

SUBORDINATE BOND INDENTURE

between

BAY AREA TOLL AUTHORITY

and

as Trustee

Dated as of _____ 1, 2009

Relating to the

**Bay Area Toll Authority
San Francisco Bay Area Toll Bridge Revenue Bonds**

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SUBORDINATE BOND INDENTURE

This SUBORDINATE BOND INDENTURE, dated as of _____ 1, 2009 (this "Indenture"), between the BAY AREA TOLL AUTHORITY, a public entity duly existing under the laws of the State of California (the "Authority"), and _____, as trustee (together with any successor thereto the "Trustee");

W I T N E S S E T H:

WHEREAS, the Authority is authorized to issue bonds or commercial paper (as issued hereunder, the "Bonds") payable from the tolls received by the Authority pursuant to Chapter 4.3 of Division 17 of the California Streets and Highway Code (as more fully defined in Section 1.01 hereof, the "Act");

WHEREAS, in order to establish the terms of and security for Bonds to be issued under this Indenture, the governing board of the Authority (the "Board") has authorized the execution and delivery of this Indenture;

WHEREAS, the Authority certifies that all acts that are necessary to make the Bonds, when executed by the Authority and authenticated and delivered by the Trustee, duly issued and the valid, legal and binding obligations of the Authority payable in accordance with their terms, and to constitute this Indenture a valid and binding agreement of the parties hereto, have been done and taken, and the execution and delivery of this Indenture have been duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, in order to secure the payment of all Bonds outstanding under this Indenture and to secure the performance of the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. In addition to terms elsewhere defined in this Indenture, the following terms shall have the following meanings unless the context or use clearly indicates another meaning. These definitions shall apply to the singular and plural forms of these defined terms.

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

development of public transit in the vicinity of the three Bay Area Bridges which comprise the Southern Bridge Group.

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

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

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

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

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

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

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

(vi) if Bonds proposed to be issued will be variable interest rate Bonds the interest on which is included in gross income for federal income tax purposes, then such Bonds

shall be assumed to bear interest at an interest rate equal to 110% of average One Month USD LIBOR Rate during the three (3) months preceding the month of sale of such Bonds, or if the One Month USD LIBOR Rate is not available for such period, another similar rate or index selected by the Authority;

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

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

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

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

(xi) principal and interest payments on Bonds shall be excluded to the extent such payments are to be paid from amounts then currently on deposit with the Trustee or other fiduciary in escrow specifically therefor and restricted to Government Obligations and interest

payments shall be excluded to the extent that such interest payments are to be paid from the proceeds of Bonds held by the Trustee or other fiduciary as capitalized interest specifically to pay such interest.

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

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

“Authority Administrative Costs” means the amount which the Authority may retain on an annual basis for its cost of administration pursuant to Section 30958 of the Act, such amount not to exceed one percent (1%) of the gross revenues collected from the tolls annually on the Bay Area Bridges.

“Authorized Denominations” means, with respect to a Series of Bonds, the denomination or denominations designated as such in the Supplemental Indenture providing for the issuance of such Series of Bonds.

“Authorized Representative” means the Executive Director, the Deputy Executive Director, the Manager of Finance of the Authority, or any other employee of the Authority at the time designated to act on behalf of the Authority in a Certificate of the Authority executed by any of the foregoing officers and filed with the Trustee, which Certificate shall contain such employee’s specimen signature.

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

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

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

“Board” means the governing board of the Authority.

“Book-Entry Bonds” means Bonds issued under a book-entry only depository system as provided in Section 2.11.

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

“Bond Fund” means the fund by that name created pursuant to Section 5.04.

“Bond Register” means the registration books for the ownership of Bonds maintained by the Trustee pursuant to Section 2.08.

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

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

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

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

“Caltrans” means the California Department of Transportation.

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

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

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

“Construction Fund” means, with respect to the Initial Bonds, the Initial Bonds Construction Fund created pursuant to Section 18.01(a), and means, with respect to any other Series of Bonds, a similar fund established in the Supplemental Indenture providing for the issuance of such Series of Bonds.

“Continuing Disclosure Agreement” means, with respect to each Series of Bonds requiring an undertaking regarding disclosure under Rule 15c2-12, the Continuing Disclosure Agreement, entered into by the Authority, the Trustee and the Dissemination Agent, as the same may be supplemented, modified or amended in accordance with its terms.

“Cost” means cost as defined in the Act.

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

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

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

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

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

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

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

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

“Dissemination Agent” means, with respect to each Series of Bonds requiring an undertaking regarding disclosure under Rule 15c2-12, the Trustee, acting in its capacity as dissemination agent under the Continuing Disclosure Agreement delivered in connection with such Series of Bonds, or any successor dissemination agent designated in writing by the Authority and which has filed a written acceptance with the Trustee.

“Electronic” means, with respect to notice, notice through the internet or through a time-sharing terminal.

“Event of Default” means any of the events specified in Section 7.01.

“Fees and expenses” means fees and expenses incurred by the Authority in connection with the Bonds.

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

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

“Five Percent Reserves” means an amount of up to five percent (5%) of the funds generated by Regional Measure 1 which are transferred by the Authority to MTC on an annual basis to be applied by MTC to projects that will help reduce vehicular congestion on the Bay Area Bridges and for the planning, construction, operation and acquisition of rapid water transit systems.

“Government Obligations” means: (i) non-callable obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States, including, but not limited to, all direct or fully guaranteed U.S. Treasury Obligations, Farmers Home Administration Certificates of beneficial ownership, General

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

“**Indenture**” means this Subordinate Bond Indenture as the same may be amended or supplemented from time to time as permitted hereby.

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

“**Initial Bonds**” means the first series of Bonds issued under this Subordinate Bond Indenture.

“**Interest Account**” means the account by that name created pursuant to Section 5.04.

“**Master Indenture**” means the Master Indenture between the Authority and Union Bank, as Trustee, dated as of May 1, 2001, as amended and supplemented.

“**Master Indenture Bond Fund**” means the special fund created under the Master Indenture designated therein as the “Bond Fund.”

“**Master Indenture Subordinate Obligations Fund**” means the special fund created under the Master Indenture designated therein as the “Subordinate Obligations Fund.”

“**Master Indenture Trustee**” means the trustee under the Master Indenture.

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

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

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

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

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

“Net Revenue after Senior Bond Debt Service” means, for any Fiscal Year, Revenue less: (i) Operations & Maintenance Expenses, as set forth in the audited financial statements of the Authority; and (ii) the aggregate amount of principal and interest paid (either at maturity or by mandatory redemption) and sinking fund payments made on Senior Bonds for that Fiscal Year.

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

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

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

“Operations and Maintenance Fund” means the fund by that name created and held by the Authority pursuant to Section 5.10 of the Master Indenture.

“Opinion of Bond Counsel” means a written opinion of Bond Counsel.

“Outstanding,” when used with reference to the Bonds at any date as of which the amount of outstanding Bonds is to be determined, means all Bonds which have been authenticated and delivered by the Trustee hereunder, except: (i) Bonds canceled or delivered for cancellation at or prior to such date; (ii) Bonds deemed to be paid in accordance with Section 10.02; (iii) Bonds in lieu of which others have been authenticated under Sections 2.08; and (iv) all Bonds held by or for the account of the Authority.

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

“Parity Obligations” means obligations of the Authority that are payable from Revenue on a parity with the payment of principal of and interest on Bonds, including: (i) payments due under Credit Support Agreements; (ii) fees and expenses and termination payments due under Qualified Swap Agreements, (iii) payments due under Swaps; and (iv) payments due under Senior Bond Credit Support Agreements to the extent the applicable Credit Provider has agreed that the obligations to make such payments are not Senior Obligations.

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

“Participating Underwriter” means any of the original underwriters of any Series of Bonds required to comply with Rule 15c2-12.

“Permitted Investments” means the following:

- (i) Government Obligations;
- (ii) any certificates, receipts, securities or other obligations evidencing ownership of, or the right to receive, a specified portion of one or more interest payments or principal payments, or any combination thereof, to be made on any bond, note, or other obligation described above in clause (i);
- (iii) obligations of the Federal National Mortgage Association, the Government National Mortgage Association, Farm Credit System, Federal Home Loan Banks and Federal Home Loan Mortgage Corporation, Student Loan Marketing Association Financing Corp., and U.S. Agency for International Development guaranteed notes;
- (iv) housing authority bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or project

notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

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

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

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

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

will at all times be an amount equal to the principal amount of each such certificate of deposit and the Trustee shall be entitled to rely on each such undertaking;

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

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

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

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

(xiii) any investment agreement with, or the obligations under which are guaranteed by, a financial institution or insurance company or domestic or foreign bank which has at the date of execution thereof an outstanding issue of unsecured, uninsured and

unguaranteed debt obligations or a claims paying ability rated (or the parent company of which is rated) in either of the two highest long-term Rating Categories by Moody's and S&P;

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

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

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

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

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

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

"Principal Account" means the account by that name created pursuant to Section 5.04.

"Principal Office" means, with respect to the Trustee, the corporate trust office of the Trustee at _____, or such other or additional offices as may be designated by the Trustee from time to time, and means, with respect to a Credit Provider, the office designated as such in writing by such party in a notice delivered to the Trustee and the Authority.

