BAY AREA TOLL AUTHORITY

INFORMATION STATEMENT

Dated: July __, 2009.

[MAP]

BAY AREA TOLL AUTHORITY

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MEMBERS AND OFFICERS

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TOM BATES	Cities of Alameda County
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STEVE HEMINGER, Executive Director
ANDREW B. FREMIER, Deputy Executive Director
BRIAN MAYHEW, Chief Financial Officer
RODNEY F. MCMILLAN, Director of Bridge Oversight and Operations
FRANCIS F. CHIN, General Counsel

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San Francisco, California

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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. 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 intends to update this Information Statement after MTC's audited financial statements for the fiscal year ending June 30, 2009, 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 INFORMATION."

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 B – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE–Definitions."

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.

INTRODUCTION AND PURPOSE OF THIS INFORMATION STATEMENT

This Information Statement dated ________, 2009 (this "Information Statement") relates to the Bay Area Toll Authority (the "Authority"), 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, 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 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").

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. All of the commissioners are scheduled to be subject to re-appointment in February 2011.

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 Bay Area counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma. As such, it is responsible for regularly updating the regional transportation plan, a comprehensive blueprint for the development of mass transit, highway, airport, seaport, 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.

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, 2008, including MTC's Financial Statements For Years Ended June 30, 2008 and 2007, is attached as Appendix A.

The Authority expects to update this Information Statement after MTC's audited financial statements for the fiscal year ending June 30, 2009, become available.

The Authority represents that there has been no material adverse change in its financial position since June 30, 2008.

INDEPENDENT ACCOUNTANTS

[*Language in this section is under review by PWC.*] [The financial statements included in Appendix A to this Information Statement have been audited by PricewaterhouseCoopers LLP, independent accountants, as stated in their report appearing in Appendix A.

The prospective financial information included in this Information Statement 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 included in Appendix A to this Information Statement relates to historical financial information. It does not extend to the prospective financial information and should not be read to do so.]

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 nine San Francisco Bay Area counties, see Table 13 on page 116 of APPENDIX A – "METROPOLITAN TRANSPORTATION COMMISSION COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2008."

San Francisco-Oakland Bay Bridge. The San Francisco-Oakland Bay Bridge opened to traffic in 1936 and connects the cities of San Francisco and Oakland and neighboring cities and suburban areas. The San Francisco-Oakland Bay Bridge provides the most direct connection between central 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 Route 101 south of San Francisco without use of local San Francisco streets. At the eastern terminus, approaches connect through-traffic with Interstate 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 truss span at the San Francisco end; the aggregate length of the western crossing is 10,300 feet. A 520 foot long tunnel on Yerba Buena Island connects the western crossing to the eastern crossing. The east span consists of 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. 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."

Carquinez Bridge. The Carquinez Bridge consists of two parallel spans that cross the Carquinez Strait between Vallejo and Crockett and carry Interstate 80 and linking the Bay Area and the Napa Valley. The spans are 28 miles north-east of San Francisco and 65 miles south-west of Sacramento. The eastern span is the older of the two bridges and opened in 1958. The eastern span consists of welded members of high strength steel bolted together and carries four lanes of northbound Interstate 80 traffic. The eastern span is a through-truss superstructure 3,350 feet long with cantilever spans of 1,100 feet. The western span is a suspension bridge with concrete towers and steel orthrotropic box girder decks and was opened to traffic in 2003.

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 Interstate 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 U.S. Interstate Highways 80, 680 and 780. The west span, opened to traffic in 1962, is a 6,215 foot-long, 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 1990's. With the opening of the new east span in 2007 carrying five lanes of northbound traffic, the west span currently carries three lanes of southbound traffic only. The new east span features the Bay Area's first open road tolling FasTrak Express Lanes. The new east span is a cast-in-place reinforced concrete structure 8,790 feet long including approaches. The west span is being modified to carry four lanes of southbound traffic (one more than currently) and a pedestrian/bicycle lane. 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, connecting the City of San Mateo on the San Francisco peninsula with the east shore of the San Francisco Bay in Alameda County, approximately five miles southwest of Hayward. The 1929 bridge was replaced in 1967. The high-level steel section of the current structure is approximately two miles long and carries six lanes of traffic.

Richmond-San Rafael Bridge. The Richmond-San Rafael Bridge opened to traffic in 1956 and carries Interstate 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 two-deck structure carrying traffic in opposite directions.

Dumbarton Bridge. The current Dumbarton Bridge opened in 1982. It 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 Cit y 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 in Palo Alto and Redwood City and Interstate 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. This bridge has been the subject of recent seismic vulnerability study and analysis, and Caltrans has determined that a seismic retrofit is needed. See "CAPITAL PROJECTS AND FUNDING — Seismic Design Strategies for the Bridge System."

Antioch Bridge. Located 25 miles east of the Benicia-Martinez Bridge, the Antioch Bridge 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 1.6 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. This bridge has been the subject of recent seismic vulnerability study and analysis, and Caltrans has determined that a seismic retrofit is needed. See "CAPITAL PROJECTS AND FUNDING — Seismic Design Strategies for the Bridge System."

Toll Rates

In 1988, Bay Area voters approved a ballot measure called Regional Measure 1 ("RM1") establishing a Bridge toll rate of $1.00 for two-axle vehicles and higher tolls for all other toll-paying vehicles 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 (together, the "RM Toll"). See APPENDIX D – "REGIONAL MEASURE 2 CAPITAL PROJECTS." The table below shows the resulting RM Toll.

Commencing in 1998, a $1.00 seismic surcharge (the "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 authorized a $1.00 per vehicle increase in the Seismic Surcharge that took effect on January 1, 2007 (with a one-month exemption from such increase for vehicles using the Electronic Toll Collection System ("ETC")). The combination of the RM Toll and the Seismic Surcharge results in a current total toll of $4.00 for two-axle vehicles.

Tolls on each of the Bridges are collected from vehicles going in one direction only. The RM Toll rates are based on the total number of axles on the roadway for a given vehicle. The Seismic Surcharge is a flat charge per toll-paying vehicle irrespective of the number of axles.

The table below sets forth the toll rates currently in effect on each of the Bridges.

BRIDGE SYSTEM TOLL RATES

Number of Axles Per Vehicle	RM Toll	Seismic Surcharge	Total Toll
2 axles	$2.00	$2.00	$ 4.00
3 axles	4.00	2.00	6.00
4 axles	6.25	2.00	8.25
5 axles	9.25	2.00	11.25
6 axles	10.00	2.00	12.00
7 axles or more	11.50	2.00	13.50

Source: The Authority.

The Authority has granted, and in the future may grant, reduced-rate and toll-free passage on the Bridges to selected categories of vehicles. Currently such vehicles primarily include commuter buses and vanpool vehicles and car pool vehicles (two-axle vehicles with three, and in some cases two, passengers), subject in each case to restrictions. The Authority's discretion to permit toll-free or reduced rate passage has the potential to result in a toll increase if necessary to meet its toll rate covenants under the Master Indenture, dated as of May 1, 2001 (as amended and supplemented, the "Indenture"), between the Authority and Union Bank of California, N.A., as trustee, relating to toll bridge revenue bonds issued under the Indenture (the "Bonds"). See "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS—Toll Rate Covenants." In the fiscal year ended June 30, 2008, authorized toll-free traffic consisted of approximately [10 million] vehicles (representing about [9%] of total traffic).

