	$85,000,000 amortizing to $0 by April 1, 2047	3.6357% per annum	A floating per annum rate based on 68% of the one-month LIBOR Index(1)
Goldman Sachs Mitsui Marine Derivative Products, L.P.	$60,000,000 amortizing to $0 by April 1, 2045	3.6418% per annum	A floating per annum rate based on 68% of the one-month LIBOR Index(1)
JPMorgan Chase Bank, N.A.	$140,900,000 amortizing to $0 by April 1, 2047(2)	A floating per annum rate based on the SIFMA Swap Index(3)	3.705% per annum

Counterparty	Notional Amount	Rate Paid by Authority	Rate Received by Authority
JPMorgan Chase Bank, N.A.	$245,000,000 amortizing to $0 by April 1, 2045	4.00% per annum	A floating per annum rate based on 75.105% of the one-month LIBOR Index[1]
Morgan Stanley Capital Services Inc.	$75,000,000, amortizing to $0 by April 1, 2036	4.09% per annum	A floating per annum rate based on 65% of the one-month LIBOR Index[1]
The Bank of New York Mellon	$146,445,000 amortizing to $0 by April 1, 2047[2]	A floating per annum rate based on the SIFMA Swap Index[3]	3.79% per annum
The Bank of New York Mellon	$170,000,000 amortizing to $0 by April 1, 2047	3.6357% per annum	A floating per annum rate based on 68% of the one-month LIBOR Index[1]
The Bank of New York Mellon	$40,000,000 amortizing to $0 by April 1, 2047	3.6357% per annum	A floating per annum rate based on 68% of the one-month LIBOR Index[1]

(1) Defined, generally, as the rate for United States dollar denominated deposits in the Eurodollar interbank market with a designated maturity of one-month as quoted in a source nominated by the British Bankers' Association.

(2) Counterparties have the right to cancel the Qualified Swap Agreement on April 1, 2014.

(3) Defined, generally, as a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations as produced by Municipal Market Data and made available by the Securities Industry and Financial Markets Association.

Credit Facilities

The Authority has entered into a Reimbursement Agreement dated as of September 28, 2010 with the banks listed in APPENDIX E pursuant to which such banks have issued letters of credit in the aggregate notional amount of $1,457,760,000 plus 34 days interest thereon at 12% per annum to provide liquidity support for the Senior Bonds that are variable rate Bonds. The Authority's reimbursement obligations under the Reimbursement Agreement are on parity with the Senior Bonds. See "OTHER AUTHORITY OBLIGATIONS – Credit Facilities" for additional information.

Subordinate Obligations

There are currently outstanding $2,385,000,000 principal amount of Subordinate Bonds.

Bonds	Outstanding Principal Amount	Interest Rate
San Francisco Bay Area Subordinate Toll Bridge Revenue Bonds, 2010 Series S-1	**$1,500,000,000**	**Fixed (Taxable)**
San Francisco Bay Area Subordinate Toll Bridge Revenue Bonds, 2010 Series S-2	**$410,000,000**	**Fixed**
San Francisco Bay Area Subordinate Toll Bridge Revenue Bonds, 2010 Series S-3	**$475,000,000**	**Fixed (Taxable)**
TOTAL	**$2,385,000,000**	

The above-listed fixed interest rate Subordinate Bonds are rated “A1” by Moody’s and “A+” by Standard & Poor’s. Such ratings 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., 99 Church Street, New York, New York 10007; and Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., 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. Such ratings could be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of any of such ratings may have an adverse effect on the market price of the Subordinate Bonds.

APPENDIX E

VARIABLE RATE BONDS AND CREDIT SUPPORT INFORMATION
(Updated as of August 13, 2012)

Series	Letter of Credit Provider	Principal Amount	Expiration Date	Short-Term Ratings[1] (Moody's/S&P/Fitch)	Long-Term Ratings[1] (Moody's/S&P/Fitch)
2001 Series A	Barclays Bank PLC, acting through its New York branch	$150,000,000	October 31, 2014	VMIG 1/A-1/F1	Aa1/AAA/AA+
2006 Series C-1	Sumitomo Mitsui Banking Corporation, acting through its New York branch	$125,000,000	November 1, 2013	VMIG 1/A-1/F1	Aa1/AAA/AA-
2006 Series C-2[2]	Morgan Stanley Bank, N.A.	$100,000,000	November 1, 2013	VMIG 2/A-1/F1	Aa1/AAA/AA+
2006 Series C-3[2]	Lloyds TSB Bank PLC, acting through its New York branch	$25,000,000	November 1, 2013	VMIG 1/A-1/F1	Aa1/AAA/AA+
2006 Series C-4[2]	Lloyds TSB Bank PLC, acting through its New York branch	$25,000,000	November 1, 2013	VMIG 1/A-1/F1	Aa1/AAA/AA+
2007 Series A-1	Bank of America, N.A.	$50,000,000	October 31, 2014	VMIG 2/A-1/F1	Aa1/AAA/AA+
2007 Series C-1	JPMorgan Chase Bank, National Association	$50,000,000	October 31, 2014	VMIG 1/A-1/F1	Aa1/AAA/AA+
2007 Series G-1	JPMorgan Chase Bank, National Association	$50,000,000	October 31, 2014	VMIG 1/A-1/F1	Aa1/AAA/AA+