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

"Purchase Price" means, with respect to Bonds, the amount set forth in the Indenture as the amount to be paid when such Bonds are tendered for purchase or deemed tender for purchase in accordance with the provisions of the Indenture.

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

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

“Rating Agency” means each of Fitch, Moody’s, and S & P.

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

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

“Rebate Fund” means the fund by that name created pursuant to Section 5.06.

“Redemption Fund” means the fund by that name created pursuant to Section 5.07.

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

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

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

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

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

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

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

“Reserve Fund” means the fund by that name created pursuant to Section 5.05.

“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 shall be assumed to be equal to the rate published in The Bond Buyer as the “Bond Buyer Revenue Bond Index” by the most recent date preceding the sale of such Series; and provided, further, that with respect to a Series of Bonds, if the Reserve Fund would have to be increased by an amount greater than ten percent (10%) of the stated principal amount of such Series (or, if such 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 shall be such lesser amount as is determined by a deposit of such ten percent (10%).

“Revenue” means: (i) Bridge Toll Revenues; (ii) all interest or other income from investment of money in any fund or account of the Authority, including the Operations and Maintenance Fund; (iii) all interest or other income from investment of money in the funds and accounts established pursuant to this 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.

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

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

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

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

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

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

“Senior Bond Credit Support Instrument” means a policy of insurance, a letter of credit, a line of credit, standby purchase agreement, revolving credit agreement or other credit

arrangement pursuant to which a Senior Bond Credit Provider provides credit or liquidity support with respect to the payment of interest, principal or the Purchase Price of any Series of Senior Bonds, as the same may be amended from time to time pursuant to its terms, and any replacement therefor.

“Senior Bond Indenture” means an indenture of trust or resolution under which Senior Bonds are outstanding.

“Senior Bonds” means bonds or commercial paper authorized by, and at any time outstanding pursuant to, the Master Indenture and bonds or commercial paper that are “parity obligations” as defined in the Master Indenture.

“Senior Obligations” means Senior Bonds and obligations of the Authority that are payable from Revenue on a parity with the payment of principal of and interest on Senior Bonds, including (i) payments due under Qualified Swap Agreements (excluding fees and expenses and termination payments, which are defined as Parity Obligations under this Indenture); and (ii) payments due under Senior Bond Credit Support Agreements.

“Series” means all Bonds identified in the Indenture as a separate Series.

“SIFMA Index” means Securities Industry and Financial Markets Association Municipal Swap Index as of the most recent date such index was published by the Securities Industry and Financial Markets Association or any successor thereto, or in the event such index is no longer published by the Securities Industry and Financial Markets Association or any successor thereto, such comparable replacement index as shall be published by the Securities Industry and Financial Markets Association or any successor thereto. In the event that such comparable replacement index is no longer published by the Securities Industry and Financial Markets Association or any successor thereto, an alternative index shall be selected by the Authority.

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

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

“State” means the State of California.

“Subordinated Maintenance Expenditures” means maintenance expenditures that are required by California Streets and Highways Code Section 188.4 to be funded with Bridge Toll Revenues remaining after provision is made for payment of all obligations secured by the lien on Bridge Toll Revenues created by Section 30960(b) of the Act.

“Supplemental Indenture” means any indenture executed and delivered by the Authority and the Trustee that is stated to be a supplemental indenture hereto.

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

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

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

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

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

“Toll Coverage Calculation Date” shall have the meaning set forth in Section 6.04(b).

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

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

ARTICLE II

THE BONDS

SECTION 2.01. Authorization. Bonds may be issued hereunder, in book-entry form or otherwise, from time to time as the issuance thereof is approved by the Authority. The maximum principal amount of Bonds which may be issued hereunder is not limited; subject, however, to any limitations contained in the Act and to the right of the Authority, which is hereby reserved, to limit the aggregate principal amount of Bonds which may be issued or

outstanding hereunder. The Bonds are designated generally as “Bay Area Toll Authority San Francisco Bay Area Toll Bridge Revenue Bonds,” each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Bonds. The Bonds may be issued in such Series as from time to time shall be established and authorized by the Authority, subject to the covenants, provisions and conditions herein. Each separate Series of Bonds shall be authorized by the Authority in a Supplemental Indenture. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article.

SECTION 2.02. General Terms of Bonds. Each Bond shall bear interest and be payable and be secured and have such other terms as shall be specified in its Supplemental Indenture, or if not specified therein, as specified by an Authorized Representative pursuant to Section 2.06.

The principal and Purchase Price of, premium, if any, and the interest on the Bonds shall be payable in lawful currency of the United States of America. During any period in which ownership of any Bonds is determined by book entry at a Securities Depository, payment of debt service on such Bonds shall be made to the Securities Depository, or its Nominee, and in accordance with arrangements among the Authority, the Trustee and the Securities Depository. During any period when ownership of such Bonds is not determined by book entry at a Securities Depository, unless otherwise specified in a Supplemental Indenture, the principal and Purchase Price of and premium, if any, on all Bonds shall be payable by check at the Principal Office of the Trustee upon the presentation and surrender of the Bonds as the same become due and payable and the interest on the Bonds shall be paid by check drawn upon the Trustee and mailed on the applicable interest payment date to the persons in whose names the Bonds are registered on the registration books maintained by the Trustee at the close of business on the record date for such interest payment.

SECTION 2.03. Execution. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its chief executive officer and countersigned by the manual or facsimile signature of its chief financial officer. In case the officer whose manual or facsimile signature shall appear on the Bonds shall cease to be an officer before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes.

SECTION 2.04. Certificate of Authentication. No Bonds shall be secured hereby or entitled to the benefit hereof or shall be or become valid or obligatory for any purpose unless there shall be endorsed thereon a certificate of authentication, substantially in the form set forth in the form of Bond referred to in Section 2.05 hereof, executed by the Trustee; and such certificate on any Bond issued by the Authority shall be conclusive evidence that such Bond has been duly authenticated and delivered hereunder.

SECTION 2.05. Forms of Bonds. The Bonds, the Trustee’s certificate of authentication and the form of assignment shall be in substantially the forms specified in a Supplemental Indenture or if not specified therein, as specified by an Authorized Representative pursuant to Section 2.06, and may have such letters, numbers or other marks of identification (including, but not limited to, the Series designation provided for in Section 2.01) and such

legends and endorsements placed thereon as may be required to comply with any applicable laws or rules or regulations, or as may, consistent herewith, be determined by an Authorized Representative. The Bonds shall be in either typewritten or printed form, as an Authorized Representative shall direct, provided that any expenses incurred in connection therewith shall be paid by the Authority.

SECTION 2.06. Issuance, Sale and Delivery of Bonds; Application of Proceeds. The Bonds of each Series shall be delivered by the Trustee in accordance with Electronic or written instructions of an Authorized Representative and in the manner specified herein. Said instructions shall specify the following terms for the Bonds then being issued to the extent such terms are not set forth in the Supplemental Indenture creating such Series of Bonds and are applicable to such Bonds: Series designation; authorized denominations; bond forms; book entry provisions, if any, maturity date or dates or maturity determination method, which may vary for Bonds within such Series; principal amount; issue date; interest rate or interest rate determination method, which may vary for Bonds within such Series; record date for interest payments; sinking fund provisions, if any; redemption provisions, if any; tender provisions, if any; security; CUSIP numbers; and any other terms and conditions which are not inconsistent with this Indenture. Upon the delivery of each Series of Bonds, the proceeds shall immediately be applied and deposited as set forth in the applicable Supplemental Indenture.

SECTION 2.07. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond is mutilated, lost, stolen or destroyed, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond of the same Series, maturity date, principal amount and tenor in lieu of and in substitution for the Bond mutilated, lost, stolen or destroyed; provided that there shall be first furnished to the Trustee evidence satisfactory to the Trustee of the ownership of such Bond and of such loss, theft or destruction (or, in the case of a mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee), together with indemnity satisfactory to the Trustee and compliance with such other reasonable regulations as the Authority and Trustee may prescribe. Subject to the proviso set forth in the preceding sentence, if any such Bond shall have matured or a redemption date pertaining thereto shall have passed, instead of issuing a new Bond, the Authority may pay the same without surrender thereof. The Authority and the Trustee may charge the Holder of such Bond with their reasonable fees and expenses in this connection.

SECTION 2.08. Exchangeability and Transfer of Bonds; Persons Treated as Holders. The Authority hereby directs the Trustee, which is hereby constituted and appointed the bond registrar for the Bonds, to keep books for the registration of the Bonds and for the registration of transfer of the Bonds as provided herein.

Any registered owner of a Bond, in person or by its duly authorized attorney, may transfer title to its Bond on the books of registration kept by the Trustee, upon surrender thereof at the Principal Office of the Trustee, together with a written instrument of transfer (in substantially the form of assignment attached to the Bond or as provided in its Supplemental Indenture) executed by the registered owner or its duly authorized attorney, and upon surrender for registration of transfer of any Bond, the Authority shall execute, and the Trustee shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds of the same Series, maturity date, aggregate principal amount and tenor as the Bond surrendered.

