BAY AREA TOLL AUTHORITY

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Memorandum

TO: BATA Oversight Committee

DATE: November 6, 2013

FR: Executive Director

W. I. 1254

RE: BATA Resolution No. 110 – Financing Plan through December 31, 2014

Staff is recommending that the Committee refer BATA Resolution No. 110 to the Authority for approval of the Financing Plan through December 31, 2014.

With traffic opening on the new Bay Bridge East Span, BATA has completed nearly 90% of the $9.1 billion Seismic Retrofit program and the entire $2.4 billion RM 1 program. Nevertheless, we still have a significant Capital program remaining which includes a $240 million bridge demolition project and $540 million in RM 2 projects. In addition, BATA has a long range Bridge Rehabilitation project plan of $540 million, nearly $60 million per year over the next 10 years. While BATA has a notable record of accomplishments to its credit, numerous construction and financing projects are yet to be completed.

BATA currently has over $1 billion in approved and encumbered projects under management with only $560 million in project funds remaining from the $900 million 2013 financing. Resolution No. 110 will provide the means to continue funding the on-going toll bridge projects including the authority to issue up to $500 million in new project financing toll revenue bonds.

Resolution No. 110 authorizes the following:

- Approval of the 2014 Information Statement used to update financial information, bond covenants and bond coverage for investors.

- Issue size – Not-to-exceed $500 million (issue may be fixed or variable).

- Maximum Interest Rate:

- Fixed Tax Exempt	5.75%
- Fixed Taxable	8.00%
- Variable (Bank Bond)	12.00%

  The maximum variable rate is the "Bank Bond" rate utilized only in the event of a failed remarketing. The actual rate we are currently paying is .06%

- Maximum Term – 40 years

- Underwriter's Discount:

- Tax Exempt	1.00%
- Taxable	2.00%
- All Other Costs of Issuance	.50%

The authority will be valid until December 31, 2014.

The Information Statement is used as the primary communication document and includes updated financial and traffic information, as well as tying in the most recent June 30 audited Financial Statements.

Staff recommends that this Committee forward BATA Resolution No. 110 to the Authority for approval.

Steve Heminger

SH:bm

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Date: November 20, 2013
W.I.: 1254
Referred by: BATA Oversight

ABSTRACT

BATA Resolution No. 110

This resolution authorizes the publication of an information statement relating to the Authority and its bonds, the taking of various actions in connection with the Authority's outstanding bonds and swaps, the issuance of refunding bonds and up to $500 million in additional bonds to finance Authority projects, the execution and delivery of related swap, bond and disclosure documents, and all necessary actions in connection therewith.

Discussion of this action is contained in the Executive Director's memorandum dated November 6, 2013.

Date: November 20, 2013
W.I.: 1254
Referred by: BATA Oversight

BAY AREA TOLL AUTHORITY
RESOLUTION NO. 110

WHEREAS, the Bay Area Toll Authority (the "Authority") has outstanding $5,315,750,000 principal amount of toll bridge revenue bonds (the "Senior Bonds") issued pursuant to its Master Indenture dated as of May 1, 2001, as amended and supplemented (the "Master Indenture") and has outstanding $3,285,000,000 principal amount of subordinate toll bridge revenue bonds (the "Subordinate Bonds") issued pursuant to its Subordinate Indenture dated as of June 1, 2010, as amended and supplemented (the "Subordinate Indenture"); and

WHEREAS, the Authority has decided to authorize the issuance of up to an additional $500,000,000 principal amount of toll bridge revenue bonds (the "Additional Bonds") to provide funding for the seismic retrofit program and other Authority projects, and the Authority has decided to authorize the sale and delivery of such Additional Bonds in one or more series from time to time through December 31, 2014, as additional Senior Bonds or additional Subordinate Bonds or a combination thereof, bearing either taxable or tax-exempt fixed interest rates or variable interest rates or a combination thereof; and

WHEREAS, the Authority has a Reimbursement Agreement dated as of September 28, 2010 (the "Reimbursement Agreement") under which banks provide liquidity and credit support for a portion of the Authority's variable rate demand Senior Bonds, and it may be in the best interests of the Authority to amend, restructure, replace or terminate the Reimbursement Agreement or enter into additional reimbursement agreements; and

WHEREAS, it may be in the best interests of the Authority to refund outstanding Senior Bonds; and

WHEREAS, it may be in the best interests of the Authority to convert outstanding variable rate demand Senior Bonds to another interest rate mode or modes; and

WHEREAS, the Authority has outstanding interest rate swaps in the aggregate notional amount of $1,925,545,000, and it may be in the best interests of the Authority to amend, restructure, replace or terminate any or all of the related interest rate swap agreements; and

WHEREAS, in order to facilitate and increase the efficiency of the offering and sale of the Additional Bonds and the remarketing of outstanding Bonds, there has been prepared and presented to the Authority a proposed form of information statement relating to the Authority and its Bonds (the "Information Statement"); and

WHEREAS, the Authority will use a supplement to the Information Statement in connection with the issuance of Additional Bonds or the remarketing of Senior Bonds that are variable rate demand bonds and that are converted to another interest rate mode or modes or due to a change in credit or liquidity facility for bonds in the form of supplement previously used by the Authority (collectively, the "Official Statement"); now, therefore, be it

RESOLVED, that the Authority finds that the foregoing recitals are true and correct and that capitalized terms used in this Resolution that are defined in the Indenture shall have the meanings herein that are assigned to such terms therein; and be it further

RESOLVED, that the Authority hereby authorizes the issuance, from time to time, of Additional Bonds as Senior Bonds or Subordinate Bonds or a combination thereof in one or more series and in one or more public offerings or private placements, in accordance with the Master Indenture or the Subordinate Indenture, respectively, in an aggregate principal amount not to exceed $500,000,000 to:

(1) fund the seismic retrofit program and other Authority projects and to reimburse the Authority for its prior payment of such costs;

(2) increase the amount in the reserve fund under the Master Indenture as necessary to meet the requirements of the Master Indenture and fund any reserve fund contribution under the Subordinate Indenture;

(3) pay the costs of issuance of the Additional Bonds, provided that the underwriters' discount (excluding any original issue discount) shall not exceed 1% of the aggregate principal amount of tax-exempt Additional Bonds issued and 2% of the aggregate principal amount of taxable Additional Bonds issued and other costs of issuance shall not exceed .50% of the aggregate principal amount of the Additional Bonds issued; and

(4) pay any interest rate swap-related or other costs, legal or financial advisor fees, credit support costs or other payments as are determined to be necessary or desirable by the Executive Director or the Chief Financial Officer in carrying out the purposes of this Resolution;

provided, however, that the aggregate principal amount of Senior Bonds issued pursuant to the foregoing authorization may not exceed $500,000,000 and the Additional Bonds authorized hereby shall not be issued after December 31, 2014 without further authorization by the Authority; and be it further

RESOLVED, that subject to the foregoing, the series designations, dates, maturity date or dates (not to exceed 40 years from their date of issuance), interest rate or rates, terms of redemption, and other terms of each series of Additional Bonds shall be as provided in one or more supplemental indentures to the Master Indenture or the Subordinate Indenture providing for the issuance of such series of Additional Bonds as finally executed by the Executive Director or the Chief Financial Officer, provided that the true interest cost for fixed interest rate Additional Bonds may not exceed 5.75% per annum for tax-exempt bonds and 8.00% for taxable bonds and the interest rate for variable interest rate Additional Bonds may not exceed 12% per annum except with respect to any variable interest rate Additional Bonds that are held pursuant to a letter of credit, line of credit, standby purchase agreement, revolving credit agreement or other credit arrangement pursuant to which credit or liquidity support is provided for Additional Bonds (a "Support Agreement"), for which the interest rate or rates shall not exceed 15% per annum; and be it further

RESOLVED, that the method of determining the interest rate or rates on variable interest rate Additional Bonds, the terms of tender and purchase, and the other terms of variable interest rate Additional Bonds shall be as specified in a supplemental indenture to the Authority's Master Indenture or Subordinate Indenture in substantially the form of a supplemental indenture executed by the Authority in the past pursuant to the Master Indenture or the Subordinate Indenture, with such additions thereto and changes therein (including additional put bond or other structures, with or without liquidity or credit support) as the Executive Director or Chief Financial Officer executing the same, with the advice of General Counsel to the Authority and bond counsel to the Authority, may approve (approval to be conclusively evidenced by the execution and delivery of the supplemental indenture), and the Authority hereby authorizes the Executive Director or the Chief Financial Officer to purchase, from time to time, for and on behalf of the Authority, any of the variable interest rate Additional Bonds at a price equal to the principal amount of such Additional Bonds (plus accrued interest) on a date or dates selected by the Authority if such officer determines that it is in the best interests of the Authority to so purchase such Additional Bonds; and be it further

RESOLVED, that the Authority hereby determines pursuant to Section 3.01(B)(1) of the Master Indenture (terms used below in this clause that are defined in the Master Indenture have the meaning herein assigned therein), based on the calculations in Attachment A to this Resolution, that the ratio of (A) Net Revenue for the most recent Fiscal Year for which audited financial statements are available to (B) Maximum Annual Debt Service on the Senior Bonds (and Parity Obligations) and Additional Bonds in the aggregate principal amount of $500,000,000, will not be less than 1.50:1, and the Authority hereby directs an Authorized Representative (as defined in the Master Indenture) to update this calculation as of the actual date of sale of each series of the Additional Bonds that are issued as Senior Bonds to reflect the actual amount of Additional Bonds being sold and to proceed with the issuance pursuant to the Master Indenture only if the ratio of (A) Net Revenue for the most recent Fiscal Year for which audited financial statements are available or projected Net Revenue for each of the next three Fiscal Years to (B) Maximum Annual Debt Service on the Senior Bonds (and Parity Obligations) and the actual amount of Additional Bonds being sold is not less than 1.50:1 as of said date of sale; and be it further