Management of the Authority currently anticipates changes to the toll structure may be necessary for implementation as early as 2010, including a potential toll increase for two-axle vehicles, potentially providing certain car pool vehicles with reduced-rate rather than toll-free passage, and a potential toll increase for multi-axle vehicles. These changes are being considered primarily to provide funding for the seismic retrofit of the Antioch Bridge and the Dumbarton Bridge and to maintain the level of debt service coverage required by the Indenture. The Authority has not yet determined whether it will take any action to implement any such toll rate increase. See "CAPITAL PROJECTS AND FUNDING — Seismic Design Strategies for the Bridge System" and "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS - Toll Setting Authority".

Toll Collection

Cash toll payments on the Bridge System 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 and processing.

In 2000, Caltrans installed on each Bridge the ETC 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 ETC lanes, commenced on the Benicia-Martinez Bridge. In [______ 2009], approximately ___% of peak morning period total toll-paying traffic, ___% of peak afternoon period total toll-paying traffic and ___% of total toll-paying traffic were ETC users.

Motor Vehicle Traffic

The following table sets forth total toll-paying motor vehicle traffic for fiscal years ended June 30, 1998, through June 30, 2008. See Table 9 on page 112 of APPENDIX A – "METROPOLITAN TRANSPORTATION COMMISSION COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2008."

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
1998	44,729	18,796	16,574	13,755	10,765	9,908	1,665	116,192	-
1999	44,534	19,652	16,493	13,955	11,201	9,794	1,758	117,386	1.0%
2000	44,856	20,462	16,814	14,409	11,841	10,400	1,910	120,692	2.8
2001	45,168	21,194	17,159	14,072	12,277	10,948	2,116	122,934	1.9
2002	45,118	21,678	17,733	13,726	12,468	10,779	2,325	123,826	0.7
2003	44,996	21,824	17,795	14,343	12,514	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	14,789	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)]

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

Total toll-paying traffic on the Bridge System has declined in each fiscal year since the fiscal year ended June 30, 2005. The Authority believes that this decline in total traffic may be attributed to, among other factors, ongoing construction and resulting congestion on and temporary closures of the San Francisco-Oakland Bay Bridge, recent spikes in fuel costs and a general decline in the Bay Area economy. The Authority has also seen an increase in toll violators. Toll violators include drivers that intentionally avoid the payment of tolls (approximately 3% of total traffic in the fiscal year ended June 30, 2008). The subsequent recovery of payment from a toll violator is reported by the Authority as Revenue (see "Historical Revenue, Expenditures and Debt Service Coverage"). The Authority has been working to improve the process for collecting violation revenue through a series of system and process upgrades.

Toll Operations and Maintenance

The Authority adopts an annual toll collection operating budget (the "Operating Budget"). The Authority's Operating Budget includes costs for operation and maintenance of the Bridge System, the costs of operation of the ETC system, cash management, toll system administration and finance, as well as MTC Transfers and other items.

The Cooperative Agreement between the Authority and Caltrans

Caltrans is responsible for maintaining the Bridge System in good repair and condition, in accordance with standards applicable to all State highways and bridges. Caltrans and BATA are required by the Act to operate the toll collection system under a cooperative agreement.

The Cooperative Agreement, effective as of April 25, 2006 (as it may be amended from time to time, the "Cooperative Agreement"), between the Authority and Caltrans, (1) allocates funding responsibilities for the operation and maintenance of the Bridge System between the Authority and

Caltrans, and (2) defines the methodology by which the Authority will establish budget limits on the amount of funding that the Authority will make available to Caltrans for toll collection operations, as well as Operations & Maintenance Expenses and Subordinated Maintenance Expenditures (as described below). The Cooperative Agreement is scheduled to expire on July 1, 2015.

Maintenance Expenditures

California Streets and Highways Code Section 188.4 provides that maintenance expenditures on the Bridge System are classified as either Category A maintenance expenditures ("Operations & Maintenance Expenses") or Category B maintenance expenditures ("Subordinated Maintenance Expenditures"). Operations & Maintenance Expenses (which totaled $_____ million in the last fiscal year) are paid prior to debt service on the Authority's Bonds and Parity Obligations, and Subordinated Maintenance Expenditures (which totaled $4.811 million in the last fiscal year) are paid after such debt service. See "SECURITY AND SOURCES OF PAYMENT FOR THE BRIDGE REVENUE BONDS Historical Revenue, Expenditures and Debt Service Coverage" below.

"Operations & Maintenance Expenses" are defined to include all expenses related to Caltrans' operation and maintenance of toll facilities on the Bridges, including, but not limited to, toll collection costs, including wages and salaries, maintenance and electrical energy for toll administration buildings and toll booths, the costs of the San Francisco-Oakland Bay Bridge architectural lighting, and the costs of maintenance and operation of the existing Transbay Transit Terminal.

"Subordinated Maintenance Expenditures" consist of costs for normal highway maintenance that would be performed by the State according to State procedures if the Bridge System were a toll-free State facility. Subordinated Maintenance Expenditures include the costs of maintenance of the Bridge System and other structures, roadbeds, pavement, drainage systems, debris removal, landscaping, traffic guidance systems, ice controls, dedicated bridge maintenance stations and maintenance training. Subordinated Maintenance Expenditures on all Bridges, except the San Francisco-Oakland Bay Bridge, are payable from Bridge toll revenues. Subordinated Maintenance Expenditures on the San Francisco-Oakland Bay Bridge are payable by the State until Seismic Retrofit Program work is completed. Upon completion of Seismic Retrofit Program work on the San Francisco-Oakland Bay Bridge, Subordinated Maintenance Expenditures for that Bridge will be payable from Bridge Toll Revenues.

Operations and Maintenance Fund

The 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 shall equal two times the budgeted Operations & Maintenance Expenses for the Fiscal Year. Amounts on deposit in the Operations and Maintenance Fund are to be used and withdrawn by the Authority solely to pay Operations & Maintenance Expenses and are not pledged to the payment of the Bonds or Parity Obligations. The balance in the Operations and Maintenance Fund effective July 1, 2008 was approximately $150 million. See "Toll Operations and Maintenance" above.

The 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 Indenture for as long as the Authority shall punctually pay the principal of and interest on the Bonds as they become due and observe and comply with the toll rate covenants in the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS –Toll Rate Covenants" and APPENDIX B – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Covenants of the Authority."

Transfers to MTC and Authority Administrative Costs

The annual operating budget of the Authority provides for fund transfers to MTC (the "MTC Transfers") for the purposes described below. See "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS—Toll Rate Covenants." These fund transfers are subordinate to the Authority's obligation to pay principal of and interest on the Bonds and Parity Obligations.

The following table sets forth transfers to MTC for the past five Fiscal Years. See "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS—Toll Rate Covenants."