Bonds may be exchanged upon surrender thereof at the Principal Office of the Trustee for Bonds of the same Series, maturity date, aggregate principal amount and tenor as the Bonds being exchanged. The Authority shall execute and the Trustee shall authenticate and deliver Bonds which the registered owner making the exchange is entitled to receive, bearing numbers not contemporaneously then outstanding.

Such registrations of transfers or exchanges of Bonds shall be without charge to the registered owner of such Bonds, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the registered owner of the Bond requesting such registration of transfer or exchange as a condition precedent to the exercise of such privilege. Any service charge made by the Trustee for any such registration, transfer or exchange shall be paid by the Authority.

The Trustee shall not register any transfer of any Bond after notice calling such Bond (or portion thereof) for redemption or partial redemption or notice of mandatory tender with respect thereto has been given and prior to such redemption or mandatory tender, as the case may be, except, in the case of any Bond to be redeemed in part, the portion thereof not to be redeemed.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of either principal, premium, if any, or interest shall be made only to or upon the order of the registered owner thereof or his duly authorized attorney, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

All Bonds issued upon any transfer or exchange of Bonds shall be legal, valid and binding obligations of the Authority, evidencing the same debt, and entitled to the same security and benefits under this Indenture, as the Bonds surrendered upon such transfer or exchange.

SECTION 2.09. Cancellation. All Bonds which have been surrendered to the Trustee pursuant to Section 2.07 or 2.08 of this Indenture and all Bonds which have been paid or redeemed, either at or prior to maturity, except as otherwise provided in a Supplemental Indenture, shall be cancelled and destroyed by the Trustee and a certificate of destruction shall be delivered to the Authority.

SECTION 2.10. Bonds Ratably Secured. All Bonds issued hereunder that by their terms are stated to be equally and ratably secured by this Indenture without preference, priority or distinction on account of the Series or the actual time or times of the authentication, delivery or maturity of such Bonds shall be so equally and ratably secured so that, subject to any differences specified in this Indenture, all such Bonds at any time Outstanding hereunder shall have the same right, lien and preference under and by virtue of this Indenture and shall all be equally and ratably secured hereby with like effect as if they were of the same Series and they had all been executed, authenticated and delivered simultaneously on the date hereof, whether the same, or any of them, shall actually be disposed of at such date, or whether they, or any of them, shall be disposed of at some future date.

SECTION 2.11. Book-Entry Only System. Unless an Authorized Representative shall otherwise direct or unless otherwise specified in a Supplemental Indenture, all Bonds issued hereunder shall be issued as Book-Entry Bonds in fully registered form. Book-Entry Bonds shall be registered in the name of the Securities Depository or its Nominee as directed by such Securities Depository. DTC shall act as the initial Securities Depository and has designated Cede & Co. as its Nominee. Beneficial Owners of Bonds will not receive physical delivery of bond certificates except as provided hereinafter. For so long as DTC shall continue to serve as Securities Depository for the Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no person purchasing, selling or otherwise transferring beneficial ownership of Bonds is to receive, hold or deliver any bond certificate.

With respect to Bonds registered in the name of Cede & Co., as Nominee of DTC, the Authority and the Trustee shall have no responsibility or obligation to any participant in DTC (each, a "DTC Participant") or to any person on whose behalf a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of the Bonds, as shown on the registration books, of any notice with respect to the Bonds, including any notice of redemption or mandatory tender, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of the Bonds, as shown in the registration books, of any amount with respect to principal or Purchase Price of, or premium, if any, or interest on the Bonds.

Replacement Bonds may be issued directly to Beneficial Owners of Bonds other than DTC, or its Nominee, but only in the event that: (i) DTC determines not to continue to act as Securities Depository for the Bonds (which determination shall become effective no less than 90 days after written notice to such effect to the Authority and the Trustee); or (ii) an Authorized Representative has advised DTC of its determination (which determination is conclusive as to DTC and Beneficial Owners of the Bonds) that DTC is incapable of discharging its duties as Securities Depository for the Bonds; or (iii) the Authority has determined (which determination is conclusive as to DTC and the Beneficial Owners of the Bonds) that the interests of the Beneficial Owners of the Bonds might be adversely affected if such book-entry only system of transfer is continued. Upon occurrence of any of the foregoing events, the Authority shall use its best efforts to attempt to locate another qualified Securities Depository. If the Authority fails to locate another qualified Securities Depository to replace DTC, the Authority shall cause to be authenticated and delivered replacement Bonds, in certificate form, to the Beneficial Owners of the Bonds. In the event that the Authority makes the determination noted in (ii) or (iii) above (provided that the Authority undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Authority to make any such determination), and has made provisions to notify the Beneficial Owners of Bonds of such determination by mailing an appropriate notice to DTC, the Authority shall cause to be issued replacement Bonds in certificate form to Beneficial Owners of the Bonds as shown on the records of DTC provided to the Authority.

Whenever, during the term of the Bonds, the Beneficial Ownership thereof is determined by a book entry at DTC, (i) the requirements in this Indenture of holding, delivering or transferring Bonds shall be deemed modified to require the appropriate person or entity to meet the requirements of DTC as to registering or transferring the book entry to produce the same effect and (ii) delivery of the Bonds will be in accordance with arrangements among the Authority, the Trustee and DTC notwithstanding any provision of this Indenture to the contrary.

The Trustee and the Authority, acting by and through an Authorized Representative, are authorized to enter into a letter of representation with DTC to implement the book-entry only system of Bond registration described above and all payments of principal, Purchase Price, interest and premium, if any, shall be made in accordance with the letter of representation with DTC.

If at any time, DTC ceases to hold the Bonds in book-entry form, all references herein to DTC shall be of no further force or effect.

ARTICLE III

ADDITIONAL BONDS

SECTION 3.01. Restrictions on Issuance of Additional Bonds. Subsequent to the issuance of the Initial Bonds, no additional Bonds (or Parity Obligations) shall be issued unless at least one of the following will be 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 Outstanding Bonds (or Parity Obligations) or Senior Bonds to be refunded;
- (2) All expenses incident to the calling, retiring or paying of such Outstanding Bonds (or Parity Obligations) or Senior Bonds and the Costs of Issuance of such refunding Bonds (or Parity Obligations);
- (3) Interest on all Outstanding Bonds (or Parity Obligations) or Senior Bonds to be refunded to the date such Bonds (or Parity Obligations) or Senior Bonds 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) or Senior Bonds to be refunded.

(B) the Board determines that one of the following is true:

- (1) the ratio of (A) Net Revenue After Senior Bond Debt Service 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; or

(2) the ratio of (A) projected Net Revenue After Senior Bond Debt Service for each of the next three (3) Fiscal Years, including in such projections amounts projected to be received from any adopted toll increase or planned openings of an additional Bay Area Bridge, to (B) Maximum Annual Debt Service on the 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.

Maximum annual debt service with respect to Parity Obligations shall be determined using the principles set forth in the definition of Maximum Annual Debt Service; provided that if a Parity Obligation is contingent upon funds being provided under a Credit Support Instrument to pay principal or purchase price of or interest on a Bond, such Parity Obligations shall not be considered outstanding until such payment is made thereunder.

For Additional Bonds and Parity Obligations issued to finance a Project that includes toll bridge program capital improvements for any bridge newly designated after January 1, 2006 as a Bay Area Bridge, projected Net Revenue for such bridge 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 (3) Fiscal Years.

SECTION 3.02. Proceedings for Issuance of Additional Bonds. Subsequent to the issuance of the Initial Bonds, whenever the Authority determines to issue additional Bonds or Parity Obligations, the Authority shall, in addition to fulfilling the requirements of Article II, file with the Trustee:

(a) a certificate of the Authority stating that no Event of Default specified in Section 7.01 has occurred and is then continuing;

(b) a certificate of the Authority stating that the requirements of Section 3.01 have been satisfied;

(c) if such additional Bonds are being issued based upon compliance with Section 3.01(b)(1), a Certificate of the Authority stating that nothing has come to the attention of the Authority that would lead the Authority to believe that there has been a material adverse change in the operation of the Bay Area Bridges such that Net Revenue After Senior Bond Debt Service for the then current Fiscal Year would be insufficient to meet the debt service coverage requirement set forth in Section 3.01(b)(1);

(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 this 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.

ARTICLE IV

REDEMPTION AND TENDER

SECTION 4.01. Redemption, Tender and Purchase of Bonds. Each Series of Bonds may be made subject to redemption or mandatory or optional tender and purchase prior to their respective stated maturities, as a whole or in part, at such time or times, upon such terms and conditions and upon such notice and with such effect as may be provided in the Supplemental Indenture creating such Series of Bonds.

SECTION 4.02. Notice of Redemption. Unless otherwise specified in a Supplemental Indenture creating a Series of Bonds, each notice of redemption shall be mailed by the Trustee, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, to each Owner. Notice of redemption to the Owners shall be given by first class mail. Each notice of redemption shall state the date of such notice, the date of issue of the Series of Bonds to which such notice relates, the redemption date, the redemption price, the place or places of redemption (including the name and appropriate address or addresses of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity, the distinctive certificate numbers of the Bonds of such maturity, to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on said date there will become due and payable on each of said Bonds the redemption price thereof, or the redemption price of said specified portion of the principal amount thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice. Neither the Authority nor the Trustee shall have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the Authority nor the Trustee shall be liable for any inaccuracy in such numbers. Failure of any Owner to receive any notice of redemption or any defect therein shall not affect the sufficiency of any proceedings for redemption.