RESOLVED, that the Authority hereby authorizes executing one or more liquidity or credit support agreements (each, a "Support Agreement") for variable rate Additional Bonds in substantially the form of the Authority's Reimbursement Agreement, with such additions thereto or changes therein as the Executive Director or the Chief Financial Officer executing the same, with the advice of General Counsel to the Authority and bond counsel to the Authority, may require or approve (the approval of such additions or changes to be conclusively evidenced by the execution and delivery of each Support Agreement); and be it further

RESOLVED, that the Authority hereby authorizes each of the Executive Director and the Chief Financial Officer to amend, restructure, replace, or terminate the Authority's Reimbursement Agreement, including, but not limited to, replacing one or more of the banks that issue letters of credit pursuant thereto or converting one or more series of Senior Bonds to interest rates that do not require liquidity support; and be it further

RESOLVED, that the Authority authorizes refunding any variable rate Senior Bonds and any fixed interest rate Senior Bonds and any Subordinate Bonds with fixed interest rate or variable interest rate Senior Bonds, Subordinate Bonds or a combination thereof, provided that: (1) the net present value economic benefit threshold of 3% in Resolution No. 51 shall apply to such refundings unless the Executive Director and the Chief Financial Officer determine (with the advice of the

Authority's financial advisor) that it is in the best interests of the Authority to proceed with one or more refundings with a lower threshold to achieve other Authority objectives such as reducing exposure to variable rate risk or increasing liquidity costs, or making changes in covenants, redemption or conversion provisions or in the Authority's debt service profile; (2) the principal amount of Additional Bonds authorized in this Resolution is hereby increased by the aggregate principal amount of such refunding bonds that the Executive Director and the Chief Financial Officer approve, provided that the aggregate principal amount of such refunding bonds may not exceed the amount necessary to redeem the outstanding Senior Bonds being refunded plus interest to the redemption date and the amount of any redemption premium and the expenses and related swap costs associated with such refinancing; and be it further

RESOLVED, that the Authority hereby authorizes each Authorized Representative (as defined in the Master Indenture) to convert any variable rate Senior Bonds to another interest rate mode or mode, including new interest rate modes not currently found in the Master Indenture and to pay interest rate swap-related or other costs, fees or payments as are determined to be necessary or desirable by the Executive Director or the Chief Financial Officer, with the advice of the Authority's financial advisor and bond counsel, in carrying out the purposes of this Resolution; and be it further

RESOLVED, that, because the Authority's cost of funds to pay interest on the outstanding Senior Bonds and the Additional Bonds will be affected by changes in interest rates, each of the Executive Director and the Chief Financial Officer is hereby authorized, for and on behalf of the Authority, to select counterparties for and prepare, enter into, and perform contracts and arrangements permitted by California Government Code Sections 5920 through 5923 in connection with or incidental to the issuance or carrying of the outstanding Senior Bonds and the Additional Bonds, and the Authority hereby finds and determines that such contracts and arrangements are designed to reduce the amount or duration of payment, currency, rate, spread, or similar risk or result in a lower cost of borrowing when used in combination with the issuance or remarketing of the Senior Bonds and the Additional Bonds or to enhance the relationship between risk and return with respect to the investment or program of investment in connection with, or incidental to, the contract or arrangement which is to be entered into, and each of the Executive Director and the Chief Financial Officer is hereby authorized:

(1) to amend, restructure or terminate, including to replace or enter into one or more novations with respect to, existing swap agreements related to Senior Bonds (including

amending each such agreement, for such consideration as such officer deems adequate, to provide each swap counterparty with an option to terminate the swap on 30 days' or less notice if that termination will not result in a net termination payment being paid by the Authority);

(2) to hedge the Authority's exposure to interest rate risk on all or any portion of the Additional Bonds issued bearing fixed interest rates or the outstanding fixed interest rate Senior Bonds or Subordinate Bonds by means of new interest rate swap agreements that obligate the Authority to make variable payments to swap counterparties, provided the resulting variable payment obligations of the Authority shall not exceed a contractual ceiling (which may be based on an index) approved by such officer;

(3) to hedge the Authority's exposure to interest rate risk on all or any portion of the Additional Bonds issued bearing variable interest rates by means of new interest rate swap agreements that obligate the Authority to make fixed payments to swap counterparties, provided the resulting fixed payment obligations of the Authority shall not exceed 5.75% per annum if the related Additional Bonds bear tax-exempt interest rates and 8.00% per annum if the related Additional Bonds bear taxable interest rates;

(4) provided, that all such contracts and arrangements referred to in (1) through (3) above shall be entered into in accordance with the Authority's Debt Policy, as amended from time to time, after giving due consideration to the creditworthiness of the counterparties, and in accordance with previously-utilized forms of swap documentation as guidelines for documentation, with such changes in swap documentation as shall be approved by such officer (and the amendments described in the parenthetical phrase in (1) and (2) above is hereby determined to be in accordance with the Authority's Debt Policy);

(5) provided further, that each such contract or arrangement with respect to a Senior Bond heretofore or hereafter issued shall be a Qualified Swap Agreement (as defined in the Master Indenture) if the Authority has received a Rating Confirmation (as defined in the Master Indenture) from each Rating Agency (as defined in the Master Indenture) with respect thereto and if such officer determines, for and on behalf of the Authority, that (a) the notional amount of the contract or arrangement does not exceed the

principal amount of the related series of Senior Bonds or portion thereof as applicable (and in making such a determination, such officer is hereby directed to calculate notional amounts as net amounts by taking into account and giving effect to all contracts and arrangements referred to above and rounding amounts as necessary to establish that each such agreement is a Qualified Swap Agreement) and (b) the contract or arrangement is intended to place the Senior Bonds on the interest rate basis desired by the Authority, that payments (other than payments of fees and expenses and termination payments, which shall be Subordinate Obligations, as defined in the Master Indenture) thereunder shall be payable from Revenue (as defined in the Master Indenture) on a parity with the payment of Senior Bonds, and that the contract or arrangement is designed to reduce the amount or duration of payment, rate, spread, or similar risk or result in a lower cost of borrowing when used in combination with the issuance or conversion of Senior Bonds of the Authority;

(6) provided further, that each such contract or arrangement with respect to a Subordinate Bond heretofore or hereafter issued shall be a Parity Obligation (under and as defined in the Subordinate Indenture) if such contract or arrangement is designated as a Parity Obligation in the certificate of the Authority required by Section 3.02(b) of the Subordinate Indenture; and be it further

RESOLVED, that the Authority hereby approves development and use of the Official Statement and authorizes the Executive Director and the Chief Financial Officer, and each of them, to publish, post or disseminate (and deem final for purposes of Securities and Exchange Commission Role 15c2-12) the Official Statement and as required from time to time the Information Statement, with such changes, amendment and supplements therein as are approved by either of them, as the Authority's reoffering circular or official statement and to authorize the distribution of each such reoffering circular or official statement by underwriters and broker dealers; and be it further

RESOLVED, that the Authority hereby authorizes the Executive Director and the Chief Financial Officer, and each of them, to select the parties to and execute and deliver (and the Secretary is authorized to countersign, if necessary) each of the documents that is necessary or appropriate to effect each of the transactions contemplated hereby, including, without limitation, supplemental indentures, official statements, information statements, reoffering circulars, remarketing agreements, purchase contracts, credit agreements, liquidity agreements, escrow agreements and continuing disclosure agreements (collectively called the "Bond Documents") in substantially the forms approved hereby or executed by the Authority in the past, as applicable, with such additions thereto or changes therein or in such other form as the officer executing the same, with the advice of General Counsel to the Authority and bond counsel to the Authority, may require or approve, the approval of such additions or changes or the approval of such other form to be conclusively evidenced by the execution and delivery of each Bond Document; and be it further

RESOLVED, that the Chair of the Authority, the Vice Chair of the Authority, the Executive Director, the Chief Financial Officer and other appropriate officers of the Authority, be and they are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all certificates, documents, amendments, instructions, orders, representations and requests and to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, to effectuate the actions that the Authority has approved in this Resolution and to carry out, consummate and perform the duties of the Authority set forth in the Bond Documents and all other documents executed in connection with the Additional Bonds; and be it further

RESOLVED, that this Resolution shall take effect from and after its adoption.