TRANSFERS TO MTC
($ in millions)

Fiscal Year Ended June 30,	AB 664 Net Toll Revenue Reserves Transfer	Two Percent Transit Reserves Transfer	Rail Extension Reserves Transfer	Regional Measure 2 Operating Transfers(1)	Authority Administrative Costs	Total
2004	$12.29	$0.99	$10.03	-	$1.85	$25.16
2005	11.91	0.94	9.90	$6.82	3.29	32.86
2006	11.64	0.92	9.41	17.38	8.80(2)	48.15
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

(1) Regional Measure 2 Operating Transfers are expected to continue to increase in future years as additional eligible operating programs are implemented, subject to a statutory cap of 2% of RM2 revenue.
(2) Includes, in addition to Authority Administrative Costs that are limited to 1% of the gross annual bridge toll revenues, direct operating costs of the Authority and MTC for initial RM2 project management set-up costs.
Source: The Authority.

The "AB 664 Net Toll Revenue Reserve Transfer" is the transfer of an amount equal to the funds generated from a 1977 toll increase 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. The calculation of such amount is equal to 16% of the revenue generated each year from the collection of the RM1 base toll at its level in existence for the 2001-02 fiscal year (which was prior to the increase in the RM Toll instituted under RM2) on the Southern Bridge Group. These funds are transferred to MTC and 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 RM Toll at its level in existence for the 2001-02 Fiscal Year (which was prior to the increase instituted under RM2). The Authority is authorized under law to transfer Two Percent Transit Reserves to MTC on an annual basis. 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 for planning, construction, operation and acquisition of rapid water transit systems. However, federal legal limitations on toll revenue expenditures preclude MTC from making any allocations of toll revenues from Bridges for transit operating programs. Pursuant to a Cooperative Agreement Regarding Transit Operations, dated April 26, 2000, among the Authority, MTC and Caltrans, Caltrans agreed to provide funding to MTC in an amount equivalent to the portion of the Two Percent Transit Reserves that would otherwise be allocated to rapid water transit operations and MTC agreed to eliminate the use of the Two Percent Transit Reserves for rapid water transit operations.

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 RM Toll on two-axle vehicles at its $1.00 RM Toll level in existence for the 2001-02 Fiscal Year (which was prior to the increase instituted under RM2). Rail Extension Reserves are transferred by the Authority to MTC on an annual basis for 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 the MTC as Regional Measure 2 Operating Transfers, and that all such transfers must first be authorized by the 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 retains on an annual basis, after payment of debt service on Outstanding Bonds and the costs of Operations & Maintenance Expenses for its cost of administration pursuant to Section 30958 of the Act, such amount not to exceed 1% of the gross revenues collected annually from the tolls on the Bridge System. See APPENDIX B – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Covenants of the Authority - Toll Rate Covenants."

CAPITAL PROJECTS AND FUNDING

Regional Measure 1 Projects

RM1 authorized the Authority to pay for specified highway and bridge enhancement projects (the "RM1 Projects"). The RM1 Projects were all completed by the end of 2008 except for the modification of the existing Benicia-Martinez Bridge and the I-880/SR-92 Interchange improvements, both of which projects are described below.

Benicia-Martinez Bridge. RM1 included construction of a new span parallel to the original span of the Benicia-Martinez Bridge. The new span has been completed. The existing older span is being modified to add another vehicle lane and a pedestrian/bicycle lane at an estimated construction cost of approximately $59.5 million.

Interstate 880/State Route 92 Interchange. RM1 authorized reconstruction of the Interstate 880/State Route 92 interchange to increase capacity and improve safety and traffic operations in the San Mateo-Hayward Bridge corridor at an estimated construction cost of approximately $155 million.

Regional Measure 2 Projects

RM2 authorizes the Authority to contribute funds for 36 transit, highway and bridge enhancement and improvement projects that were determined to reduce congestion or to make improvements to travel in the toll bridge corridors (the "RM2 Projects") at a cost of $1.465 billion and to provide additional funding for the new span of the Benicia-Martinez Bridge ($50 million). 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. Operating cost funding totaled $24,229,292 for the year ended June 30, 2008.

MTC may allocate funds 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 aggregated approximately $343,608 through June 30, 2008. Expenditure of the balance of the funding for RM2 Projects is projected by the Authority to occur over the next __ years.

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 February 28, 2009
($ in millions)

Contract	Status	Current Approved Budget (1)	Forecast Cost at Completion	Expenditures through February 28, 2009
New Benicia-Martinez Bridge(2)	New span open and modification of old span underway	$1,272.5	$1,272.5	$1,183.1
I-880/SR-92 Interchange Improvement	Construction	245.0	245.0	113.8
Carquinez Bridge Replacement	Completed	528.2	519.2	512.5
Richmond-San Rafael Bridge Deck Resurfacing	Completed	25.0	25.0	19.6
Richmond-San Rafael Bridge Trestle, Fender and Deck Joint Rehabilitation	Completed	102.1	97.1	96.3
Richmond Parkway	Completed	5.9	5.9	4.3
San Mateo-Hayward Bridge Widening	Completed	217.8	211.9	208.7
Bayfront Expressway (SR-84) Widening	Completed	36.1	36.0	33.4
US-101/University Ave. Interchange Improvement	Completed	3.8	3.8	3.7
RM1 Capital Projects Subtotal(3)		$2,436.4	$2,416.4	$2,175.4
RM2 Capital Projects Subtotal(4)		$1,465.0(5)	$1,465.0(5)	$[384.6]

(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 includes $50 million allocated for modification of the existing older bridge, which is underway.

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

(4) Does not include $50 million allocated for the new Benicia-Martinez Bridge project under RM2. See APPENDIX D – "REGIONAL MEASURE 2 CAPITAL 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 sections of the east span of the San Francisco-Oakland Bay Bridge to collapse, 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").

The Seismic Retrofit Program includes seismic upgrade work on the original Benicia-Martinez Bridge span, the eastern span of the Carquinez Bridge, the San Mateo-Hayward Bridge and the Richmond-San Rafael Bridge, the west span 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. Other Seismic Retrofit Program projects are located in southern California. 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.

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 following table sets forth the status, budget, forecast costs at completion and forecast year of completion with respect to the east span contracts, estimated right-of-way and environmental mitigation costs, and estimated capital outlay support costs for the east span.

SEISMIC RETROFIT PROGRAM
SAN FRANCISCO-OAKLAND BAY BRIDGE
STATUS OF EAST SPAN CONTRACTS AT DECEMBER 31, 2008

Contract	Status	Forecast Year of Completion
Skyway	Completed	--
Self Anchored Suspension (SAS) Span Marine Foundations	Completed	--
Stormwater Treatment Measures	Completed	--
Right-of-Way and Environmental Mitigation	Completed	--
Other Completed Contracts	Completed	--
SAS Superstructure	Under Construction	2013
Yerba Buena Island (YBI) Detour	Under Construction	2010
Oakland Touchdown (OTD) (an aggregate of up to 4 contacts)	Under Construction	2014
YBI Transition Structures (an aggregate of up to 3 contracts)	In Design	2014
Existing East Span Demolition	In Design	2015
Capital Outlay Support	--	--
Other Budgeted Capital	--	--
TOTAL		

Source: Caltrans.