The Authority may, at its option, prior to the date fixed for redemption in any notice of redemption rescind and cancel such notice of redemption by Written Request of the Authority to the Trustee and the Trustee shall mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

SECTION 4.03. Effect of Redemption. Notice of redemption having been duly given as aforesaid or as otherwise provided in a Supplemental Indenture, and moneys for payment of the redemption price of, together with interest accrued to the redemption date on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for

redemption shall become due and payable at the redemption price specified in such notice, together with interest accrued thereon to the date fixed for redemption, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under this Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of said redemption price and accrued interest to the date fixed for redemption.

SECTION 4.04. Partial Redemption of Bonds. Upon surrender of any Bond to be redeemed in part only, the Authority shall execute, and the Trustee shall authenticate and deliver to the Owner of such Bond, at the expense of the Authority, a new Bond or Bonds of Authorized Denominations equal in aggregate principal amount to the unredeemed portion of the Bond surrendered, of the same Series, maturity and terms as the surrendered Bond.

ARTICLE V

STATUTORY LIEN; PLEDGES; FUNDS AND ACCOUNTS

SECTION 5.01. Statutory Lien. All Bridge Toll Revenues shall be deposited by the Authority in the Bay Area Toll Account and are subject to a statutory lien created pursuant to Section 30960 of the Act in favor of the Bondholders to secure all amounts due on the Bonds and in favor of any provider of credit enhancement for the Bonds to secure all amounts due to that provider with respect to those Bonds. Pursuant to Section 30960 of the Act, such lien, subject to expenditures for operation and maintenance of the Bay Area Bridges and to expenses related to the collection of tolls as authorized in Section 30960(c) of the Act and as provided by Section 5.10, shall immediately attach to the Bridge Toll Revenues as such Bridge Toll Revenues are received by the Authority and shall be effective, binding, and enforceable against the Authority, its successors, creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act, and the Bridge Toll Revenues shall remain subject to such statutory lien until all Bonds are paid in full or provision made therefor, and the Bay Area Bridges shall not become toll - free prior to that time.

SECTION 5.02. Pledge of State. Pursuant to Section 30963 of the Act, the State pledges and agrees 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 and agrees not to impair the terms of any agreements made with the Holders of the Bonds and the parties who may enter into contracts with the Authority pursuant to the Act and pledges and agrees not to impair the rights or remedies of the Holders of 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.

SECTION 5.03. Pledge of Revenue, Certain Funds and Accounts. There are hereby pledged to secure the punctual payment of the principal of and interest on the Bonds, Parity Obligations and Reserve Facility Costs, all Revenue and all amounts (including the proceeds of Bonds) held by the Trustee in each fund and account established under this Indenture (except for amounts on deposit in the Rebate Fund and amounts on deposit in any fund or

account established to hold the proceeds of a drawing on any Credit Support Instrument), subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein. Said pledge shall constitute a lien on such amounts, shall be valid and binding without any physical delivery or further act and shall be irrevocable until all Bonds, Parity Obligations and Reserve Facility Costs are no longer outstanding. The pledge and lien are subordinate to every pledge and lien, heretofore or hereafter made, to secure the payment of the principal of and interest on Senior Bonds and amounts due on other Senior Obligations.

SECTION 5.04. Establishment and Application of the Bond Fund. Not less than three (3) Business Days prior to each date when the Authority shall be required to pay principal or interest on Senior Bonds or amounts due on other Senior Obligations, the Authority shall transfer to the Master Indenture Trustee, from the Bay Area Toll Account, and the Trustee shall deposit in the Master Indenture Bond Fund, such amount of Revenue as shall be required: (x) to make such payments; (y) to pay all other amounts then due and payable under any Senior Bond Indenture to replenish reserve funds for Senior Bonds and to pay reserve facility costs for Senior Bonds then due and payable; and (z) to pay all Bonds and Parity Obligations then due and payable. To the extent the interest rate on the Senior Bonds or other Senior Obligations or the Bonds or Parity Obligations has not yet been determined, the Trustee shall assume such rate to be twelve percent (12%) per annum or such other rate as the Authority shall specify to the Master Indenture Trustee at the time of such transfer.

At the time of each such transfer of Revenue by the Authority to the Master Indenture Trustee of amounts to pay Bonds and Parity Obligations, the Authority shall notify the Trustee and the Master Indenture Trustee of the amount of such Revenue that the Authority calculates it is transferring to the Master Indenture Trustee for the payment of Bonds and Parity Obligations then due and payable (provided that the Authority's calculations shall not be binding upon the Master Indenture Trustee and shall not relieve the Master Indenture Trustee from complying with the Master Indenture). The Authority hereby directs the Master Indenture Trustee to pay all moneys to the Trustee that the Master Indenture Trustee deposits in the Master Indenture Subordinate Obligations Fund.

All Revenue received by the Trustee from the Master Indenture Trustee shall be deposited by the Trustee in a special fund designated as the "Bond Fund," which the Trustee shall establish, maintain and hold in trust. All Revenue held in the Bond Fund shall be held, applied, used and withdrawn only as provided in this Indenture. On or before the date when principal and interest on the Bonds and amounts due on Parity Obligations shall be due and payable, the Trustee shall transfer from the Bond Fund and deposit (or transfer as appropriate to the holder or trustee of such Parity Obligations the amounts then due thereon) into the following respective accounts (each of which the Trustee shall establish and maintain within the Bond Fund, in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenue sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority;

(a) Interest Account. The Trustee shall set aside in the Interest Account in the manner and at the times specified by Supplemental Indenture amounts sufficient to pay the

interest on Bonds and Parity Obligations as and when due, including all interest rate subsidies paid to the Trustee by the federal government at the direction of the Authority (including subsidies paid pursuant to the federal American Recovery and Reinvestment Act of 2009 on account of the issuance of Bonds as build America bonds within the meaning of that federal statute). Except as otherwise provided in this Section 5.04(a), moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds and Parity Obligations as such interest shall become due and payable, provided that moneys in any separate account established to pay interest on a Series of Bonds shall be used and withdrawn solely to pay interest on such Bonds as and when due.

(b) Principal Account. The Trustee shall set aside in the Principal Account in the manner and at the times specified by Supplemental Indenture amounts sufficient to pay the principal of Bonds (including any sinking fund payments) as and when due (whether at maturity or upon redemption or on account of sinking fund requirements). Except as otherwise provided in this Section 5.04(b), moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of paying principal of the Bonds (including any sinking fund payments) as and when due, provided that moneys in any separate account established to pay principal on a Series of Bonds shall be used and withdrawn solely to pay principal of such Bonds as and when due.

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

SECTION 5.05. Establishment, Funding and Application of the Reserve Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Reserve Fund." On the date of issuance of the Initial Bonds, an amount equal to the Reserve Requirement for the Initial Bonds shall be deposited in the Reserve Fund. Moneys in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purposes of paying principal and interest on the Bonds when due when insufficient moneys for the payment thereof are on deposit in the Principal Account and the Interest Account or (together with any other moneys available therefor) for the payment or redemption of all Bonds then Outstanding or, for the payment of the final principal and interest payment of a Series of Bonds, if following such payment the amounts in the Reserve Fund (including the amounts which may be obtained from letters of credit, surety bonds and insurance policies on deposit therein) will equal the Reserve Requirement.

In the event that the Trustee shall have withdrawn moneys in the Reserve Fund for the purpose of paying principal and interest on the Bonds when due as provided in the immediately preceding paragraph, the Trustee shall promptly notify the Authority of such withdrawal. Upon receipt of such notification, the Authority shall, on or prior to the first Business Day of each month, commencing the month after such notification is received from the Trustee by the Authority, transfer to the Trustee for deposit in the Reserve Fund, an amount

equal to one-twelfth (1/12th) of the aggregate amount of each unreplenished withdrawal until the amount on deposit in the Reserve Fund is equal to the Reserve Requirement.

Upon receipt of any notification from the Trustee of a deficiency in the Reserve Fund due to any required valuation of investments in the Reserve Fund provided by the Trustee pursuant to Section 5.13, the Authority shall, on or prior to the first Business Day of each month, commencing the month after such notification is received from the Trustee by the Authority, transfer to the Trustee for deposit in the Reserve Fund, an amount equal to one-twelfth (1/12th) of the aggregate amount of such deficiency until the amount on deposit in the Reserve Fund is equal to the Reserve Requirement.

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

Before any drawing may be made on a Reserve Facility, the Trustee shall have withdrawn all cash and investments in the Reserve Fund to replenish the Principal Account and the Interest Account. If any obligations are due and payable under the Reserve Facility, any new funds deposited into the Reserve Fund shall be used and withdrawn by the Trustee to pay such obligations. The pledge of amounts on deposit in certain funds and accounts held by the Trustee under this Indenture to secure payment of Reserve Facility Costs set forth in Section 5.03 is on a basis subordinate to the pledge of such amounts to the Trustee for payment of the Bonds and Parity Obligations.