BAY AREA TOLL AUTHORITY

____
Amy Rein Worth, Chair

The above resolution was entered into by the Bay Area Toll Authority at a regular meeting of the Authority held in Oakland, California, on November 20, 2013

ATTACHMENT A
TO BATA RESOLUTION NO. 110

ADDITIONAL BONDS CERTIFICATE

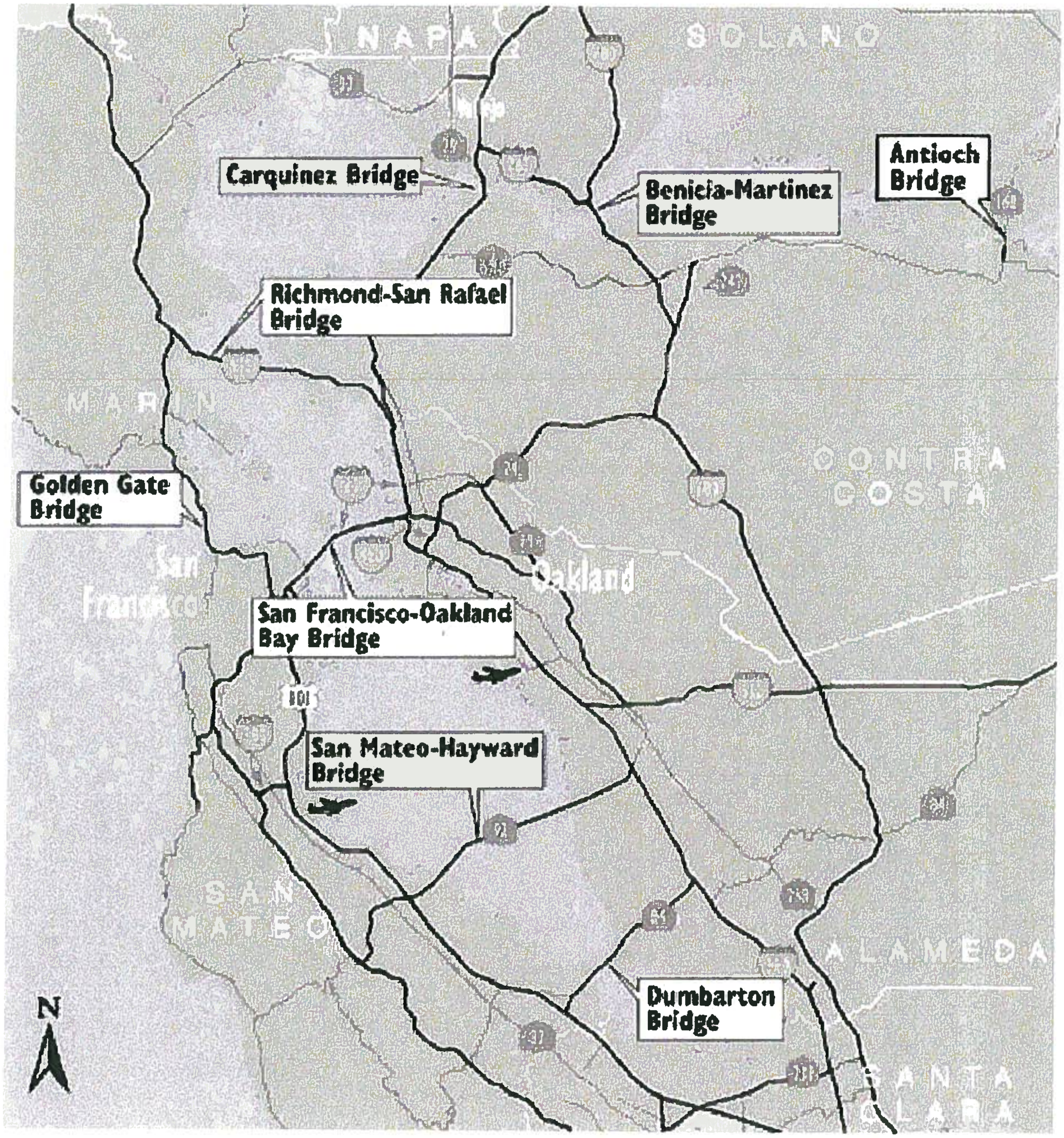
BAY AREA TOLL AUTHORITY
Additional Bonds Test calculation for proposed $500M of Additional Bonds

		Fiscal Year 2013 Audited Results (000's)	Debt Service and Coverage Calculations
A	**Toll Revenues**	$652,975	
B	**Interest Income**	3,021	
C	**Other Operating Revenues**	16,507	
D	**REVENUE (A + B + C)**	$672,503	
E	**Less Category B Maintenance Expenses**	(24,617)	
F	**NET REVENUE (D - E)**	$647,886	
	Maximum Annual Debt Service on Senior Bonds as of November 1, 2013 (occurs in the Fiscal Year ending June 30, 2032)		$315,941*
G	**Maximum Annual Debt Service after $500 million of Additional Senior Bonds issued**		$343,442*
H	**Debt Service Coverage (F / G)**		1.89x

* Excludes Debt Service on Subordinate Bonds, combined Maximum Annual Debt Service on all Outstanding Bonds is $518,283,000.

BAY AREA TOLL AUTHORITY
INFORMATION STATEMENT

Dated: November [___,] 2013


NAPA
SOLANO
Carquinez Bridge
Benicia-Martinez Bridge
Antioch Bridge
Richmond-San Rafael Bridge
MARIN
Golden Gate Bridge
CONTRA COSTA
San Francisco
Oakland
San Francisco-Oakland Bay Bridge
101
San Mateo-Hayward Bridge
SAN MATEO
ALAMEDA
Dumbarton Bridge
SANTA CLARA
N

BAY AREA TOLL AUTHORITY

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MEMBERS AND OFFICERS

Voting Members

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

Non-Voting Members

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

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STEVE HEMINGER, Executive Director
ANN FLEMER, Deputy Executive Director
ANDREW B. FREMIER, Deputy Executive Director
BRIAN MAYHEW, Chief Financial Officer
ADRIENNE D. WEIL, General Counsel

SENIOR INDENTURE TRUSTEE
Union Bank, N.A.
San Francisco, California

SUBORDINATE INDENTURE TRUSTEE
The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

BOND COUNSEL
Orrick, Herrington & Sutcliffe LLP
San Francisco, California

FINANCIAL ADVISOR
Public Financial Management Inc.
San Francisco, California

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APPENDIX A DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE (AS OF NOVEMBER [__], 2013)

APPENDIX B DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE (AS OF NOVEMBER [__], 2013)

APPENDIX C REGIONAL MEASURE 2 PROJECTS (AS OF AUGUST 31, 2013)

APPENDIX D OUTSTANDING OBLIGATIONS (AS OF NOVEMBER [__], 2013)

APPENDIX E MTC INVESTMENT PORTFOLIO INFORMATION (AS OF AUGUST 31, 2013)

IMPORTANT NOTICES

This Information Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of securities by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. The information set forth herein has been provided by the Bay Area Toll Authority (the "Authority"), the State of California Department of Transportation (referred to herein as "Caltrans") and other sources that are believed by the Authority to be reliable.

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

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations other than those contained in this Information Statement. If given or made, such other information or representations must not be relied upon as having been authorized by the Authority or the underwriters for any toll bridge revenue bonds. This Information Statement is not to be construed as a contract with the purchasers of any toll bridge revenue bonds.

This Information Statement speaks only as of its date. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Information Statement nor any sale made in conjunction herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority or other matters described herein since the date hereof. Investors must read the entire Official Statement (consisting of this Information Statement and the applicable supplement) to obtain information essential to the making of an informed investment decision. This Information Statement is submitted with respect to the sale of the Authority's toll bridge revenue bonds and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the Authority. Preparation of this Information Statement and its distribution have been duly authorized and approved by the Authority. The Authority may update this Information Statement after MTC's audited financial statements for the fiscal year ending June 30, 2014, become available, and annually thereafter; however, other than what is provided in the Continuing Disclosure Agreements relating to toll bridge revenue bonds issued by the Authority, the Authority is not obligated to provide any update hereto and may discontinue its annual updates at any time without notice. See "CONTINUING DISCLOSURE."

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

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS INFORMATION STATEMENT

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

The achievement of results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Authority does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur or do not occur.

INTRODUCTION AND PURPOSE OF THIS INFORMATION STATEMENT

This Information Statement dated November [__], 2013 (this "Information Statement") relates to the Bay Area Toll Authority (the "Authority" or "BATA"), which administers the toll revenues from seven state-owned toll bridges in the San Francisco Bay area: the Antioch Bridge, the Benicia-Martinez Bridge, the Carquinez Bridge, the Dumbarton Bridge, the Richmond-San Rafael Bridge, the San Francisco-Oakland Bay Bridge and the San Mateo-Hayward Bridge (each, a "Bridge" and collectively, the "Bridge System"). This Information Statement describes the Authority, the Bridge System, ongoing and past capital projects and programs funded by the Authority, the Authority's toll bridge revenue bonds and the security and sources of payment therefor, and certain other investment considerations.

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

BAY AREA TOLL AUTHORITY

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

The governing body of the Authority consists of 18 voting members appointed by local agencies and three nonvoting members appointed by state and federal agencies. The current members are listed in the prefatory pages of this Information Statement. There are three members each from Alameda and Santa Clara Counties, including one member appointed by the mayor of San Jose and one member appointed by the mayor of Oakland, two members each from the City and County of San Francisco and from Contra Costa and San Mateo Counties, one member each from Marin, Napa, Solano and Sonoma Counties, one member each appointed by the Association of Bay Area Governments and the San Francisco Bay Conservation and Development Commission, and one non-voting member each appointed by the Secretary of the Business, Transportation and Housing Agency of the State of California, the United States Department of Transportation, and the United States Department of Housing and Urban Development. Each commissioner's term of office is four years or until a successor is appointed.

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

The Authority has issued senior toll bridge revenue bonds (the "Senior Bonds") under the Master Indenture, dated as of May 1, 2001 (as amended and supplemented, the "Senior Indenture"), between the Authority and Union Bank, N.A., as trustee (the "Senior Indenture Trustee"). At November [__], 2013, the aggregate principal amount of Senior Bonds outstanding was $5,315,750,000. The Authority has issued subordinate toll bridge revenue bonds (the "Subordinate Bonds") under the Subordinate Indenture, dated as of June 1, 2010 (as amended and supplemented, the "Subordinate Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Subordinate Indenture Trustee"). At November [__], 2013, the aggregate principal amount of Subordinate Bonds outstanding was $3,285,000,000.