East Span Funding Sources

At December 31, 2008, approximately $3.348 billion of the $5.730 billion estimated cost of the new east span of the San Francisco-Oakland Bay Bridge had been expended. The remaining costs of approximately $1.382 billion will be paid by the Authority from funds on hand for that purpose derived from various sources (approximately $______ at _______, 2009) and funds derived by the Authority from future 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.

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."

Absent further delays, the new east span is currently scheduled to be open for traffic in the westbound direction in 2012 and in the eastbound direction in 2013. Completion of the new east span is scheduled for 2014. Demolition of the existing east span will follow with completion expected in 2015. However, no assurance can be given that this schedule will be achieved.

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 monthly 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.

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 as of February 28, 2009
($ in millions)

Contract	Status	Current Approved Budget	Forecast Cost at Completion	Expenditures through Feb. 28, 2009
San Francisco-Oakland Bay Bridge–East Span Retrofit and Replacement(1)	Under Construction	$5,702.1	$5,730.0	$3,459.1
San Francisco-Oakland Bay Bridge–West Approach Replacement	Completed	470.7	470.7	425.2
San Francisco-Oakland Bay Bridge–West Span Retrofit	Completed	307.9	307.9	302.0
Richmond-San Rafael Bridge Retrofit	Completed	816.5	816.5	794.8
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	163.5	163.5	163.4
Vincent Thomas Bridge Retrofit	Completed	58.5	58.5	58.4
San Diego-Coronado Bridge Retrofit	Completed	103.5	103.5	102.6
Miscellaneous Program Cost		30.0	30.0	24.7
Toll Bridge Seismic Retrofit Program Subtotal(2)		$7,944.7	$7,972.6	$5,622.3
Program Contingency		740.3	712.4	
Total(2)		$8,685.0	$8,685.0	

(1) The new bridge is forecast to open in the westbound and eastbound directions in September 2012 and September 2013, respectively. Demolition of the existing bridge is forecast to be completed in September 2015.
(2) Subtotals and totals may not add due to independent rounding of numbers.
Source: Caltrans.

The forecasted program contingency of $712.4 million is currently expected to be available for contingencies based on the 2005 Legislation budget and the forecasted completion costs, but is subject to change.

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.

The Authority has developed a ten-year rehabilitation program through fiscal year 2013-14 that funds projects designed to maintain and ensure the long-term safe operation of the Bridge System and associated toll facilities. The Authority currently anticipates funding such rehabilitation and operational improvement projects in the amount of approximately $13.8 million per fiscal year. In addition, as explained below, Caltrans has recommended that the Antioch Bridge be retrofitted at an estimated cost of $313 million and that the Dumbarton Bridge be retrofitted at an estimated cost of $637 million.

Future Projects

The Authority may be authorized in the future to participate in other regional transportation projects. For example, California Assembly Bill 744 would authorize the Authority to collaborate with Bay Area congestion management agencies, Caltrans and the Department of the California Highway Patrol to develop a high-occupancy vehicle network program on state highways in the Bay Area. The bill would authorize the Authority to acquire, construct, administer and operate the program and would authorize capital expenditures for the program to be funded from program revenues, revenue bonds, and the Authority's bridge toll revenues. Whether the legislation will be adopted and the final form of the legislation are yet to be determined.

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 status for five of the seven Bridges. Information about the Antioch Bridge and the Dumbarton Bridge is set forth following the table.

BRIDGE DESIGN BASIS AND STATUS

Bridge	Seismic Strategy
Benicia – Martinez (existing span)[1]	Lifeline Structure Minor to moderate damage expected, reopen to traffic quickly
Benicia – Martinez (new span)[2]	Lifeline Structure Minor to moderate damage expected, reopen to traffic quickly
Carquinez (existing east span)[1]	Intermediate Strategy Moderate to major damage expected
Carquinez (new west span)[2]	Intermediate Strategy Moderate to major damage expected
Richmond – San Rafael[1]	"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 Currently [Intermediate Strategy Moderate to major damage expected]
San Francisco – Oakland (west span) [1]	Lifeline Structure Minor to moderate damage expected, reopen to traffic quickly
San Mateo – Hayward[1]	Intermediate Strategy Moderate to major damage expected

(1) A Seismic Retrofit Program project.
(2) A RM1 Project.
Source: Caltrans.

Caltrans has determined that the Dumbarton and Antioch bridges require seismic retrofit. In December 2008, Caltrans presented retrofit strategies and cost estimates for both bridges to the Authority. Caltrans recommended that the Antioch Bridge be retrofitted using a "no collapse" strategy at an estimated cost of $313 million and that the Dumbarton Bridge be retrofitted using an "intermediate strategy" at an estimated cost of $637 million. It is anticipated that construction could begin as early as 2010 at each bridge and that the work would be completed on the Antioch Bridge in 2012 and on the Dumbarton Bridge in 2013. These projects are not currently a part of the Seismic Retrofit Program. It may be necessary for the Authority to fund both projects without state or federal financial assistance and to increase tolls to pay those costs. See "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS—Toll Setting Authority."

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."

INVESTMENT PORTFOLIO

Funds of the Authority are invested with other funds of MTC 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 the Trustee under the Indenture are invested in Permitted Investments (as defined in Appendix B) by the Trustee 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 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.

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.F on pages 40-41 and Note 3 on pages 45-50 of APPENDIX A – "METROPOLITAN TRANSPORTATION COMMISSION COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2008." The most current supplement hereto is expected to contain information under the heading "RECENT DEVELOPMENTS – Investment Portfolio" concerning the investments in the investment portfolio of MTC and the Authority.

SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS

At December 31, 2008, the Authority had approximately $4.3 billion of Bonds outstanding pursuant to the Indenture. See Note 5 starting on page 55 of APPENDIX A – "METROPOLITAN TRANSPORTATION COMMISSION COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2008." On August 28, 2008, the Authority issued $707,730,000 of its 2008 Series F-1 Bonds, which are fixed rate bonds with final maturities ranging from 2034 to 2047, the proceeds of which were used to refund the Authority's 2003 Series A Bonds, 2003 Series B Bonds, 2006 Series A-1 Bonds, 2006 Series D-2 Bonds, 2006 Series E-1 Bonds, 2007 Series B-1 Bonds, 2007 Series D-1 Bonds, 2007 Series E-1 Bonds and 2007 Series E-2 Bonds. The Authority has pledged all the tolls collected on the Bridge System to the payment of the Bonds and the Parity Obligations. The Bonds are payable from "Revenue", which is defined to include the tolls paid by vehicles using the seven Bridges in the Bridge System and interest earnings on fund balances. The Authority will pay Operations & Maintenance Expenses first. See "THE BRIDGE SYSTEM—Toll Operations and Maintenance" and "-Operations and Maintenance Fund."

At its July, 2009, meeting, the Authority authorized the issuance of $1.3 billion of additional toll bridge revenue bonds during calendar year 2009 and determined that the additional bonds test in the Indenture would be met in connection with such issuance if the bonds are issued under the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS – Additional Bonds and Parity Obligations." The Authority plans to issue additional toll bridge revenue bonds and additional parity obligations in the future.