Amounts in respect of Reserve Facility Costs paid to a Reserve Facility Provider shall be credited first to the expenses due, then to interest due and then to principal due. As and to the extent payments are made to a Reserve Facility Provider on account of principal due, the coverage under the Reserve Facility will be increased by a like amount, subject to the terms of the Reserve Facility.

Draws on all Reserve Facilities on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Fund. Payment of Reserve Facility Costs with respect to amounts drawn under multiple Reserve Facilities shall be made on a pro-rata basis prior to the replenishment of any cash drawn from the Reserve Fund.

If the Authority shall fail to pay any Reserve Facility Costs in accordance with the above requirements, a Reserve Facility Provider shall be entitled to exercise any and all legal and equitable remedies available to such Reserve Facility Provider, including those provided under this Indenture other than remedies which would adversely affect Owners of the Bonds.

This Indenture shall not be discharged until all Reserve Facility Costs owing to a Reserve Facility Provider shall have been paid in full. The Authority's obligation to pay such amounts shall expressly survive payment in full of the Bonds.

In the event that the rating for a Reserve Facility Provider is withdrawn or reduced by Moody's or S&P to a rate below the requirements specified in the definition of Reserve Facility set forth in Section 1.01, the Authority will obtain a substitute or replacement Reserve Facility within sixty (60) days from the date of such reduction or withdrawal to the extent that, in the judgment of the Authority, such a substitute or replacement Reserve Facility is available upon reasonable terms and at a reasonable cost, or the Authority shall deposit cash or other Permitted Investments (to the extent the same are available from Revenue), in order to provide that there will be on deposit in the Reserve Fund an amount equal to the Reserve Requirement.

Unless the Bonds have been fully paid and retired, the Trustee shall draw the full amount of any letter of credit credited to the Reserve Fund for such Bonds on the third Business Day preceding the date such letter of credit (taking into account any extension, renewal or replacement thereof) would otherwise expire, and shall deposit moneys realized pursuant to such draw in the Reserve Fund.

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

SECTION 5.06. Establishment and Application of the Rebate Fund. Upon the Written Request of the Authority, the Trustee shall establish, maintain and hold in trust a separate fund designated as the "Rebate Fund" and there shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to each Tax Certificate and the Code. All money at any time deposited in the Rebate Fund shall be held by the Trustee to satisfy the Rebate Requirement (as defined in the Tax Certificate) for payment to the United States of America. The Trustee shall have no responsibility with respect to the Rebate Fund or the Rebate Requirement except to follow the written instructions of the Authority.

SECTION 5.07. Establishment and Application of the Redemption Fund. The Trustee shall establish, maintain and hold in trust a special fund designated as the "Redemption Fund." All moneys deposited by the Authority with the Trustee for the purpose of redeeming Bonds of any Series shall, unless otherwise provided in the Supplemental Indenture establishing the terms and conditions for such Series of Bonds, be deposited in the Redemption Fund. All amounts deposited in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of redeeming Bonds of such Series and maturity as shall be specified by the Authority in a Written Request of the Authority delivered to the Trustee, in the manner, at the times and upon the terms and conditions specified in the Supplemental Indenture pursuant to which such Series of Bonds was issued.

SECTION 5.08. Records. The Trustee shall cause to be kept and maintained records pertaining to each fund and account held by it and all disbursements therefrom and shall deliver monthly to the Authority statements of activity with respect to such funds and accounts, provided that the Trustee shall not be obligated to report as to any fund or account that (a) has a balance of zero and (b) has not had any activity since the last reporting date.

SECTION 5.09. Investment by Authority. Moneys held by the Authority in the Bay Area Toll Account and in the funds and accounts created hereunder and held by the Authority shall be invested and reinvested in any lawful investment of the Authority.

SECTION 5.10. Investment by Trustee. Moneys held by the Trustee in the funds and accounts created hereunder shall be invested and reinvested in Permitted Investments in accordance with the written instructions of an Authorized Representative.

Unless otherwise specified in the Supplemental Indenture creating a Series of Bonds, all Permitted Investments shall be held by or under the control of the Trustee and shall be deemed at all times to be a part of the fund or account which was used to purchase the Permitted Investment. Unless otherwise provided by written instructions of an Authorized Representative or in a Supplemental Indenture, all interest, profits and other income received from the investment of moneys in any fund or account held by the Trustee, other than a Construction Fund or the Rebate Fund, shall be transferred to the Bond Fund when received and all interest, profits and other income received from the investment of moneys in any Construction Fund shall be deposited in such Construction Fund. All interest, profits and other income received from the investment of moneys in the Rebate Fund shall be deposited in the Rebate Fund. Notwithstanding anything to the contrary contained in this paragraph, an amount of interest received with respect to any Investment Security equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Security shall be credited to the fund or account from which such accrued interest was paid.

The Trustee is authorized to cause to be sold or redeemed and reduced to cash a sufficient amount of Permitted Investments whenever the cash balance in any fund or account is or will be insufficient to make any required disbursement. The Trustee shall not be responsible for any depreciation in the value of any Permitted Investment or for any loss resulting from such sale or redemption. Absent specific instructions from an Authorized Representative, the Trustee shall invest cash balances in Permitted Investments described in clause (xii) of the definition thereof unless otherwise specified in a Supplemental Indenture.

All Investment Securities credited to the Reserve Fund shall be valued as of April 1 of each year (or the next succeeding Business Day if such day is not a Business Day). All Investment Securities credited to the Reserve Fund shall be valued at their fair market value determined to the extent practical by reference to the closing bid price thereof published in The Wall Street Journal or any other financial publication or quotation service selected by the Trustee in its discretion.

The Trustee or its affiliates may act as sponsor, advisor, principal or agent in the acquisition or disposition of any investment with the prior written approval of an Authorized

Representative. The Trustee may commingle any of the moneys held by it pursuant to this Indenture (except for amounts on deposit in the Rebate Fund and amounts on deposit in any fund or account established to hold the proceeds of a drawing on any Credit Support Instrument) for investment purposes only; provided, however, that the Trustee shall account separately for the moneys belonging to each fund or account established pursuant to this Indenture and held by it.

ARTICLE VI

COVENANTS OF THE AUTHORITY

SECTION 6.01. Punctual Payment and Performance. The Authority will punctually pay the principal and Purchase Price of and the interest on (and redemption premiums, if any) to become due on the Bonds in strict conformity with the terms of the Act, the Indenture and the Bonds, and will faithfully observe and perform all of the agreements and covenants contained in the Indenture and the Bonds.

SECTION 6.02. Against Encumbrances. The Authority will not create or cause or permit to be created any pledge, lien, charge or encumbrance having priority over the lien of the Bonds and Parity Obligations upon any of the Revenue except Senior Obligations. The Authority will not create or cause or permit to be created any pledge, lien, charge or encumbrance having parity with the lien of the Bonds and Parity Obligations upon any of the Revenue except Bonds and Parity Obligations. The Authority will not create or permit to be created or issue any bonds, notes or other obligations secured by a pledge of or charge or lien upon Revenue except Senior Obligations, Bonds and Parity Obligations.

SECTION 6.03. Tax Covenants.

(a) The Authority shall not use or permit the use of any proceeds of the Bonds or any funds of the Authority, directly or indirectly, to acquire any securities or obligations that would cause the interest on Bonds intended by the Authority to be exempt from federal income taxation to become subject to federal income taxation, and shall not take or permit to be taken any other action or actions, which would cause any such Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code or "federally guaranteed" within the meaning of Section 149(b) of the Code and any such applicable regulations promulgated from time to time thereunder. The Authority shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. The Authority shall comply with all requirements of Sections 148 and 149(b) of the Code to the extent applicable to Bonds. In the event that at any time the Authority is of the opinion that for purposes of this Section 6.03(a) it is necessary to restrict or to limit the yield on the investment of any moneys held by the Trustee under this Indenture, the Authority shall so instruct the Trustee under this Indenture in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(b) The Authority covenants to comply with the provisions and procedures of each Tax Certificate.

(c) The Authority and the Trustee shall not use or permit the use of any proceeds of the Bonds or any funds of the Authority (so long as such proceeds or other funds are

under its control), directly or indirectly, in any manner, and shall not take or omit to take any action that would cause any of the Bonds to be treated as an obligation not described in Section 103(a) of the Code if such Bonds were, when originally issued, intended by the Authority to be obligations described in Section 103(a) of the Code.

(d) Notwithstanding any provisions of this Section 6.03 or any Tax Certificate, if the Authority shall provide to the Trustee an Opinion of Bond Counsel to the effect that any specified action required under this Section 6.03 is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on any Bonds, the Trustee and the Authority may conclusively rely on such opinion in complying with the requirements of this Section, and, notwithstanding any other provision of this Indenture or any Tax Certificate, the covenants hereunder shall be deemed to be modified to that extent.

(e) The Trustee shall follow the directions of the Authority given pursuant to the Tax Certificate, and shall have no liability or responsibility to enforce compliance by the Authority with the terms of the Tax Certificate.

SECTION 6.04. Toll Rate Covenants.