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

FINANCIAL STATEMENTS

Audited financial information relating to the Authority is included in MTC's financial statements. MTC does not prepare separate financial statements for the Authority. MTC's Comprehensive Annual Financial Report for the Fiscal Year Ended ("FYE") June 30, 2013, including MTC's Financial Statements For FYE June 30, 2013 and 2012 (collectively, the "MTC 2013 CAFR"), has been posted to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website at http://emma.msrb.org/EP769480-EP596594-EP997989.pdf and is incorporated herein by such reference as if fully included herein. Hereinafter references to "FYE" refer to, as the context requires, the fiscal year or years ended June 30 for MTC and the Authority.

INDEPENDENT ACCOUNTANTS

The financial statements incorporated by reference in this Information Statement have been audited by PricewaterhouseCoopers LLP, independent accountants, as stated in MTC's Financial Statements For FYE June 30, 2013 and 2012.

THE BRIDGE SYSTEM

General

The Bridge System consists of the seven bridges described below. The Golden Gate Bridge, which connects San Francisco with Marin County, is not owned or operated by the State, nor is it administered by the Authority. The seven bridges of the Bridge System interconnect various communities within the Bay Area and were used by 125,591,113 vehicles in the FYE 2013. Given that the Bay Area is a seismically-active region, California law required the seismic retrofit program of each Bridge within the Bridge System (the "Seismic Retrofit Program"). As of September 2, 2013, the Authority and Caltrans have substantially completed all projects in the Seismic Retrofit Program, except for the demolition of certain bridge structures that are no longer in use. A map of the Bridge System appears in the prefatory pages of this Information Statement. For selected demographic statistics for the Bay Area, see Table 13 on page 135 of the MTC 2013 CAFR.

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

The San Francisco-Oakland Bay Bridge has an overall length of approximately 8.5 miles consisting of two major bridge structures and a connecting tunnel on Yerba Buena Island, which is located at the midpoint of the Bridge.

Following the 1989 Loma Prieta earthquake that caused a section of the east span of the San Francisco-Oakland Bay Bridge to collapse, it was determined that a seismic retrofit of the west span and approach and the construction of a new east span of the Bridge were necessary, and these projects were carried out as part of the Seismic Retrofit Program. The seismic retrofit of the west span was completed in 2004, and a seismic retrofit of the west approach to the Bridge was completed in 2009. A 520 foot long tunnel on Yerba Buena Island connects the west span to the east span. The new, east span of the San Francisco-Oakland Bay Bridge opened to traffic on September 2, 2013.

The west span of the San Francisco-Oakland Bay Bridge is a double deck structure that consists of two suspension bridges with a common central anchorage and a concrete span at the San Francisco end; the length of the west span is 10,300 feet. Each deck has five traffic lanes with westbound traffic on the upper deck and eastbound traffic on the lower deck. Elevated approaches to the Bridge carry through-traffic to and from Highway 101 south of San Francisco without use of local San Francisco streets.

The new east span consists of a transition off Yerba Buena Island, a self-anchored suspension ("SAS") bridge span, a skyway and an approach/touchdown in Oakland. Unlike the old east span of the San Francisco-Oakland Bay Bridge which was double-decked, the replacement east span features side-by-side decks. The SAS bridge span is the world's longest single tower self-anchored suspension structure, at approximately 2,051 feet long and approximately 525 feet high, matching the tower heights on the west span, with 8-foot diameter foundation piles that are 300 feet deep, three times deeper than the old east span piles. The side-by-side bridge decks each have five lanes plus shoulders. The eastbound deck also carries a 15.5 foot-wide bicycle and pedestrian path. While the new, east span opened to traffic on September 2, 2013, work to complete the bicycle and pedestrian path and new eastbound on ramp from Yerba Buena Island remains to be completed pending removal of conflicting portions of the existing bridge. The final connections on Yerba Buena Island are expected to be completed in 2015. At the eastern terminus, approaches connect through-traffic with Highways 80, 580 and 880. See "CAPITAL PROJECTS AND FUNDING—Seismic Retrofit Program Capital Projects—San Francisco-Oakland Bay Bridge – East Span."

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

Benicia-Martinez Bridge. The Benicia-Martinez Bridge consists of two parallel spans that cross the Carquinez Strait approximately six miles east of the Carquinez Bridge and carry Highway 680. The Bridge provides a direct connection from the north bay and Sacramento regions to central and eastern Contra Costa and Alameda and Santa Clara Counties. The Bridge corridor is a major interstate route and links Highways 80, 680 and 780. The west span, opened to traffic in 1962, is a 6,215 foot-long, steel deck-truss, with seven 528-foot spans. The west span was originally designed to carry four lanes of traffic (two in each direction) and was subsequently expanded to carry six lanes (three in each direction) in the early 1990s. A seismic retrofit of the west span, consisting of the installation of isolation bearings and strengthening the superstructure and substructure, was completed in 2003. Following the opening of the east span in 2007 carrying five lanes of northbound traffic, the west span was modified to carry four lanes of southbound traffic and a bicycle and pedestrian path. The Bay Area's first open-road tolling was opened along with the new east span. See "—Bridge Tolls—*Toll Collection and the FasTrak System*"

below. The east span is a segmentally-erected, cast-in-place reinforced lightweight concrete structure that is 8,790 feet long including approaches.

San Mateo-Hayward Bridge. The San Mateo-Hayward Bridge is approximately 17 miles south of the San Francisco-Oakland Bay Bridge, and carries Highway 92 across the San Francisco Bay, connecting Highway 101 and the City of San Mateo on the San Francisco peninsula to Highway 880 and the east shore of the San Francisco Bay in Alameda County, approximately five miles southwest of Hayward. The current bridge was built in 1967 and seismically retrofitted in 2000. The high-level section of the current structure consists of steel orthotropic box girders with concrete overlay. It is approximately two miles long and carries six lanes of traffic (three in each direction). The low-rise trestle section of the bridge was widened to carry six lanes of traffic as well in 2003. Additional seismic retrofit work was conducted the weekend of October 19 through 21, 2012 when the bridge was closed for the installation of a new seismic joint and the replacement of a 60-foot span of the bridge deck.

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

Dumbarton Bridge. The current Dumbarton Bridge opened in 1982. It carries Highway 84 across the San Francisco Bay and is situated approximately 10 miles south of the San Mateo-Hayward Bridge. The western end of the bridge is five miles northeast of the City of Palo Alto, and the eastern end is five miles west of the City of Newark, midway between the Cities of San Jose and Oakland. The Dumbarton Bridge is a six-lane structure that is 1.6 miles long with a bicycle and pedestrian path. The bridge connects Highway 101 and Palo Alto to Highway 880 in Alameda County. The approach spans are composed of pre-stressed lightweight concrete girders that support a lightweight concrete deck. The center spans are twin steel trapezoidal girders that also support a lightweight concrete deck. A seismic retrofit of the Dumbarton Bridge was completed in May 2013.

Antioch Bridge. Located 25 miles east of the Benicia-Martinez Bridge, the Antioch Bridge carries Highway 160 and is the only northerly highway connection across the San Joaquin River linking east Contra Costa County to the delta communities of Rio Vista and Lodi. In 1978, a 1.8 mile long high-level fixed-span structure replaced the original bridge constructed in 1926. The Antioch Bridge spans the 3,600-foot wide San Joaquin River and extends 4,000 feet onto Sherman Island in Sacramento County to the north and 1,000 feet into Contra Costa County to the south. Traffic lanes consist of two 12-foot wide lanes for motor vehicles and two shoulders for pedestrians and bicyclists. A seismic retrofit of the Antioch Bridge was completed in April 2012.

Toll Setting Authority

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

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

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

Bridge Tolls

Toll Collection and the FasTrak System. Tolls on each of the Bridges are collected from vehicles crossing in one direction only. Cash toll payments are collected at toll booths staffed by employees of Caltrans. As of July 1, 2005, the Authority assumed responsibility from Caltrans for processing all toll revenue collections.

The Authority operates and maintains the FasTrak system, which is an electronic toll collection (ETC) system that allows prepayment of tolls, eliminating the need to stop at the toll plaza. Each Bridge has been equipped with the FasTrak system. The FasTrak system has three components: a toll tag, which is placed inside the vehicle; an overhead antenna in the toll plaza, which reads the toll tag and automatically deducts the appropriate toll from the associated prepaid account; and video cameras to identify toll evaders.

A toll tag is a small battery-powered device that transmits a radio signal to an antenna mounted above the toll lanes (hereinafter a "toll tag"). Once attached to the windshield of a vehicle, the proper toll amount is deducted from the prepaid account. An account may be established by acquiring a toll tag from a participating retailer and registering the tag online. Enrollment is also possible by mail, fax, phone or in-person. Toll accounts can be established for individuals and for businesses.

As the vehicle enters the toll lane, the toll tag that is mounted on the vehicle's windshield is read by the antennae. As the vehicle passes through, the FasTrak account associated with the toll tag in the vehicle is charged the proper amount. Feedback is provided on an electronic display on the toll tag. If a vehicle does not have a toll tag, the system classifies the vehicle as a violator and cameras take photos of the vehicle and license plate for processing.

When a vehicle is identified as having crossed a Bridge without paying the toll, a violation notice is sent to the vehicle's registered owner within 21 days of the toll violation at the address on file with the Department of Motor Vehicles (DMV), pursuant to the California Law. The first notice requests payment for the toll amount and an additional $25 penalty. If the penalty is not paid in response to the first notice, a second notice will be sent for the toll amount plus a $70 penalty ($25 penalty plus $45 late penalty). Failure to respond to the second notice results in additional penalties and fees and referral of the amount due to a collections agency and/or the withholding of the vehicle's registration by the DMV.