Authority for Issuance of Toll Bridge Revenue Bonds

The Act authorizes the Authority to issue toll bridge revenue bonds to finance the construction, improvement and equipping of the Bridge System and other transportation projects authorized by the Act.

The Bonds are issued by the Authority pursuant to the Indenture and the Act. For definitions of the capitalized terms used below, see APPENDIX B – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

Toll Setting Authority

The Act authorizes the Authority to increase tolls if required to meet its obligations on any bonds, to satisfy its covenants under any bond resolution or indenture, or to complete the Seismic Retrofit Program. See "CAPITAL PROJECTS AND FUNDING — Seismic Retrofit Program Capital Projects." Such toll rate increases are not limited in term or amount and do not require any legislation or approval by any regulatory agency. See "Toll Rate Covenants" below. The Authority is required to hold a public hearing before adopting a toll schedule increasing the RM Toll (as hereinafter defined), and to hold two public hearings before increasing the Seismic Surcharge (as hereinafter defined).

Management of the Authority has determined that changes to the toll structure may be necessary for implementation in 2010, including a potential toll increase for two-axle vehicles, potentially providing certain car pool vehicles with reduced-rate rather than toll-free passage on all Bridges, and a potential toll increase for multi-axle vehicles. These changes are being considered primarily to maintain debt service coverage required by the Indenture and to provide funding for the seismic retrofit of the Antioch Bridge and the Dumbarton Bridge. The Authority has not yet determined whether it will take any action to implement any such toll rate increase. See "CAPITAL PROJECTS AND FUNDING — Seismic Design Strategies for the Bridge System."

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 revenue bonds and in favor of any provider of credit enhancement for those bonds. Bridge Toll Revenues include all tolls, including the Seismic Surcharge, 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. As described above, the lien created on the Bridge Toll Revenues is subject to the prior payment of Operations & Maintenance Expenses. See "THE BRIDGE SYSTEM—Toll Operations and Maintenance" and "-Operations and Maintenance Fund" and APPENDIX B – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

Pledge of Revenue

All Revenue is pledged to secure the punctual payment of the principal of and interest on all Bonds, Parity Obligations and Reserve Facility Costs (as defined herein). The Authority is first required to pay Operations & Maintenance Expenses as described above. The Indenture provides that this pledge shall constitute a first lien on such amounts, shall be valid and binding from and after the issuance of the Bonds, without any physical delivery or further act and shall be irrevocable until all Bonds and Parity Obligations are no longer outstanding.

"Revenue" primarily includes Bridge Toll Revenues.

Revenue also includes:

(i) 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 Indenture and held by the Authority;

(ii) all amounts on deposit in the funds and accounts established pursuant to the Indenture and held by the Trustee (excluding the Rebate Fund and any fund or account established to hold the proceeds of a drawing on any Credit Support Instrument);

(iii) all interest or other income from investment of money in the funds and accounts established pursuant to the Indenture and held by the 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 consisting of amounts paid to the Authority pursuant to any Qualified Swap Agreement or Swap. See APPENDIX B – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

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. Under the Indenture, the Authority is required to transfer to the Trustee, from the Bay Area Toll Account, Revenue sufficient to make payments on all Bonds and Parity Obligations not later than three Business Days prior to their due date.

Upon receipt by the Trustee, all Revenue is required by the Indenture to be deposited by the Trustee in a special fund designated as the "Bond Fund," which the Trustee is required 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 Indenture.

See APPENDIX B – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Funds and Accounts – Establishment and Application of Bond Fund" for information as to the transfer of funds from the Bay Area Toll Account to the Trustee under the Indenture to secure and provide for payment of the Bonds and other obligations payable from and secured by Revenue.

Pledge by the State

Pursuant to Section 30963 of the Act, the State has pledged and agreed with the holders of the 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 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 Bonds or any such parties until the Bonds, together with interest, are fully paid and discharged and any contracts are fully performed on the part of the Authority.

Toll Rate Covenants

The Authority covenants in the Indenture that it will at all times establish and maintain tolls on the Bridge System at rates sufficient to pay debt service on all Bonds and Parity Obligations secured by Revenue and to meet Operations & Maintenance Expenses and to otherwise comply with the Act.

The Authority also has covenanted to compute specified coverage ratios on an annual basis within ten Business Days after the beginning of each Fiscal Year and to increase tolls if any of (1), (2) or (3) below is true:

(1) the ratio produced by dividing Net Revenue (as hereinafter defined) by the sum of

(A) Annual Debt Service (See APPENDIX B – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE"),

(B) MTC Transfers (transfers required to be made to the Metropolitan Transportation Commission for public transit projects, for projects that will help reduce vehicular congestion and improve bridge operations, and for the Authority's cost of administration) (See "THE BRIDGE SYSTEM—Transfers to MTC and Authority Administrative Costs"),

(C) Subordinated Maintenance Expenditures (which are normal highway maintenance expenditures payable from Bridge Toll Revenues, see "THE BRIDGE SYSTEM—Toll Operations and Maintenance") and

(D) payments on Subordinate Obligations (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)

for the then current fiscal year, is less than 1.0, *or*

(2) the ratio produced by dividing

(A) the sum of Net Revenue and any funds then on deposit in the Operations and Maintenance Fund by

(B) Fixed Charges (being the sum of Annual Debt Service and MTC Transfers)

for the then current fiscal year, is less than 1.25, *or*

(3) the ratio produced by dividing

(A) Net Revenue by

(B) 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.

"Net Revenue" is Revenue less Operations & Maintenance Expenses. See APPENDIX B — "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

The Authority's calculations in accordance with (1), (2), and (3) above as of June 30, 2008 show that the resulting ratios did not require the Authority to increase tolls. See Schedule 11 in the Supplementary Information of APPENDIX A – "METROPOLITAN TRANSPORTATION COMMISSION COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2008."

Historical Revenue, Expenditures and Debt Service Coverage

The following table sets forth historical revenue, expenditures and debt service coverage with respect to the Bridge System for Fiscal Years ended June 30, 2004 through 2008. For calculations showing debt service as a percentage of Bridge Toll Revenues (only) net of all operating expenses, see Table 11 on page 114 of APPENDIX A – "METROPOLITAN TRANSPORTATION COMMISSION COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2008."

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

[Under review by BATA]

Fiscal Year Ended June 30,	2004	2005	2006	2007	2008
Revenue					
Bridge Toll Revenues	$145,176	$248,141	$280,277[1]	$422,355	$477,377
Interest Earnings	11,007	21,235	44,060	96,415	116,134
Other Revenues[2]	2,400	4,090	9,657	5,989	14,309
Total Revenue	$158,583	$273,466	$333,994	$524,759	$607,820
Less: Operations & Maintenance Expenses[3]	$47,851	$54,035	$63,364	$76,341	$30,274
Net Revenue	$110,732	$219,431	$270,630	$448,418	$577,549
Debt Service on Bonds and Parity Obligations	$26,663	$35,374	$68,931	$161,144	$200,868
Debt Service Coverage[4]	4.15x	6.20x	3.93x	2.78x	2.87x
Subordinated Maintenance Expenditures[5] [6]	$2,187	$1,593	$4,425	$2,639	$4,811
MTC Transfers[6]	$25,163	$32,859	$48,152	$50,785	$53,904

(1) Does not include Seismic Surcharge revenue until May, 2006, following the defeasance of certain obligations to which the Seismic Surcharge was pledged.