(a) The Authority hereby covenants that it will at all times establish and maintain tolls on the Bay Area Bridges at rates sufficient to meet Operations & Maintenance Expenses, to otherwise comply with the Act and to pay debt service on all Outstanding Senior Bonds, other Senior Obligations, Bonds and Parity Obligations secured by Revenue.

(b) In addition to the requirements of the foregoing subsection (a), while any Bonds or Parity Obligations remain Outstanding, the Authority covenants: (i) to compute Net Revenue After Senior Bond Debt Service, MTC Transfers, Subordinated Maintenance Expenditures, Annual Debt Service, and the ratios required by subsection (iii) of this Section 6.04(b) (such ratios being hereinafter referred to as the "Coverage Ratios") within ten (10) Business Days after the beginning of each Fiscal Year (such date of computation being hereinafter referred to as a "Toll Coverage Calculation Date"), commencing with the Fiscal Year beginning July 1, 2001; (ii) to furnish to the Trustee and each Credit Provider a Certificate of the Authority setting forth the results of such computations and such Coverage Ratios, such Certificate to be provided no later than two months after the beginning of each Fiscal Year; and (iii) to increase tolls if on any Toll Coverage Calculation Date, (x) the ratio produced by dividing Net Revenue After Senior Bond Debt Service by the sum of Annual Debt Service and MTC Transfers (such sum being hereinafter referred to as "Fixed Charges"), Subordinated Maintenance Expenditures for the then current Fiscal Year and payments on Bonds and other Parity Obligations for the then current Fiscal Year (determined using the principles set forth in the definition of Annual Debt Service but excluding payments that are one-time or extraordinary payments, such as termination payments on Qualified Swap Agreements) is less than 1.0 or (y) the ratio produced by dividing the sum of (1) Net Revenue After Senior Bond Debt Service and (2) any funds then on deposit in the Operations and Maintenance Fund by Fixed Charges for the then current Fiscal Year is less than 1. __, or (z) the ratio produced by dividing Net Revenue After Senior Bond Debt Service by Annual Debt Service for the then current Fiscal Year is less than 1. __. For purposes of such calculations, Net Revenue after Senior Bond Debt Service and

Subordinated Maintenance Expenditures are determined by reference to the current budget of the Authority.

SECTION 6.05. Payment of Claims. The Authority will pay and discharge any and all lawful claims which, if unpaid, might become a charge or lien upon the Revenue or any part thereof or upon any funds in the hands of the Authority or the Trustee prior to or on a parity with the charge and lien upon the Revenue securing any Bonds.

SECTION 6.06. Accounting Records; Financial Statements and Other Reports.

(a) The Authority will keep appropriate accounting records in accordance with generally accepted accounting principles. Such accounting records shall at all times during business hours be subject to the inspection of the Trustee or of any Holder (or its representative authorized in writing).

(b) The Authority will prepare and file with the Trustee annually within 210 days after the close of each Fiscal Year financial statements of the Authority for such fiscal year, together with an audit report thereon prepared by an Independent Certified Public Accountant.

SECTION 6.07. Protection of Revenue and Rights of Holders. The Authority will preserve and protect the security of the Bonds and Parity Obligations and the rights of the Bondholders and the holders of Parity Obligations and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the Authority, the Bonds shall be incontestable by the Authority.

SECTION 6.08. Payment of Governmental Charges and Compliance with Governmental Regulations. The Authority will pay and discharge all taxes or payments in lieu of taxes, assessments and other governmental charges or liens that may be levied, assessed or charged upon the Revenue, or any part thereof, promptly as and when the same shall become due and payable, except that the Authority shall not be required to pay any such governmental charges so long as the application or validity thereof shall be contested in good faith and the Authority shall have set aside reserves to cover such payments.

SECTION 6.09. Continuing Disclosure. Upon the issuance of any Series of Bonds or upon conversion of any Series of Bonds to an interest rate period requiring an undertaking regarding continuing disclosure under Rule 15c2-12, the Authority and the Trustee hereby covenant and agree that they will comply with and carry out all of the provisions of the Continuing Disclosure Agreement executed and delivered in connection with such Series of Bonds. Notwithstanding any other provision of this Indenture, failure of the Authority or the Trustee to comply with the provisions of any Continuing Disclosure Agreement shall not constitute an Event of Default under this Indenture; provided, however, that the Trustee, at the request of any Participating Underwriter or the Owners of at least twenty-five percent (25%) aggregate principal amount of any Series of Bonds then Outstanding, shall (but only to the extent that the Trustee is indemnified to its satisfaction from any liability or expense, including fees and expenses of its attorneys) or any Owner or Beneficial Owner of a Bond may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court

order to cause the Authority or the Trustee, as applicable, to comply with its obligations under this Section.

SECTION 6.10. Further Assurances. The Authority will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Holders of the rights and benefits provided herein.

SECTION 6.11. Debt Policy. The Authority will maintain in effect at all times a debt policy that includes a prohibition against the use by the Authority of financial instruments authorized by California Government Code sections 5920-5924 or any similar law for speculative purposes.

ARTICLE VII

DEFAULT PROVISIONS AND REMEDIES

SECTION 7.01. Events of Default. Any one of the following and any other event specified in a Supplemental Indenture as an Event of Default shall constitute an Event of Default hereunder:

- (a) Default in the payment of any interest on any Bond when and as the same shall have become due;
- (b) Default in the payment of the principal or Purchase Price of or premium, if any, on any Bond when and as the same shall become due, whether at the stated maturity or redemption date thereof or otherwise; or
- (c) Default in the observance or performance of any other covenant or agreement of the Authority contained in this Indenture and the continuance thereof for a period of sixty (60) days after written notice thereof to the Authority given by the Trustee.

SECTION 7.02. Suits at Law or in Equity and Mandamus. In case one or more Events of Default shall occur, then and in every such case the Trustee may, and shall at the request of the Holders of not less than a majority of the aggregate principal amount of any Series of Bonds then Outstanding (or such greater percentage of the Holders of Bonds of any Series as may be specified in the Supplemental Indenture creating such Series), proceed to protect and enforce Bondholder rights by such appropriate judicial proceeding as the Trustee shall deem most effectual to protect and enforce any such right, either by suit in equity or by action at law, whether for the specific performance of any covenant or agreement contained in this Indenture, or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the Bondholders by this Indenture or the Bonds or by law. The provisions of this Indenture shall constitute a contract with each and every Bondholder and the duties of the Authority shall be enforceable by the Trustee on behalf of any Bondholder by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction.

SECTION 7.03. Waivers. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any Event of Default hereunder shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

ARTICLE VIII

THE TRUSTEE

SECTION 8.01. Trustee. (a) _____ will serve as the Trustee under this Indenture. The Trustee shall be required to perform such duties and only such duties as are specifically set forth in this Indenture. The Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as reasonable persons would exercise or use under the circumstances in the conduct of their own affairs. The Trustee hereby designates _____ as its Principal Office for all purposes hereof and accepts the duties imposed upon it hereunder and agrees, particularly: (i) to hold all sums held by it for the payment of the principal and Purchase Price of, premium, if any, or interest on the Bonds in trust for the benefit of the Holders of the Bonds as provided herein until such sums shall be paid to such Holders of the Bonds or otherwise disposed of as herein provided; (ii) to authenticate and cancel Bonds as provided herein; (iii) to perform its obligations under this Indenture; and (iv) to keep such books and records relating to its duties as Trustee as shall be consistent with reasonable industry practice and to make such books and records available for inspection by the Authority at all reasonable times upon reasonable notice.

The Authority shall cause the necessary arrangements to be made and to be thereafter continued whereby: (i) funds derived from the sources specified in this Indenture will be made available at the Principal Office of the Trustee for the timely payment of principal and Purchase Price of, premium, if any, and interest on the Bonds; (ii) Bonds shall be made available for authentication, exchange and registration of transfer by the Trustee at the Principal Office of the Trustee; and (iii) the Trustee shall be furnished such records and other information, at such times, as shall be required to enable the Trustee to perform the duties and obligations imposed upon it hereunder.

(b) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action or its own negligent failure to act, except that, at all times regardless of whether or not any Event of Default shall exist: (i) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and (ii) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Trustee conforming to the requirements of this Indenture; but in the case of any such certificate or opinion which by

any provision hereof is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not it conforms to the requirements of this Indenture; (iii) the Trustee shall not be liable for any error of judgment made in good faith unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and (iv) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of any Credit Provider or the Holders of not less than a majority, or such larger percentage as may be required hereunder, in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under this Indenture.

(c) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

(d) No delivery of Bonds to the Trustee or purchase of Bonds by the Trustee shall constitute a redemption of Bonds or any extinguishment of the debt represented thereby.

SECTION 8.02. Compensation and Indemnification of Trustee. The Authority shall: (i) pay the Trustee reasonable compensation (which, to the extent permitted by applicable law, shall not be limited by any law limiting the compensation of the trustee of an express trust); (ii) pay or reimburse the Trustee upon request for all reasonable fees, expenses, disbursements and advances incurred or made in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all agents and other persons not regularly in its employ), except to the extent that any such expense, disbursement or advance is due to its own negligence or willful misconduct; and (iii) to the extent permitted by applicable law, indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred by it, arising out of or in connection with the acceptance or administration of this Indenture or the performance of its duties hereunder, including the costs and expenses of defending itself against or investigating any claim of liability or expense, except to the extent that any such liability or expense was due to its own negligence or willful misconduct. The obligations of the Authority under this Section 8.02 shall survive the satisfaction and discharge of this Indenture.