In 2007, open road tolling, which eliminates toll booths for the FasTrak lanes, commenced on the Benicia-Martinez Bridge and in 2009 for the San Francisco-Oakland Bay Bridge.

Revenue from the FasTrak ETC system continues to increase. For the FYE 2013 60.4% of total toll-paying traffic were FasTrak users, compared to 59.5% in the FYE 2012. The growth in ETC processing has had the positive impact of improving traffic flow on the Brides, but has the side effect of increasing electronic processing costs as well as toll violations.

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

("RM2") that authorized a toll increase of $1.00 for all toll-paying vehicles to fund specified projects and transit expansions.

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

Prior to 2010, the Authority granted toll-free passage on the Bridges to commuter buses and vanpool vehicles at all hours and granted toll-free passage on the Bridges to high-occupancy vehicles (car pool vehicles and motorcycles) and inherently-low-emission vehicles (such as electric and hybrid cars), but only during peak hours on weekdays. High-occupancy vehicles and inherently-low-emission vehicles paid the two-axle vehicle rate outside of peak hours.

In FYE 2013, toll-free traffic consisted of approximately 2.9 million vehicles (representing less than 2.3% of total traffic). Commencing July 1, 2010, high-occupancy vehicles and inherently-low-emission vehicles no longer had toll-free passage on any of the Bridges.

2010 Toll Increase. In January 2010, the Authority increased tolls on all of the Bridges, effective on July 1, 2010 for two-axle vehicles and effective, in part, on July 1, 2011 for multi-axle vehicles (which represent about 3% of total traffic). This toll increase was fully implemented for multi-axle vehicles in the FYE 2013, as discussed below.

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

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

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

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

BRIDGE SYSTEM TOTAL TOLL RATES

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

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

Motor Vehicle Traffic

The following table sets forth total toll-paying motor vehicle traffic for FYE 2004 through 2013. Until July 2010, high-occupancy vehicles and inherently-low-emission vehicles were permitted toll-free passage on the Bridges during peak hours on weekdays, and as a result such traffic is excluded from the data below for Fiscal Years prior to FYE 2011. The addition of toll-paying high-occupancy vehicles and inherently-low-emission vehicles may account for some of the continued increase in traffic in the last three Fiscal Years as shown below. See Table 9 on page 131 of the MTC 2013 CAFR.

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

FYE (June 30,)	San Francisco-Oakland Bay Bridge	Carquinez Bridge	Benicia-Martinez Bridge	San Mateo-Hayward Bridge	Richmond-San Rafael Bridge	Dumbarton Bridge	Antioch Bridge	Total[(1)]	Percent Change
2004	44,646	22,054	17,988	15,201	12,399	9,977	2,478	124,742	0.6
2005	43,357	21,344	17,116	14,790	11,758	9,298	2,472	120,135	(3.7)
2006	41,265	20,914	17,071	15,131	11,908	9,529	2,479	118,298	(1.5)
2007	40,134	20,722	16,975	14,881	11,913	9,516	2,517	116,659	(1.4)
2008	39,555	19,875	17,440	14,358	11,782	9,194	2,366	114,570	(1.8)
2009	40,118	19,441	17,426	13,629	11,542	8,708	2,208	113,072	(1.3)
2010	38,649	19,057	17,715	14,058	11,752	8,746	2,136	112,113	(0.8)
2011	43,282	19,593	17,987	15,209	11,987	9,634	2,118	119,810	6.8
2012	43,382	19,613	17,908	16,016	12,320	9,777	2,124	121,140	1.1
2013	43,872	19,685	18,101	16,426	12,558	10,010	2,078	122,730	1.3

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

Total toll-paying traffic in the System increased by 1.3% for the FYE 2013. The gains in traffic on six Bridges in the three most recent Fiscal Years follows eight years of static or declining traffic and is largely due to charging a toll for high occupancy vehicles. The traffic figures in the table above exclude toll violators. Toll violators are drivers that intentionally avoid the payment of tolls. The subsequent recovery of payment from a toll violator is reported by the Authority as Revenue (see "HISTORICAL REVENUE AND DEBT SERVICE COVERAGE"). The Authority has improved the process for collecting violation revenue through a series of system and process upgrades. The requirement commencing July 1, 2010, that vehicles using high occupancy vehicle lanes have FasTrak toll tags has assisted in deterring toll violators and increased toll-paying traffic.

Bridge System Operations and Maintenance

The Authority is responsible for paying all of the costs of operating and maintaining the Bridge System (except for maintenance expenditures on the existing San Francisco-Oakland Bay Bridge that are payable under State Law by the State until the new east span of that Bridge is complete). The Authority is required by the Senior Indenture and the Subordinate Indenture to maintain Bridge System tolls at rates sufficient to pay such costs. Under current law, the payment of such costs is subordinate to the payment of the Authority's Secured Obligations. The Authority's costs of operating and maintaining the Bridge System for FYE 2009 through 2013 were $72,470,691; $76,746,131; $80,993,249; $80,488,177 and $92,832,622, respectively. Such figures include operating expenses incurred by Caltrans, which totaled approximately $24.6 million in FYE 2013. The Authority's costs of operating and maintaining the Bridge System for FYE 2011, 2012 and 2013 exclude expenses for the Transbay Terminal, however, prior to FYE 2011, the expenses of the Transbay Terminal were included.

Caltrans is responsible for maintaining the Bridge System in good repair and condition. The Authority's payments to Caltrans are made pursuant to State law and a Cooperative Agreement between the Authority and Caltrans that addresses budget matters and allocates funding responsibilities for the operation and maintenance of the Bridge System between the Authority and Caltrans. The Authority pays directly certain operating and administrative expenses for the Bridge System, including the costs of the FasTrak system and related consultant contracts.

Payments to MTC

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

In 2010 MTC determined that certain of the payments, namely the AB 664 Net Toll Revenue Reserve Transfers, Two Percent Transit Reserves Transfers, and Rail Extension Reserves Transfers described below (collectively, the "Fund Transfers"), are essential to the regional transportation system but that the statutory schedule for Fund Transfers may be inadequate to timely fund some of the projects planned by MTC. To address this timing issue, the Authority and MTC entered into a Funding Agreement (the "Funding Agreement"), under which the Authority paid to MTC in September 2010 an amount of $507 million, equal to the present value of the bridge toll revenues that the Authority projected would be used for Fund Transfers for 50 years from July 1, 2010, in exchange for being relieved of responsibility for making Fund Transfers for that 50-year period. The Authority's obligation to pay Regional Measure 2 Operating Transfers ("RM2 Operating Transfers" as further described herein) and Authority Administrative Costs, described below, to MTC is not affected by the Funding Agreement.

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

TRANSFERS TO MTC
($ in millions)

FYE June 30,	AB 664 Net Toll Revenue Reserves Transfer(1)	Two Percent Transit Reserves Transfer(1)	Rail Extension Reserves Transfer(1)	RM2 Operating Transfers(2)	Authority Administrative Costs(3)	Total
2009	10.88	0.87	9.05	28.34	5.25	54.39
2010	10.72	2.60	8.71	36.53	4.89	63.45
2011	---	---	---	42.67	6.25	48.92
2012	---	---	---	36.80	10.84	47.64
2013	---	---	---	39.66	9.48	49.14

(1) Pursuant to the Funding Agreement described above, these transfers have been pre-funded for the period from the FYE 2011 through the Fiscal Year ending June 30, 2060.
(2) RM2 Operating Transfers are subject to a statutory cap of 38% of RM2 revenue. Total RM2 revenue equaled approximately $117 million in FYE 2013.
(3) Authority Administrative Costs are transferred by the Authority to MTC. This amount does not include Authority Maintenance and Operation Expenses, which are also subordinate to the Authority's Secured Obligations and amounted to approximately $93 million in FYE 2013, including $65 million for the Authority's operating expenses, $25 million for operating expenses incurred by Caltrans, and $3.5 million for operating expenses of the Transbay Joint Powers Authority.
Source: The Authority.

The "AB 664 Net Toll Revenue Reserve Transfer" is the transfer of an amount equal to 16% of the revenue generated each year from the collection of the base toll at its level in existence for the FYE 2002 on the three Bridges which comprise the Southern Bridge Group: the Dumbarton Bridge, the San Francisco-Oakland Bay Bridge and the San Mateo-Hayward Bridge. These funds are allocated to capital projects that further the development of public transit in the vicinity of the Southern Bridge Group, including transbay and transbay feeder transit services.

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

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

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

"Authority Administrative Costs" means the amount which the Authority is authorized to remit to MTC on an annual basis for its cost of administration pursuant to Section 30958 of the Act, which amount may not exceed 1% of the gross annual Bridge System revenues. For additional discussion of the limitation on direct contributions of the Authority to MTC see "RISK FACTORS – State Legislation" for information on recently enacted Senate Bill 613 ("SB 613").

CAPITAL PROJECTS AND FUNDING

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

Regional Measure 1 Projects

RM1 authorized the Authority to pay for specified highway and bridge enhancement projects. The RM1 program was completed as of the close of the 2013 Fiscal Year. The completion of the RM1 program includes over $2.3 billion in bridge and related transportation projects originally authorized by the voters in 1988 and administered by the Authority since 1998. As of July 31, 2013, expenditures for RM1 Projects totaled approximately $2.317 billion from a total approved budget of $2.406 billion.