(2) Consists of, among other things, violation revenues and, in 2006, amounts received from the Golden Gate Bridge for its share of ACS contract expenses. See "Toll Collection" above.

(3) Increases in Operations & Maintenance Expenses in fiscal years ended after June 30, 2003, are attributable in significant part to the development and implementation of a new consolidated ETC service center. See "Toll Collection" above. Increases in fiscal year 2007 include nonrecurring ETC and ORT expenditures.

(4) Equals Net Revenue divided by Debt Service on Bonds and Parity Obligations.

(5) Does not include Subordinated Maintenance Expenditures with respect to the San Francisco-Oakland Bay Bridge. Prior to fiscal year 2005-06 Subordinated Maintenance Expenditures were not payable from Bridge Toll Revenues. Beginning in fiscal year 2005-06, Subordinated Maintenance Expenditures other than with respect to the San Francisco-Oakland Bay Bridge are payable from Bridge Toll Revenues. See "Toll Operations and Maintenance - Maintenance Expenditures" above.

(6) Subordinated Maintenance Expenditures and MTC Transfers are subordinate to the Authority's obligations on the Bonds and other Parity Obligations. See "THE BRIDGE SYSTEM — Toll Operations and Maintenance" and "THE BRIDGE SYSTEM — Transfers to MTC and Authority Administrative Costs."

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

Source: The Authority, except information regarding Subordinated Maintenance Expenditures provided by Caltrans.

Additional Toll Bridge Revenue Bonds and Parity Obligations

The Authority anticipates issuing additional toll bridge revenue bonds and parity obligations to fund capital projects under its current capital project programs at the times and in the approximate principal amounts set forth in the following table.

ANTICIPATED ISSUANCES OF ADDITIONAL TOLL BRIDGE REVENUE BONDS AND PARITY OBLIGATIONS
($ in millions)
[TO BE UPDATED]

Fiscal Year ending June 30,	Approximate Principal Amount[1]
2010	[2]
2011	[750][3]
2012	[555]
thereafter	[1,380]

(1) The net proceeds of the borrowings indicated in the table are expected to be used for capital projects.
(2) The Authority has authorized, but not issued, additional toll bridge revenue bonds in the aggregate principal amount of not to exceed $1.3 billion.
(3) The Authority has authorized, but not executed, interest rate swaps under which it will pay a floating rate and receive a fixed rate on toll bridge revenue bonds bearing a fixed rate of interest; the aggregate notional amount of the new interest rate swaps has not been determined.
Source: The Authority.

The principal amount of additional toll bridge revenue bonds or parity 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 toll bridge revenue bonds or parity obligations that may be issued.

The Authority may issue toll bridge revenue bonds under another indenture that are subordinate to Bonds issued under the Indenture (the "Subordinate Bonds"). The amount of Subordinate Bonds to be issued and the timing of the issuance of Subordinate Bonds has not been determined. In July, 2009, the governing board of the Authority authorized the issuance of up to $1.3 billion of additional toll bridge revenue bonds prior to December 31, 2009 as additional Bonds or as Subordinate Bonds.

Additional Bonds (or Parity Obligations) may be issued under the Indenture only if at least one of the following is true immediately following the issuance of such additional Bonds (or Parity Obligations):

(a) the additional Bonds (or 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 Bonds (or Parity Obligations) to be refunded; (2) all expenses incident to the calling, retiring or paying of such Bonds (or Parity Obligations) and the Costs of Issuance of such refunding Bonds (or Parity Obligations); (3) interest on all Bonds (or Parity Obligations) to be refunded to the date such Bonds (or Parity Obligations) will be called for redemption or paid at maturity; and (4) interest on the refunding Bonds (or Parity Obligations) from the date thereof to the date of payment or redemption of the Bonds (or Parity 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 Bonds (and Parity Obligations), calculated as of the date of sale of, and including such additional Bonds (or Parity 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 Bonds (and Parity Obligations), calculated as of the date of sale of and including such additional Bonds (or Parity Obligations), will not be less than 1.50:1.

For purposes of the above-described calculation, if additional Bonds and Parity Obligations are issued to finance a Project that includes toll bridge program capital improvements for any bridge newly designated as a Bridge, projected Net Revenue for such bridge shall 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 prior to such calculation date. See APPENDIX B – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Definitions" and "-Additional Bonds; Subordinate Obligations." The governing board of the Authority has made the above-described calculation with respect to the not to exceed $1.3 billion aggregate principal amount of additional Bonds authorized to be issued prior to December 31, 2009.

Pursuant to the Indenture, at such time as the Authority determines to issue additional Bonds, the Authority shall, in addition to fulfilling the requirements of the Indenture described above, file with the Trustee (a) a certificate of the Authority stating that no Event of Default specified in the Indenture has occurred and is then continuing; (b) a certificate of the Authority stating that the requirements of the Indenture described under subparagraph (a) or (b) of the second immediately preceding paragraph have been satisfied; (c) if such additional Bonds are being issued based upon compliance with the provisions of the Indenture described in subsection (b)(1) of the second immediately preceding paragraph, 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 Bridge System such that Net Revenue for the then current Fiscal Year would be insufficient to meet the debt service coverage requirement described in subsection (b)(1) of the second immediately preceding paragraph; (d) the balance in the Reserve Fund upon receipt of the proceeds of the sale of such Series of Bonds shall be increased, if necessary, to an amount at least equal to the Reserve Requirement with respect to all Bonds Outstanding upon the issuance of such Series of Bonds; and (e) an Opinion of Bond Counsel to the effect that the execution of the Supplemental Indenture creating such Series of Bonds has been duly authorized by the Authority in accordance with the Indenture and that such Series of Bonds, when duly executed by the Authority and authenticated and delivered by the Trustee, will be valid and binding obligations of the Authority.

All of the Bonds have been issued under the Indenture. The Authority may decide to issue additional toll bridge revenue bonds under another indenture of trust as Parity Obligations in compliance with the foregoing requirements of the Indenture. The Authority may decide to issue additional toll bridge revenue bonds as Subordinate Obligations as described below.

Reserve Fund

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

Accounts – Establishment and Application of the Reserve Fund."

The balance in the Reserve Fund is required by the Indenture to equal or exceed the "Reserve Requirement" (defined below). As of _______, 2009, the Reserve Requirement equals approximately $__________, and cash and investments aggregating that amount are held in the Reserve Fund. In addition, the Reserve Fund holds surety bond policies issued in the past by Ambac Assurance Corporation ("Ambac") in the aggregate amount of approximately $167,100,000 that can no longer be counted toward the Reserve Requirement due to rating agency downgrades of Ambac and that may be withdrawn from the Reserve Fund without notice to Bondholders. Alternatively, should Ambac's credit rating return to the highest rating category while the surety policies remain in the Reserve Fund, the Authority will be entitled to release an equivalent amount of cash from the Reserve Fund without notice to Bondholders.