SECTION 8.03. Qualifications of Trustee; Resignation; Removal.

(a) There shall at all times be a trustee hereunder which shall be a commercial bank, trust company or national association organized and doing business under the laws of the United States or of a state thereof, authorized under such laws to exercise corporate trust powers, having (or if such bank, trust company or national association is a member of a bank holding company system, its holding company has) a combined capital and surplus of at least seventy-five million dollars (\$75,000,000), and subject to supervision or examination by federal or state authority. If such banks, trust companies, or banking associations publish reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then, for the purposes of this Section 8.03, the combined capital and surplus of such banks, trust companies or banking associations shall be deemed to be their combined capital and surplus as set forth in their most recent reports of conditions so published.

(b) The Trustee may at any time resign by giving at least thirty (30) days' written notice to the Authority. Upon receiving such notice of resignation, the Authority, shall promptly appoint a successor trustee by an instrument in writing. If no successor trustee shall have been so appointed and have accepted appointment within thirty days after the giving of such notice of resignation, the resigning trustee may petition any court of competent jurisdiction for the appointment of a successor trustee or any Holder who has been a bona fide Holder of a Bond for at least six months may, on behalf of itself and others similarly situated, petition any such court for the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor trustee.

(c) In case at any time either of the following shall occur: (i) the Trustee shall cease to be eligible in accordance with the provisions of this Section 8.03 and shall fail to resign after written request therefor by the Authority or by any Holder who has been a bona fide Holder of a Bond for at least six months; or (ii) the Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case, the Authority may remove the Trustee and appoint a successor trustee by an instrument in writing executed by an Authorized Representative, or any Holder who has been a bona fide Holder of a Bond for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee.

(d) The Authority or Holders of a majority in aggregate principal amount of the Bonds at the time Outstanding may at any time remove the Trustee and appoint a successor trustee by an instrument or concurrent instruments in writing signed by an Authorized Representative of the Authority or by such Holders, as the case may be.

(e) Any resignation or removal of the Trustee and appointment of a successor trustee pursuant to any of the provisions of this Section 8.03 shall become effective upon acceptance of appointment by the successor trustee acceptable to the Authority. Any successor trustee shall execute, acknowledge and deliver to the Authority and to its predecessor trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusts hereunder, with like effect as if originally named as Trustee herein; but, nevertheless, on the Written Request of the Authority or the request of the successor trustee, the trustee ceasing to act shall execute and deliver an instrument transferring to such successor trustee, upon the trusts herein expressed, all the rights, powers and trusts of the trustee so ceasing to act. Upon request of any such successor trustee, the Authority shall execute any and all instruments in writing necessary or desirable for more fully and certainly vesting in and confirming to such successor trustee all such rights, powers and duties. No successor trustee shall accept appointment as provided in this Section 8.03 unless at the time of such acceptance such successor trustee shall be eligible under the provisions of this Section 8.03. Upon acceptance of appointment by a successor trustee as provided in this Section 8.03, the Authority

or such successor trustee shall give Holders notice of the succession of such trustee to the trusts hereunder.

(f) Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under this Section 8.03 and acceptable to the Authority, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

(g) In the event of the resignation or removal of the Trustee, the Trustee shall deliver any money and any Bonds and its related books and records held by it in such capacity to its successor.

(h) The Trustee may appoint and at all times have one or more agents in connection with its duties and responsibilities hereunder.

SECTION 8.04. Instrument of Bondholders. Any instrument required by this Indenture to be executed by Bondholders may be in any number of writings of similar tenor and may be executed by Bondholders in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds given in any of the following forms shall be sufficient for any of the purposes of this Indenture: (i) a certificate of any officer in any jurisdiction who by law has power to take acknowledgements within such jurisdiction that the person signing such writing acknowledged before him the execution thereof; or (ii) a certificate executed by any trust company or bank stating that at the date thereof the party named therein did exhibit to an officer of such trust company or bank, as the property of such party, the Bonds therein mentioned.

The Trustee may rely on such an instrument of Bondholders unless and until the Trustee receives notice in the form specified in (i) or (ii) above that the original such instrument is no longer reliable. In the event that the Trustee shall receive conflicting directions from two or more groups of Bondholders, each with combined holdings of not less than twenty-five percent (25%) of the principal amount of Outstanding Bonds, the directions given by the group of Bondholders which hold the largest percentage of Bonds shall be controlling and the Trustee shall follow such directions to the extent required herein. The Trustee shall have no liability provided it is following the instructions of such Bondholders permitted to direct the Trustee pursuant to this Indenture.

SECTION 8.05. Issuing and Paying Agents. The Authority may appoint and at all times have one or more issuing and paying agents in such place or places as the Authority may designate, for the payment of a Series of Bonds. Such issuing and paying agent shall meet the qualifications for the Trustee and the procedures and conditions for removal and resignation set forth in Section 8.03 hereof. It shall be the duty of the Trustee to make such arrangements with any such issuing and paying agent as may be necessary to assure, to the extent of the moneys held by the Trustee for such payment, the prompt payment of Bonds presented at either place of payment.

ARTICLE IX

AMENDMENTS

SECTION 9.01. Amendments to Indenture Not Requiring Consent of Bondholders. Except to the extent restricted by a Supplemental Indenture, the Authority, without the consent of or notice to any Bondholders, may adopt amendments to this Indenture for one or more of the following purposes:

(a) To grant to or confer upon the Bondholders of any Series any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders;

(b) To grant or pledge to the Bondholders of any Series any additional security;

(c) To amend this Indenture in such manner as may be necessary or convenient in connection with the book-entry system for payments, transfers and other matters relating to the Bonds;

(d) To cure any ambiguity or to correct or supplement any provision contained herein or in any Supplemental Indenture which may be defective or inconsistent with any provision contained herein or in any Supplemental Indenture, or to make such other provisions in regard to matters or questions arising under this Indenture which shall not materially adversely affect the interest of the Bondholders;

(e) To make any change therein necessary, in the Opinion of Bond Counsel, to maintain the exclusion from gross income for federal income tax purposes of the interest on any Outstanding Bonds;

(f) To make modifications or adjustments necessary in order to accommodate a Credit Support Instrument or a Reserve Facility;

(g) To modify, alter, amend or supplement this Indenture or any Supplemental Indenture in any other respect, including any amendments which would otherwise be described in Section 9.02 hereof, if (i) all Bonds to be affected thereby are variable interest rate bonds, (ii) such amendments shall not become effective until written notice thereof shall have been given to Bondholders by the Trustee, and (iii) thirty (30) days shall have passed during which time such Bondholders shall have had the opportunity to tender their variable interest rate bonds for purchase; and

(h) To issue additional Bonds hereunder in accordance with the terms hereof.

Any Supplemental Indenture entered into pursuant to this Section shall be deemed not to materially adversely affect the interest of the Bondholders so long as (i) all Bonds are secured by a Credit Support Instrument and (ii) each Credit Provider shall have given its written consent to such Supplemental Indenture as provided in Section 9.02(b).

Notwithstanding any other provision of the Indenture, no modification or amendment to the Indenture that affects to a material extent the security or remedies of a Credit Provider shall be entered into without the prior written consent of such Credit Provider.

Except as otherwise provided in clause (g) above, no such amendment may include a change described in clause (i), (ii), (iii) or (iv) of Section 9.02(a).

SECTION 9.02. Amendments to Indenture Requiring Consent of Bondholders.

(a) Exclusive of amendments authorized by Section 9.01 and subject to the terms and provisions contained in this Section 9.02(a), Section 9.02(b) and in any Supplemental Indenture, the Holders of not less than a majority of the aggregate principal amount of the then Outstanding Bonds, or if less than all of the Outstanding Bonds are affected, the Holders of not less than a majority of the aggregate principal amount of the Outstanding Bonds affected, shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to such other amendments hereto as shall be consented to by the Authority in its sole discretion for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided, however, that nothing in this Section 9.02(a) shall permit, or be construed as permitting (i) an extension of the maturity of the principal of, or the mandatory redemption date of, or interest on, any Bond, or (ii) a reduction in the principal amount of, or the redemption premium or the rate of interest on, any Bond, (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds except as provided in Article III, or (iv) a reduction in the aggregate principal amount of the Bonds required for any consent to any amendment.

(b) Exclusive of amendments authorized by Section 9.01 and subject to the terms and provisions contained in this Section 9.02(b) and in any Supplemental Indenture, the Authority and the Trustee may also enter into a Supplemental Indenture for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture, which Supplemental Indenture shall become binding, without the consent of any Holder, when the written consents of each Credit Provider then providing a Credit Support Instrument for any Series of Outstanding Bonds shall have been obtained and filed with the Trustee, provided that at such time the payment of principal of and interest on all Bonds then Outstanding shall be insured by or payable under a Credit Support Instrument provided by a Credit Provider then rated in one of the two highest Rating Categories of each rating agency then maintaining a rating on any Bonds and provided, further, however, that nothing in this Section 9.02(b) shall permit, or be construed as permitting (i) an extension of the maturity of the principal of, or the mandatory redemption date of, or interest on, any Bond, or (ii) a reduction in the principal amount of, or the redemption premium or the rate of interest on, any Bond, (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds except as provided in Article III, or (iv) a reduction in the aggregate principal amount of the Bonds required for any consent to any amendment.