Regional Measure 2 Projects

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

The RM2 Projects consist of 38 transit, highway and bridge enhancement and improvement projects to reduce congestion or to make improvements to travel in the toll bridge corridors. MTC may allocate funds from the Authority to RM2 Projects after submission and review of a project report requesting allocation by the project sponsor. The RM2 Project sponsors are public entities in the Bay Area. MTC has authority under the Act to change the funding for a project or reassign some or all of the funds for a project to another project within the same bridge corridor. Generally, RM2 funding covers only a portion of each project's total cost.

The Authority's expenditures for RM2 Projects (excluding the funding of up to $50 million for the new span of the Benicia-Martinez Bridge) aggregated approximately $923 million through August 31, 2013 out of the current approved budget of $1.465 billion. Approximately $542 million of RM2 Projects remain to be funded. Under the Act, the Authority is required to fund its specified RM2 Projects by issuance of additional toll bridge revenue bonds or transfer of toll bridge revenues in an amount not to exceed $1.515 billion, but the Authority is under no obligation to provide funding for any project beyond the amount expressly provided in RM2 or to increase funding for all of the RM2 Projects beyond the aggregate authorization of $1.465 billion. See APPENDIX C – "REGIONAL MEASURE 2 PROJECTS (AS OF AUGUST 31, 2013)" for a listing of the RM2 Capital Projects.

Seismic Retrofit Program

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

The Seismic Retrofit Program was expanded by legislation effective January 1, 2010 at the request of the Authority to include the Antioch Bridge and the Dumbarton Bridge. Other Seismic Retrofit Program projects are located in southern California and do not involve funds of the Authority. Caltrans administers all Seismic Retrofit Program project construction.

All of the Seismic Retrofit Program projects have been completed, except for the demolition of the old east span of the San Francisco-Oakland Bay Bridge and additional retrofit work on the new east span, which is underway as described below. The Seismic Retrofit Program projects included seismic upgrade work on the original Benicia-Martinez Bridge span, the east span of the Carquinez Bridge, the San Mateo-Hayward Bridge and the Richmond-San Rafael Bridge, the west span, tunnel, and the current east span of the San Francisco-Oakland Bay Bridge, and the replacement of the east span and the west approach of the San Francisco-Oakland Bay Bridge.

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

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

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

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

BRIDGE DESIGN BASIS AND SEISMIC STRATEGY STATUS

Bridge	Seismic Strategy
Antioch	"No Collapse" Strategy Avoid catastrophic failure
Benicia—Martinez	Lifeline Structure Minor to moderate damage expected, reopen to traffic quickly
Carquinez	Intermediate Strategy Moderate to major damage expected
Dumbarton	Intermediate Strategy Moderate to major damage expected
Richmond—San Rafael	"No Collapse" Strategy Avoid catastrophic failure
San Francisco—Oakland Bay Bridge	Lifeline Structure Minor to moderate damage expected, reopen to traffic quickly
San Mateo—Hayward	Intermediate Strategy Moderate to major damage expected

Source: Caltrans.

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

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

Caltrans is required to provide regular reports to the Oversight Committee regarding construction status, actual expenditures, and forecasted costs and schedules. The regular project progress reports that are reviewed and approved by the Oversight Committee are provided to the Authority. The Oversight

Committee is required to provide quarterly reports with respect to the Seismic Retrofit Program projects to the transportation and fiscal committees of both houses of the State Legislature and the California Transportation Commission. Copies of such monthly and quarterly reports may be found at the Authority's website.

Caltrans Inspections. In November 2011 a Caltrans foundation technician was allegedly found to be falsifying data collected on pilings on state highway construction. The same technician had worked on several toll bridge seismic retrofit projects, including the San Francisco-Oakland Bay Bridge, the Benicia-Martinez Bridge and the Richmond-San Rafael Bridge. This led the Toll Bridge Program Oversight Committee to request the Seismic Safety Peer Review Panel (the "SSPRP") to conduct an independent and focused review of the construction of foundations for the SAS. The SSPRP, comprised of three structural engineers and one geotechnical engineer, released its report on March 23, 2012, concluding that SAS foundation piles were "designed, constructed, and tested in a way that meets or exceeds the state-of-practice and will result in a safe and reliable performance of the bridge." The report also concluded there was no evidence that any data falsification occurred in the testing of the SAS foundation piles. The Senate Transportation and Housing Committee (the "Committee") held a hearing on August 14, 2012 regarding safety concerns relating to bridges in the State. Representatives of Caltrans provided testimony to the effect that the new east span of the San Francisco-Oakland Bay Bridge is seismically safe. The Committee had indicated that they plan to develop a proposal for a third-party analysis of the seismic safety of the east span. At this time, no proposal has been developed. The Authority and Caltrans cannot predict the nature, outcome or effects of any such proposal.

At the request of the Oversight Committee, the SSPRP conducted a similar analysis of the foundation piers for the West Approach to the San Francisco-Oakland Bay Bridge, the new Benicia-Martinez Bridge and the Richmond-San Rafael Bridge. This analysis found no evidence of inadequate materials inspection.

Caltrans also conducted an internal review of inspection data from roadways and bridges throughout the State, including certain of the Bridges. Computer algorithms have been used to identify inspection files with data irregularities, and then Caltrans reviewed the identified files to determine the nature and significance of the irregularities. In January 2013, Caltrans released its GAMDAT Cases Structural Evaluation Report (the "GAMDAT Report") setting out its internal review of gamma-gamma logging test (GAMDAT) inspection data from roadways and bridges throughout the State, including certain of the Bridges within the Bridge System. The key findings of the GAMDAT Report confirm that the foundation systems of the Bridges that were studied have adequate capacity to resist the imposed loads on such Bridges.

San Francisco-Oakland Bay Bridge - East Span Replacement and Funding Sources. The new east span, which opened on September 2, 2013, is 2.2 miles long on an alignment parallel to and north of the old east span. Remaining major elements of the new east span construction contracts include demolition of the old east span, completion of the eastbound on-ramp and bicycle and pedestrian path from Yerba Buena Island, and completion of the permanent bicycle and pedestrian path connection on the east end of the bridge.

As of November [5], 2013, approximately $[5.654] billion ([87]%) of the $6.465 billion forecasted cost of the new east span of the San Francisco-Oakland Bay Bridge had been expended. The remaining costs will be paid by the Authority from funds derived from various sources, including bridge tolls, investment earnings, and toll bridge revenue bond proceeds.

San Francisco-Oakland Bay Bridge - East Span Review of Anchor Rods

The self-anchored suspension bridge component of the new eastern span of the San Francisco-Oakland Bay Bridge has three support piers, including the main tower. The easternmost support pier includes two columns that are capped and connected by a concrete crossbeam. The roadway above the crossbeam is connected to it by certain support and seismic elements designed to control movement of the roadway in ordinary conditions and in the event of a major earthquake. During installation, 32 of 96 steel rods used to tie such seismic supports to the crossbeam below broke when they were put under tension. Following these events, the Oversight Committee launched an investigation to determine why the steel rods broke and whether other rods on the new eastern span are at risk.

On July 8, 2013, the Oversight Committee released a report that sets out a chronology of events, an analysis of what may have caused the steel rods to be susceptible to failure, a description of the ongoing testing of steel rods on the eastern span and the test results to date, and the course of action needed to address the 32 broken rods and any other similar type rods (the "July 8, 2013 Report"). The July 8, 2013 Report includes a number of findings, including that the 32 steel rods broke as a result of factors including hydrogen embrittlement, and that certain design decisions, contract specifications, and testing and construction processes contributed to the failure of the 32 steel rods. The July 8, 2013 Report concluded that it was safe to open the new eastern span once a retrofit of the affected crossbeam is completed. At that time, the forecast completion date of the retrofit was December 2013. In support of these conclusions, the July 8, 2013 Report highlighted the safety benefits of moving traffic from the existing eastern span to the new eastern span.

In addition, the July 8, 2013 Report also determined that the remaining similar type rods on the bridge were of better material properties and not subject to the hydrogen embrittlement like the 32 steel rods that broke. Approximately 830 steel rods were found in the report to be potentially susceptible to failure or cracking due to long term stress corrosion cracking over years and decades, but the report concluded that it was safe to open the new east span with these rods installed. The Oversight Committee has approved a robust testing program to assist in determining whether any potential additional remediation to the rods is needed. The results of this testing are not anticipated to be completed until next year.

On July 10, 2013, the Authority held a special meeting to receive a presentation from the Oversight Committee about the July 8, 2013 Report. The presentation summarized the July 8, 2013 Report and discussed the process for determining the opening date of the new eastern span. The Committee's Seismic Peer Review Panel (the "Peer Review Panel"), comprised of three members of the National Academy of Engineering who are internationally recognized engineering experts, also gave a presentation. The Peer Review Panel expressed the view that the new eastern span should be opened as soon as practicable and offered an additional retrofit plan prepared by the bridge engineer that would allow the new eastern span to open before December 2013, while any permanent retrofit work is underway. The additional plan would insert shims into rocker bearings in the affected pier to help withstand possible loads generated during an earthquake

Following an evaluation of the materials presented, including the July 8, 2013 Report and materials presented at the July 10, 2013 special meeting by the Peer Review Panel, and several independent engineering reviews of the additional plan, the Oversight Committee took action on August 15, 2013 to approve implementation of the additional plan as an interim fix to the seismic system on the new eastern span of the Bay Bridge, and determined that the new eastern span of the Bay Bridge would open to traffic by 5 a.m. on Tuesday, September 3, 2013, following a five-day bridge closure beginning on the evening of Wednesday, August 28, 2013. The new eastern span of the Bay Bridge opened to traffic the evening of September 2, 2013.