"Reserve Requirement" means, as of any date of calculation, an amount equal to the lesser of: (i) Maximum Annual Debt Service on all Bonds then Outstanding; and (ii) 125% of average Annual Debt Service on all Bonds then Outstanding; provided that with respect to a Series of Variable Rate Bonds for which a fixed rate Swap is not in place, the interest rate thereon for purposes of calculating the Reserve Requirement is to 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 Bonds, if the Reserve Fund would have to be increased by an amount greater than 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 Bonds) then the Reserve Requirement is to be such lesser amount as is determined by a deposit of such 10%. See APPENDIX B – "DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Definitions."

The 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 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 INDENTURE – Funds and Accounts – Establishment and Application of the Reserve Fund" and "– Funding of the Reserve Fund."

Standby Bond Purchase Agreements

The Authority has entered into two Standby Bond Purchase Agreements with various banks under which banks may purchase the Authority's variable rate demand bonds that are tendered by the Owners thereof and are not successfully remarketed. Bonds so held by the banks will continue to be Bonds under the Indenture payable on a parity basis with other Bonds. Fees and other payments due to the Banks are not Parity Obligations. The Authority's obligation to pay interest on bank bonds evidencing the Authority's obligation to pay amounts advanced under the Standby Bond Purchase Agreements can be as high as 15% per annum. None of the Standby Bond Purchase Agreements is a source of funds for the payment of the principal of or interest on the Bonds.

JPMorgan Chase is the agent for all of the liquidity providers under each of the Standby Bond Purchase Agreements.

One of the Standby Bond Purchase Agreements is dated as of June 1, 2008 and provides liquidity support until June 3, 2011 for the Authority's Variable Rate Demand Bonds, 2008 Series B-1, C-1, D-1, E-1 and G-1. The liquidity providers are Bank of America, N.A. and BNP Paribas, acting through its San Francisco branch.

The other Standby Bond Purchase Agreement is dated as of August 1, 2008 and provides liquidity support until August 27, 2009 for the Authority's Variable Rate Demand Bonds, 2001 Series B, 2001 Series C, 2003 Series C, 2007 Series C-1, 2007 Series G-1, 2007 Series A-2, 2007 Series B-2, 2007

Series C-2 and 2007 Series G-3, and until August 26, 2011 for the Authority's Variable Rate Demand Bonds, 2004 Series A, 2004 Series B, 2004 Series C, 2006 Series B-1, 2006 Series C, 2007 Series A-1, 2007 Series D-2, 2007 Series E-3 and 2007 Series G-2. The Liquidity Providers are Bank of America, N.A., Bayerische Landesbank, acting through its New York Branch, California Public Employees' Retirement System, Calyon, acting through its New York Branch, Landesbank Baden-Württemberg, acting through its New York Branch, JPMorgan Chase, Lloyds TSB Bank plc, acting through its New York Branch, and Union Bank of California, N.A.

Discussions are underway with current and prospective liquidity providers that may lead to liquidity support commitments to replace the liquidity support expiring in 2009 under the second Standby Bond Purchase Agreement described above. Alternatively, the Authority may decide to convert and remarket or refund some or all of the variable rate demand Bonds backed by expiring liquidity support into Bonds that do not require liquidity support under the Indenture.

The Authority purchased $110 million of its outstanding Bonds (2008 Series A-1) in May, 2009, that were variable rate demand bonds backed by a standby bond purchase agreement with Citibank, N.A. that provided liquidity support for those Bonds until June 4, 2009. The Authority expects to either arrange a new liquidity facility for those Bonds or convert and remarket or refund those Bonds into Bonds that do not require liquidity support under the Indenture.

Subordinate Obligations

The Authority may issue or incur Subordinate Obligations that would be payable out of Revenue on a basis junior and subordinate to the payment of the principal, interest and reserve fund requirements for the Bonds and Parity Obligations. The Authority's Subordinate Obligations currently consist of fees and expenses relating to the Bonds and any termination payments under the Authority's Qualified Swap Agreements.

In July, 2009, the governing board of the Authority authorized the issuance of $1.3 billion in toll bridge revenue bonds as additional Bonds or as bonds that will be subordinate to the Bonds. The amount of such bonds ("Subordinate Bonds") to be issued, the terms of such Subordinate Bonds (including whether interest on the Subordinate Bonds will be taxable or tax-exempt) and the timing of the issuance of Subordinate Bonds has not been determined.

Qualified Swap Agreements

The Authority has entered into Qualified Swap Agreements with an aggregate notional amount of approximately $[3.36 billion] and expects to enter into more in the future. For a discussion of the Authority's outstanding interest rate swap agreements as of June 30, 2008, see "Note 5 – Interest Rate Swaps and Forward Interest Rate Swap Agreements" on pages 62-67, and Schedules 14 through 17 on pages 98-101, of APPENDIX A – "METROPOLITAN TRANSPORTATION COMMISSION COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2008." In August 2008, the Authority entered into Qualified Swap Agreements in an aggregate notional amount of approximately $558.7 million pursuant to which the Authority receives fixed rate payments and pays the counterparties a floating rate based upon an index. Pursuant to the rest of the Authority's Qualified Swap Agreements, in an aggregate notional amount of approximately $2.8 billion, the Authority receives variable rate payments based upon an index and pays the counterparties fixed rate payments. The Qualified Swap Agreements may terminate upon the occurrence of certain events. In the event a Swap Agreement is terminated, a termination payment will be payable by either the Authority or the Swap Provider depending on the then-current market value of the Swap Agreement. Any such termination payment payable by the Authority could be substantial. Termination payments are payable on a basis subordinate to the Bonds. The Authority may amend existing Qualified Swap Agreements to provide for different counterparties. The Authority may also enter into additional Qualified Swap

Agreements in connection with the issuance of Additional Bonds.

Special Obligations

The Bonds are special obligations of the Authority payable, as to interest thereon and principal thereof, solely from Revenue as defined and provided in the Indenture, and the Authority is not obligated to pay them except from Revenue. The 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.

RISK FACTORS

The primary source of payment for the Bonds is 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 San Francisco 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. Caltrans made prompt repairs to the San Francisco-Oakland Bay Bridge, which was reopened to traffic within one month.

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 on the San Francisco-Oakland Bay Bridge until 2013. See "CAPITAL PROJECTS AND FUNDING – Seismic Retrofit Program Capital Projects." Furthermore, the completion of the Seismic Retrofit Program will not insure 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. Caltrans has determined that the Dumbarton and Antioch bridges require seismic retrofit, but these projects are not currently a part of the Seismic Retrofit Program. It may be necessary for the Authority to pay for both projects without state or federal financial assistance and to increase tolls to pay those costs.

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, 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 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. The current balance is \$300 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. 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 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.

Rising Tolls Could Result in Reduced Traffic and Lower Total Revenue

Since 2004, toll rates for two-axle vehicles have increased from $2.00 to $4.00. 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, including additional seismic retrofit work on the Antioch and Dumbarton Bridges, could result in further rate increases. Such increases in the toll rates could have an adverse impact upon the level of traffic on the Bridge System and the level of Bridge Toll Revenues collected. The added cost burden of toll increases may result in greater carpooling or use of mass transit, more reliance on telecommuting in lieu of commuting to work, relocation of businesses to suburban locations and similar activities, that result in lower traffic levels. Lower traffic levels could result in lower total revenues, even though toll rates might increase. See "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS — Authority for Issuance," "— Toll Setting Authority," and "CAPITAL PROJECTS AND FUNDING – East Span Funding Sources."