SECTION 9.03. Notice to and Consent of Bondholders. If consent of the Bondholders is required under the terms of this Indenture for the amendment of this Indenture or

for any other similar purpose, the Authority shall cause notice of the proposed amendment to be given by first-class mail to the Holders of the Outstanding Bonds then shown on the registration books for the Bonds. Such notice shall briefly set forth the nature of the proposed amendment or other action and shall state that copies of any such amendment are on file at the office of the Authority and the Principal Office of the Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer period as shall be prescribed by the Authority following the mailing of such notice, the Holders of the requisite principal amount of the Bonds Outstanding by instruments filed with the Authority shall have consented to the amendment or other proposed action, then the Authority may adopt or execute, as appropriate, such amendment or take such proposed action and the consent of the Bondholders shall thereby be conclusively presumed.

SECTION 9.04. Effect of Supplemental Indentures. Upon the execution and delivery of any Supplemental Indenture pursuant to this Article IX, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Authority, the Trustee and all Owners of Outstanding Bonds shall thereafter be determined, exercised and enforced subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.05. Bonds Owned by Authority. For purposes of this Article IX, Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article IX and the Authority shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article IX. Upon request of the Trustee, at the time of any consent or other action is to be taken under this Article IX, the Authority shall furnish the Trustee a Certificate of the Authority, upon which the Trustee may rely, describing all Bonds so to be excluded.

ARTICLE X

DISCHARGE OF LIEN

SECTION 10.01. Discharge of Lien and Security Interest. (a) At the election of the Authority, upon payment in full of all the Bonds and of all amounts payable under this Indenture, the pledge and lien on the Revenue arising under this Indenture shall cease, determine and be void; provided, however, such discharge of this Indenture shall not terminate the powers and rights granted to the Trustee with respect to the payment, transfer and exchange of the Bonds.

(b) Notwithstanding any provision in the Indenture to the contrary, if the principal of or interest on any Bonds shall be paid by a Credit Provider, those Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Authority within the meaning of this Section 10.01, and the pledge of the Revenue and all covenants, agreements and other obligations of the Authority as herein provided shall continue to exist and shall run to the benefit of each Credit Provider, and such Credit Provider shall be subrogated to the rights of the Holders.

SECTION 10.02. Provision for Payment of Bonds. Bonds (or any portion of the Bonds) shall be deemed to have been paid within the meaning of Section 10.01 if:

(a) there shall have been irrevocably deposited with the Trustee in trust either (i) lawful money of the United States of America in an amount which shall be sufficient, or (ii) Government Obligations, the principal and interest on which when due, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient (as confirmed by a report of an Independent Certified Public Accountant), to pay when due the principal amount of, redemption premium (if any) and all unpaid interest on such Bonds (or any portion thereof) to the maturity or the redemption date thereof, as the case may be; and

(b) (b) if any such Bonds are to be redeemed on any date prior to their maturity, (i) the Trustee shall have received (not less than 45 days prior to the proposed redemption date) in form satisfactory to it irrevocable instructions from an Authorized Representative to redeem such Bonds on such date and (ii) notice of such redemption shall have been given or provision satisfactory to the Trustee shall have been made for the giving of such notice.

Limitations elsewhere specified herein regarding the investment of money held by the Trustee shall not be construed to prevent the depositing and holding of the Government Obligations described in the preceding subsection (a)(ii) for the purpose of defeasing the lien of this Indenture as to Bonds which have not yet become due and payable. In addition, all money so deposited with the Trustee as provided in Section 10.02(a)(i) may also be invested and reinvested, at the direction of an Authorized Representative, in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of the Trustee pursuant to this Section 10.02, which is not required for the payment of the principal of the Bonds and interest and redemption premium, if any, thereon with respect to which such money shall have been so deposited, shall be deposited in the Bond Fund as and when realized and applied as is other money deposited in the Bond Fund, or in the event there are no longer any Bonds Outstanding under this Indenture, such income shall be automatically paid over to the Authority.

Notwithstanding any other provision of this Indenture, no Bond which is subject to optional or mandatory tender in accordance with the provisions of the Supplemental Indenture pursuant to which such Bond was issued, shall be deemed to be paid within the meaning of this Indenture, unless arrangements shall have been made to assure that such Bond, if tendered for purchase in accordance with the provisions of the applicable Supplemental Indenture, could be paid and redeemed from such moneys or Government Obligations as are provided pursuant to this Section 10.02.

SECTION 10.03. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds shall have become due and payable, either at their stated maturity dates, tender for purchase or by call for redemption, if such moneys were held by the Trustee at such date, or for two (2) years after the date of deposit of such moneys, if deposited with Trustee after the date when such Bonds or the Purchase Price thereof became due and payable, shall automatically be repaid by

the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Holders shall look only to the Authority for the payment of the principal or Purchase Price of, the redemption premiums, if any, and interest on such Bonds.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. Liability of Authority Limited to Revenue.

Notwithstanding anything contained herein, the Authority shall not be required to advance any money derived from any source of income other than Revenue as provided herein for the payment of the interest on or principal or Purchase Price of or redemption premium, if any, on the Bonds or for the performance of any agreements or covenants contained herein. The Authority may, however, advance funds for any such purpose so long as such funds are derived from a source legally available for such purpose and may be used by the Authority for such purpose without incurring an indebtedness prohibited hereby.

The Bonds are special obligations of the Authority payable, as to interest thereon, principal and Purchase Price thereof and redemption premium, if any, upon the redemption of any thereof, solely from Revenue as provided herein and the Authority is not obligated to pay them except from Revenue. The Bonds do not constitute a debt or liability of the State or of any 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.

SECTION 11.02. Limitation of Rights; Third Party Beneficiary. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person other than the Bondholders and each Credit Provider any legal or equitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions herein being intended to be and being for the sole and exclusive benefit of the Bondholders and each Credit Provider.

SECTION 11.03. Rights of Credit Providers. (a) A Supplemental Indenture authorizing a Series of Bonds may provide that any Credit Provider providing a Credit Support Instrument with respect to Bonds of such Series may exercise any right under this Indenture given to the Owners of the Bonds to which such Credit Support Instrument relates.

(b) All provisions under this Indenture authorizing the exercise of rights by a Credit Provider with respect to consents, approvals, directions, waivers, appointments, requests or other actions, shall be deemed not to require or permit such consents, approvals, directions, waivers, appointments, requests or other actions and shall be read as if the Credit Provider were not mentioned therein (i) during any period during which there is a default by such Credit Provider under the applicable Credit Support Instrument or (ii) after the applicable Credit Support Instrument shall at any time for any reason cease to be valid and binding on the Credit Provider, or shall be declared to be null and void by final judgment of a court of competent

jurisdiction, or after the Credit Support Instrument has been rescinded, repudiated by the Credit Provider or terminated, or after a receiver, conservator or liquidator has been appointed for the Credit Provider. All provisions relating to the rights of a Credit Provider shall be of no further force and effect if all amounts owing to the Credit Provider under a Credit Support Instrument have been paid and the Credit Support Instrument provided by such Credit Provider is no longer in effect.

SECTION 11.04. Severability. If any provision of this Indenture is held to be in conflict with any applicable statute or rule of law or is otherwise held to be unenforceable for any reason whatsoever, such circumstances shall not have the effect of rendering the other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever. If any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have adopted this Indenture and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

SECTION 11.05. Notices. Except as otherwise provided herein, it shall be sufficient service or giving of notice, request, complaint, demand or other paper if the same shall be duly mailed by registered or certified mail, postage prepaid, addressed as follows:

If to the Authority:

Bay Area Toll Authority
101 Eighth Street
Oakland, California 94607-4700
Attention: Manager of Finance

If to the Trustee:

[to come]

The Authority and the Trustee by notice given hereunder may designate any different addresses to which subsequent notices, certificates or other communications shall be sent, but no notice directed to any one such entity shall be thereby required to be sent to more than two addresses.

SECTION 11.06. Payments Due on Non-Business Days. Except as specifically provided otherwise in a Supplemental Indenture, any payment or transfer which would otherwise become due on a day that is not a Business Day need not be made on such day but shall be made on the next succeeding Business Day, with the same force and effect as if made on the date due, and no interest shall accrue for the period from and after the date due.

SECTION 11.07. Captions. The captions or headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Indenture.

SECTION 11.08. California Law. This Indenture shall be construed and governed in accordance with the laws of the State of California.

SECTION 11.09. Effective Date. This Indenture shall become effective upon its execution and delivery.

SECTION 11.10. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be executed by their officers thereunto duly authorized as of the day and year first written above.

BAY AREA TOLL AUTHORITY

By _____
Executive Director

Countersigned:

Secretary

By _____
Authorized Representative