The long term steel rod retrofit plan involving the installation of steel saddles to replace the lost clamping force of the 96 steel rods in the affected crossbeam is on-going. The retrofit is estimated to cost approximately $23 million, and expected to be completed in the spring of 2014. The cost of the retrofit is included in the reported project forecast.

Seismic Retrofit Program Capital Project Status

The following table sets forth the program budget, expenditures and project status for the Seismic Retrofit Program projects. [TABLE TO BE UPDATED 11/6/2013 WITH DATA FROM DRAFT NOVEMBER PROGRESS REPORT FOR OVERSIGHT COMMITTEE.]

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

Contract	Status	Current Approved Budget (as of (July 31, 2013)	Forecast Cost at Completion (as of July 31, 2013)	Expenditures through July 31, 2013
San Francisco-Oakland Bay Bridge–East Span Retrofit and Replacement	Under Construction	$6,287.6	$6,433.6	$5,587.0
Antioch Bridge Retrofit	Completed	82.0	74.1	70.5
Dumbarton Bridge Retrofit	Completed	148.7	113.6	107.2
San Francisco-Oakland Bay Bridge–West Approach Replacement	Completed	469.7	457.4	451.3
San Francisco-Oakland Bay Bridge–West Span Retrofit	Completed	302.2	302.2	302.3
Richmond-San Rafael Bridge Retrofit	Completed	816.5	816.5	794.3
Benicia-Martinez Bridge Retrofit	Completed	177.8	177.8	177.8
Carquinez Bridge Retrofit	Completed	114.2	114.2	114.2
San Mateo-Hayward Bridge Retrofit	Completed	163.4	163.4	163.4
Vincent Thomas Bridge Retrofit	Completed	58.4	58.4	58.4
San Diego-Coronado Bridge Retrofit	Completed	102.6	102.6	102.6
Misc. Program Costs		30.0	30.0	25.5
Subtotal(1)		$8,753.1	$8,843.8	$7,954.5
Programmatic Risk		---	70.7	---
Program Contingency		328.9	167.5	---
Total(1)		$9,082.0	$9,082.0	$7,954.5

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

As shown in the above table, the approved budget for the Toll Bridge Seismic Retrofit Program as of July 31, 2013 included $328.9 million for program contingency. The most recent expenditure forecast indicates that the budgeted program contingency is adequate. However, as disclosed under "RISK FACTORS—Construction Delays and Cost Escalation," a number of other factors could contribute to cost increases in the future, and thus it is possible that contingent costs of the Seismic Retrofit Program may exceed budgeted contingency amounts.

AB 1171 Capital Projects

Pursuant to legislation adopted in 2001 known as "AB 1171" excess toll revenue generated from the seismic surcharge after a specified commitment for funding the Seismic Retrofit Program projects is achieved is required to be collected by the Authority and remitted to fund transportation and transit projects similar to those authorized by RM1 and RM2. The amount of such funds is programmed to be $570 million and has been budgeted by MTC to fund specified transportation projects such as the Doyle Drive replacement project, the extension of the Bay Area Rapid Transit system to east Contra Costa County, the Transbay Transit Center, improvements to the interchange of Highway 80 and Highway 680, and other transit and corridor improvement projects. As of August 31, 2013 approximately $185,435,000 of the funds programmed have been spent on specified transportation projects.

Bridge Rehabilitation Program

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

Additional Bridge Projects

Express Lanes. The Authority has included approximately $320 million in its Fiscal Year 2014 budget to fund work expected to relate to bridge improvement projects in connection with the development of the Express Lane Network. See "RELATED ENTITIES – Regional Express Lanes" in for further information on the Express Lane Network.

Anticipated Bond Issuances of the Authority

The Authority anticipates issuing additional toll bridge revenue bonds to fund capital projects under its current capital project programs. The Authority has authorized the issuance of up to $500 million of Bonds for capital projects prior to December 31, 2014 and may authorize the issuance of additional Bonds in the future. The Authority has also authorized the issuance of refunding or restructuring Bonds. Toll bridge revenue bonds may be issued on a parity with the outstanding Senior Bonds under the Senior Indenture, as Subordinate Bonds under the Subordinate Indenture or as toll bridge revenue bonds subordinate to the Subordinate Bonds. Additional toll bridge revenue bonds could be issued for refunding or restructuring purposes, additional work on the Bridges or other purposes authorized by the Act.

The principal amount of additional toll bridge revenue bonds (and any senior obligations or subordinate obligations) to be issued by the Authority and the timing of any such issuance or issuances will be determined by the Authority based on the actual costs of its programs (which are subject to modification by the Authority and by state law) and the resources then available. The Act does not limit the principal amount of Authority obligations that may be issued. The Senior Indenture and the Subordinate Indenture limit the issuance of Senior Bonds, obligations of the Authority that are payable on a parity with the Senior Bonds, Subordinate Bonds, and obligations that are payable on a parity with the

Subordinate Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS – Certain Provisions of the Senior Indenture – Toll Rate Covenants" and "—Additional Bonds Test" and "— Certain Provisions of the Subordinate Indenture – Toll Rate Covenant" and "—Additional Bonds Test".

LIQUIDITY AND CASH RESERVES

Cash Reserves

The Authority's budget for the Fiscal Year ending June 30, 2014 includes the continued maintenance of a $1 billion reserve. As of June 30, 2013, the Authority held cash and investments in excess of $1 billion, including the Operations and Maintenance Fund described below. The purpose of the $1 billion reserve is to provide liquidity for debt service, variable costs associated with variable rate demand bonds, rehabilitation and operational improvements on the Bridges, and operating and other expenses in the event of an emergency that affects Bridge Toll Revenues. For a discussion of the Authority's cash, cash equivalents and investments as of June 30, 2013, see Note 3 on pages 58-62 of the MTC 2013 CAFR. The Authority is authorized to use available cash and investments in connection with the issuance of additional toll bridge revenue bonds for refunding or restructuring purposes. See "CAPITAL PROJECTS AND FUNDING—Anticipated Bond Issuances of the Authority" herein.

Operations and Maintenance Fund

The Senior Indenture provides that at the beginning of each Fiscal Year, the Authority shall deposit in its Operations and Maintenance Fund from Bridge Toll Revenues such amount as shall be necessary so that the amount on deposit in the Operations and Maintenance Fund equals two times the budgeted expenditures for the Fiscal Year for Caltrans' operation and maintenance of toll facilities on the Bridges, including, but not limited to, toll collection costs, including wages and salaries. The principal amount held in the Operations and Maintenance Fund is to be used and withdrawn by the Authority solely to pay such expenses and is not pledged to the payment of the Authority's Secured Obligations. Interest and other income from the investment of money in the Operations and Maintenance Fund is pledged to the payment of the Authority's Secured Obligations. The Authority, in its budget for the Fiscal Year ending June 30, 2014, requires that the balance in the Operations and Maintenance Fund be maintained at $75 million. See "THE BRIDGE SYSTEM–Bridge System Operations and Maintenance."

The Senior Indenture also provides that in the event that Bridge Toll Revenues on deposit in the Bay Area Toll Account are not sufficient at the beginning of any Fiscal Year to enable the Authority to make the transfer described above at the beginning of such Fiscal Year, the Authority shall not be required to make such transfer for such Fiscal Year and failure of the Authority to make such transfer shall not constitute an event of default under the Senior Indenture for as long as the Authority shall punctually pay the principal of and interest on the Senior Bonds as they become due and observe and comply with the toll rate covenants in the Senior Indenture. The Subordinate Indenture does not require the Operations and Maintenance Fund to be funded. See "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS—Certain Provisions of the Senior Indenture—Toll Rate Covenants" and APPENDIX A—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE (AS OF NOVEMBER [__], 2013) —THE SENIOR INDENTURE—Covenants of the Authority."

Investment Portfolio

Funds of the Authority are invested with other funds of MTC and related entities pursuant to an investment policy adopted by MTC, which permits the Authority to invest in some (but not all) of the types of securities authorized by State law for the investment of funds of local agencies (California Government Code Section 53600 et seq.) The securities in which the Authority currently is authorized to invest include United States treasury notes, bonds and bills, bonds, notes, bills, warrants and obligations issued by agencies of the United States, bankers acceptances, corporate commercial paper of prime quality, negotiable certificates of deposit, medium term corporate notes, shares of beneficial interest in diversified management companies (mutual funds), the State's local agency investment fund, the Alameda County local agency investment fund, collateralized repurchase agreements, and other securities authorized under State law as appropriate for public fund investments and not specifically prohibited by the investment policy. The investment policy (which is subject to change in the future) does not allow investment in reverse repurchase agreements, financial futures, option contracts, mortgage interest strips, inverse floaters or securities lending or any investment that fails to meet the credit or portfolio limits of the investment policy at the time of investment.

Funds held by a trustee under the Authority's toll bridge revenue bond indentures are to be invested by the trustee in specified types of investments in accordance with instructions from the Authority. The instructions from the Authority currently restrict those investments to investments permitted by the investment policy adopted by MTC described above (except that the trustee is permitted to invest a greater percentage of funds in mutual funds and in a single mutual fund than the investment policy would otherwise permit).

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

As explained in the MTC 2013 CAFR at Notes 1.T starting on page 55, and in the discussion of "Derivative Instruments" on page 73, the Authority's investment income for the FYE 2012 and 2013 was comprised of interest income from investments and changes in the fair market value of certain interest rate swaps that were hedges for variable rate demand bonds that were refunded and that no longer had an underlying bond to hedge. This resulted in a non-cash derivative investment charge of $77,359,772 in the FYE 2012 and a non-cash derivative investment gain of $50,686,311 in the FYE 2013. The Authority's Senior Indenture and Subordinate Indenture do not require the Authority to take that non-cash charge into account in calculating Revenue or for purposes of the additional bonds tests and the rate covenants described under "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS."