Construction Delays and Cost Escalation

The Authority does not believe any decline in Bridge Toll Revenues would result solely from delays in or cancellation of any Seismic Retrofit Program or RM1 project. Delays in construction or additional cost may, however, impact the level of Bridge Toll Revenues if they are combined with, for example, reduced traffic due to increased tolls or longer periods of increased vulnerability to seismic events due to longer construction periods.

Delays in completion of RM1, RM2 or 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, increased costs may also be caused by uncontrollable circumstances, acts of God, 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 and the bidding process. 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) steel industry capacity and economic changes resulting in fluctuations in supply and demand impacting both domestic and international markets for steel production and steel fabrication, particularly for large scale assembly and delivery; (iii) structural design changes; (iv) technical complexity; (v) adjacent project interference; (vi) laws protecting domestic industry; (vii) disruptions in supply or the construction industry due to natural disasters; and (viii) 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.

The original budget estimates for the Seismic Retrofit Program were established by Chapter 327, Statutes of 1997 (Senate Bill 60). The estimated cost for the Seismic Retrofit Program projects was, at the time, set at \$2.620 billion. Since then, subsequent legislation has provided for increases in such estimated costs to approximately \$8.685 billion as of 2005.

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 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 the 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 Series of 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 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).

MISCELLANEOUS

This Information Statement is not to be construed as a contract or agreement between the Authority and holders of any of the 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 Information Statement involving matters of opinion are intended as such and not as representations of fact.

BAY AREA TOLL AUTHORITY

____
Executive Director

APPENDIX A

METROPOLITAN TRANSPORTATION COMMISSION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

APPENDIX B

DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

$[____________]
BAY AREA TOLL AUTHORITY
SAN FRANCISCO BAY AREA TOLL BRIDGE REVENUE BONDS
____ SERIES __

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 of California, N.A., as dissemination agent (the "**Dissemination Agent**") in connection with the issuance of the Authority's $[_____________] San Francisco Bay Area Toll Bridge Revenue Bonds, ____ Series __ (the "**Bonds**"). The Bonds are being issued pursuant to a Master Indenture dated as of May 1, 2001, by and between the Authority and Union Bank of California, N.A., as trustee (the "**Trustee**"), as previously supplemented and as supplemented by the [________] Supplemental Indenture relating to the Bonds dated as of [____________] 1, 2009, 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 of California, 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) of this Disclosure Agreement.

"**National Repository**" shall mean the repositories designated by the Securities and

Exchange Commission from time to time for purposes of the Rule (as defined below). Information regarding the National Repositories as of a particular date is available on the Internet at www.sec.gov/info/municipal/nrmsir.htm. Under amendments to the Rule effective July 1, 2009, the Municipal Securities Rulemaking Board Electronic Municipal Market Access website, referred to as "EMMA," will be the sole National Repository.

"**Official Statement**" means the Official Statement dated [____________], 2009, relating to the Bonds.

"**Participating Underwriters**" means [______________________________].

"**Repository**" means each National Repository and each State Repository.

"**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.

"**State Repository**" means any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Agreement, there is no State Repository. Information regarding the State Repositories as of a particular date is available on the Internet at www.sec.gov/info/municipal/nrmsir.htm#state.

Section 3. Provision of Annual Reports.

(a) The Authority shall provide, or shall cause the Dissemination Agent to provide, to each Repository an Annual Report which 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 2008-09 fiscal year. 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 may be submitted as a single document or as separate documents comprising a package, in electronic form or such other form as may be required by the applicable Repository, 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 Repositories, 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 each Repository by the date required in subsection (a), the Dissemination Agent shall provide to (i) each National Repository or the Municipal Securities Rulemaking Board and (ii) each appropriate State Repository (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 name and address of each National Repository and each State Repository, if any, 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, stating the date it was provided and listing all of the Repositories to which 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 filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available; and

(b) To the extent not contained in the audited financial statements filed pursuant to the preceding subsection (a) by the date required by Section 3 hereof, an update of (i) the table entitled "BRIDGE SYSTEM TOLL RATES" set forth in the Authority's Information Statement, dated ________, 2009, under the caption "THE BRIDGE SYSTEM – Toll Rates;" (ii) the table entitled "TOTAL TOLL-PAYING MOTOR VEHICLE TRAFFIC" set forth in the Authority's Information Statement, dated ________, 2009, under the caption "THE BRIDGE SYSTEM – Motor Vehicle Traffic;" and (iii) the table entitled "BRIDGE SYSTEM Historical Revenue, Expenditures and Debt Service Coverage" set forth in the Authority's Information Statement, dated ________, 2009, under the caption "THE BRIDGE SYSTEM — Historical Revenue, Expenditures 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 submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. 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 filed with respect to the Bonds.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, 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:

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions or events affecting the tax-exempt status of the security;

(vii) Modifications to rights of security holders;

(viii) Bond calls;

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the Bonds; and

(xi) Rating changes.

(b) 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.

(c) Whenever the Authority obtains knowledge of the occurrence of a Listed Event, whether because of a notice from the Trustee pursuant to subsection (b) or otherwise, the Authority shall determine as soon as possible if such event would constitute material information for holders of Bonds within the meaning of the federal securities laws.

(d) If the Authority has determined that knowledge of the occurrence of a Listed Event would be material, the Authority shall notify the Trustee promptly in writing. Such notice shall instruct the Trustee to report the occurrence pursuant to subsection (f).

(e) If in response to a request under subsection (b), the Authority determines that the Listed Event would not be material, 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 (i) each National Repository or the Municipal Securities Rulemaking Board and (ii) each appropriate State Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(viii) and (ix) 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.

(g) The Trustee 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 each Repository.

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 the Trustee or 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, 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) 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.

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 of California, N.A. 350 California Street, 11th Floor San Francisco, California 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.

Date: [______________], 2009

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 OF CALIFORNIA, N.A.,
as Dissemination Agent

By: ______________________________ By: ______________________________
Its: ______________________________ Its: ______________________________

ACKNOWLEDGED:

UNION BANK OF CALIFORNIA, N.A.,
as Trustee

By: ______________________	By: ______________________
Its: ______________________	Its: ______________________

EXHIBIT A

NOTICE TO REPOSITORIES 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 ____ Series __

Date of Issuance: [__________], 2009

NOTICE IS HEREBY GIVEN to [(i) each National Repository or the Municipal Securities Rulemaking Board and (ii) each appropriate State Repository] [the Municipal Securities Rulemaking Board] 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 [__________], 2009, by the Authority and Union Bank of California, N.A., as Dissemination Agent. The Authority anticipates that the annual Disclosure Report will be filed by __________________.

Dated: __________________

UNION BANK OF CALIFORNIA, N.A., as Dissemination Agent

By: ______________________________________

Its: ____________________________

APPENDIX D

REGIONAL MEASURE 2 CAPITAL PROJECTS