[1] 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: Fitch Ratings, One State Street Plaza, New York, New York 10004; Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007; and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., 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. Such ratings could be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of any of such ratings may have an adverse effect on the market price of the Bonds.

[2] The 2006 Series C-2, 2006 Series C-3 and 2006 Series C-4 Bonds (the "2006 Reoffered Bonds") and the 2008 Series D-1 Bonds (the "2008 Reoffered Bonds" and together with the 2006 Reoffered Bonds, collectively, the "Reoffered Bonds") are being remarketed by the Authority upon a mandatory tender of such Bonds in connection with a Conversion of the Interest Rate Mode from a Weekly Rate to a Term Rate with respect to the 2006 Reoffered Bonds, and to an Index Rate with respect to the 2008 Reoffered Bonds. None of the Reoffered Bonds will be supported by a letter of credit following the remarketing and Conversion on September 4, 2012; therefore, the ratings indicted will not apply to the Reoffered Bonds following the Conversion.

Series	Letter of Credit Provider	Principal Amount	Expiration Date	Short-Term Ratings[1] (Moody's/S&P/Fitch)	Long-Term Ratings[1] (Moody's/S&P/Fitch)
2007 Series A-2	Union Bank, N.A.	$75,000,000	October 31, 2014	VMIG 1/A-1/F1	Aa1/AAA/AA+
2007 Series B-2	JPMorgan Chase Bank, National Association	$75,000,000	October 31, 2014	VMIG 1/A-1/F1	Aa1/AAA/AA+
2007 Series C-2	Union Bank, N.A.	$25,000,000	October 31, 2014	VMIG 1/A-1/F1	Aa1/AAA/AA+
2007 Series D-2	JPMorgan Chase Bank, National Association	$100,000,000	October 31, 2014	VMIG 1/A-1/F1	Aa1/AAA/AA+
2007 Series E-3	Bank of America, N.A.	$100,000,000	October 31, 2014	VMIG 2/A-1/F1	Aa1/AAA/AA+
2008 Series A-1	JPMorgan Chase Bank, National Association	$110,000,000	October 31, 2014	VMIG 1/A-1/F1	Aa1/AAA/AA+
2008 Series B-1	Bank of America, N.A.	$110,000,000	October 31, 2014	VMIG 2/A-1/F1	Aa1/AAA/AA+
2008 Series C-1	Union Bank, N.A.	$25,000,000	October 31, 2014	VMIG 1/A-1/F1	Aa1/AAA/AA+
2008 Series D-1[2]	Lloyds TSB Bank PLC, acting through its New York branch	$155,000,000	November 1, 2013	VMIG 1/A-1/F1	Aa1/AAA/AA+
2008 Series E-1	Bank of Tokyo – Mitsubishi UFJ, Ltd., acting through its New York Branch	$57,760,000	October 31, 2014	VMIG 1/A-1/F1	Aa1/AAA/AA-
2008 Series G-1	Bank of America, N.A.	$50,000,000	October 31, 2014	VMIG 2/A-1/F1	Aa1/AAA/AA+

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[2] The 2006 Series C-2, 2006 Series C-3 and 2006 Series C-4 Bonds (the "2006 Reoffered Bonds") and the 2008 Series D-1 Bonds (the "2008 Reoffered Bonds" and together with the 2006 Reoffered Bonds, collectively, the "Reoffered Bonds") are being remarketed by the Authority upon a mandatory tender of such Bonds in connection with a Conversion of the Interest Rate Mode from a Weekly Rate to a Term Rate with respect to the 2006 Reoffered Bonds, and to an Index Rate with respect to the 2008 Reoffered Bonds. None of the Reoffered Bonds will be supported by a letter of credit following the remarketing and Conversion on September 4, 2012; therefore, the ratings indicted will not apply to the Reoffered Bonds following the Conversion.