For more information regarding the investment policy and portfolio of MTC and the Authority, including a discussion of certain deposit and investment risk factors, see Note 1.H and Note 3.A, starting at page 48 and page 58, respectively, of the MTC 2013 CAFR. See APPENDIX E – "INVESTMENT PORTFOLIO INFORMATION (AS OF AUGUST 31, 2013)" for recent investment portfolio data.

HISTORICAL REVENUE AND DEBT SERVICE COVERAGE

The following table sets forth Bridge System historical revenue and debt service coverage for the FYE 2009 through 2013. Information in the table is intended to provide potential investors with information about revenues and gross debt service coverage. The presentation is not prepared in accordance with generally accepted accounting principles and could differ from comparable presentations by other similar organizations. This table does not calculate coverage ratio covenants or additional bonds tests that are discussed under "SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS" and in APPENDIX A—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE (AS OF NOVEMBER [__], 2013)" and APPENDIX B—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE (AS OF NOVEMBER [__], 2013)." Generally swap rates are used for variable rate demand bonds that have corresponding qualified swap agreements, the interest rates on taxable Build America Bonds are net of the expected subsidy payments, which payments are excluded from revenues, and bank fees are excluded from debt service.

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

Fiscal Year Ended June 30,	**2009**	**2010**	**2011**	**2012**	**2013**
Revenue					
Bridge Toll Revenues	$ 470,136	$466,086	$ 597,362	$625,863	$652,975
Interest Earnings[1]	38,740	8,678	12,059	6,800	3,021
Other Revenues[2]	18,088	19,275	18,459	17,680	16,507
Senior Bond Subsidy Payments[3]	--	18,681	--	--	
Total Revenue Under Senior Indenture [A]	$526,964	$512,720	$627,880	$650,343	$672,503
Debt Service on Senior Bonds and Parity Obligations[3] [B]	$238,607	$260,166	$263,724[4]	$262,693	$256,775[7]
Gross Senior Debt Service Coverage [A/B]	2.21x	1.97x	2.38x	2.47x	2.62x
Less Maintenance and Operation Expenses [C]			(80,993[5])	(80,488[5])	(92,833[5])
Total Available Revenue Under Subordinate Indenture[6] [A-C = D]			$546,887[4]	$569,855	$579,670
Debt Service on Senior Bonds, Parity Obligations and Subordinate Bonds[3] [E]			$359,063[4]	$372,246	$368,958[7]
Gross Debt Service Coverage [D/E]			1.52x	1.53x	1.57x

(1) Does not reflect non-cash derivative investment charges or gains that do not reduce or increase Revenue under provisions of the Senior Indenture. See "LIQUIDITY AND CASH RESERVES—Investment Portfolio."

(2) Consists of, among other things, violation revenues. Includes transfers from MTC relating to interest on BART's loan payment.

(3) Senior Bond Subsidy Payments consist of a 35% federal interest subsidy for the 2009 Series F-2 Bonds issued under the Build America Bond program which the Authority received in the FYE 2010. Beginning in the FYE 2011 debt service on all Senior Bonds and Subordinate Bonds issued under the Build America Bond program is calculated net of such Bond Subsidy Payments that are actually received and such payments are excluded from Available Revenue.

(4) As a result of implementing GASB 62 and GASB 65 in fiscal year 2012, BATA restated its fiscal year 2011 financial information which decreased the debt service calculations.

(5) Includes the Authority's operating expenses ($54.9 million, $52.9 million and $64.7 million for the FYE 2011, 2012 and 2013, respectively), operating expenses incurred by Caltrans ($23.1 million, $23.8 million and $24.6 million for the FYE 2011, 2012 and 2013, respectively), and operating expenses of the Transbay Joint Powers Authority ($3.0 million, $3.7 million and $3.5 million for the FYE 2011, 2012 and 2013, respectively).

(6) No Subordinate Indenture existed prior to the FYE 2011.

(7) Including accrual of [interest less] Build America Bonds Subsidy reduced by approximately 8.7% as a result of the sequestration order. See "RISK FACTORS—Risk of Non-Payment of Direct Subsidy Payments" below.

Source: The Authority.

SECURITY AND SOURCES OF PAYMENT FOR THE TOLL BRIDGE REVENUE BONDS

As of November [__], 2013, the Authority had Senior Bonds outstanding in the aggregate principal amount of $5,315,750,000 comprised of $3,857,990,000 aggregate principal amount of fixed rate bonds and $1,457,760,000 aggregate principal amount of Variable Rate Bonds. Of the Variable Rate Bonds $407,760,000 are variable rate demand bonds bearing interest at a Weekly Rate, $745,000,000 are Variable Rate Bonds bearing interest at Index Rates tied to the SIFMA Swap Index, $155,000,000 are Variable Rate Bonds bearing interest at an Index Rate tied to 67% of 3-month LIBOR, and $150,000,000 are Variable Rate Bonds bearing interest at Term Rates. See APPENDIX D – "OUTSTANDING OBLIGATIONS (AS OF NOVEMBER [__], 2013)."

Additional toll bridge revenue bonds may be issued in the future as either Senior Obligations or Subordinate Obligations (subject to the requirements of and limitations in the Senior Indenture or the Subordinate Indenture, described below).

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

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

See APPENDIX A—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE (AS OF NOVEMBER [__], 2013)" and APPENDIX B—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE (AS OF NOVEMBER [__], 2013)" for further information about the security for the Senior Bonds and the Subordinate Bonds.

Statutory Lien on Bridge Toll Revenues

The Act imposes a statutory lien upon all Bridge Toll Revenues in favor of the holders of the Authority's toll bridge revenue bonds and in favor of any provider of credit enhancement for those bonds. Bridge Toll Revenues include all tolls and all other income, including penalties for violations, allocated to the Authority pursuant to the Act derived from the Bridge System and not limited or restricted to a specific purpose. The statutory lien is subject to expenditures for operation and maintenance of the Bridges, including toll collection, unless those expenditures are otherwise provided for by statute. See "THE BRIDGE SYSTEM—Bridge System Operations and Maintenance" and "LIQUIDITY AND CASH RESERVES—Operations and Maintenance Fund," APPENDIX A—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE (AS OF NOVEMBER [__], 2013)" and APPENDIX B—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE (AS OF NOVEMBER [__], 2013)."

Pledge by the State

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

Certain Provisions of the Senior Indenture

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

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

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

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

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

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

The Authority also has covenanted in the Senior Indenture to compute coverage ratios specified in the Senior Indenture on an annual basis within ten Business Days after the beginning of each Fiscal Year and to increase tolls if any of the ratios is less than the required level. See APPENDIX A—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE—THE SENIOR INDENTURE (AS OF NOVEMBER [__], 2013) —Toll Rate Covenants"

The Authority's calculations as of the FYE 2013 show that the resulting ratios did not require the Authority to increase tolls. See Schedule 12 at page 109 in the Other Supplementary Information Section of the MTC 2013 CAFR.

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

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

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

The Senior Indenture includes definitions of Net Revenue and Maximum Annual Debt Service and other requirements for the issuance of additional Senior Obligations. See APPENDIX A—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE—THE SENIOR INDENTURE (AS OF NOVEMBER [__], 2013) —Additional Senior Bonds; Subordinate Obligations."

Reserve Fund. The Reserve Fund established pursuant to the Senior Indenture is solely for the purpose of paying principal of and interest on the Senior Bonds when due when insufficient moneys for such payment are on deposit in the Principal Account and the Interest Account under the Senior Indenture. See APPENDIX A—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE (AS OF NOVEMBER [__], 2013) —THE SENIOR INDENTURE—Funds and Accounts—Establishment and Application of the Reserve Fund."

The balance in the Reserve Fund is required by the Senior Indenture to equal or exceed the "Reserve Requirement" (defined in the Senior Indenture as an amount equal to the lesser of Maximum Annual Debt Service on all Senior Bonds and 125% of average Annual Debt Service on all Senior Bonds). The Reserve Requirement is approximately $317,326,000, and cash and investments aggregating at least that amount are held in the Reserve Fund. See APPENDIX A—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE (AS OF NOVEMBER [__], 2013) —DEFINITIONS."

The Senior Indenture Trustee is to draw on the Reserve Fund to the extent necessary to fund any shortfall in the Interest Account or the Principal Account. The Authority is to replenish amounts drawn from the Reserve Fund by making monthly transfers to the Senior Indenture Trustee equal to one-twelfth (1/12th) of the initial aggregate amount of the deficiency in the Reserve Fund. See APPENDIX A—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE—THE SENIOR INDENTURE (AS OF NOVEMBER [__], 2013) —Funds and Accounts—Establishment and Application of the Reserve Fund" and "—Funding of the Reserve Fund."

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

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

Certain Provisions of the Subordinate Indenture

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

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

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

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

The Subordinate Indenture Trustee has been instructed by the Authority to transfer to the Senior Indenture Trustee any Revenue (as defined in the Senior Indenture) on deposit in the Bond Fund held by the Subordinate Indenture Trustee to the extent that there is any shortfall in amounts needed to make timely payments of principal, interest, and premium, if any, on Senior Obligations or to replenish the reserve fund for the Senior Bonds. Any such transfer to the Senior Indenture Trustee will not include proceeds of Subordinate Bonds, amounts attributable to interest subsidy payments received from the federal government on account of the issuance of Subordinate Bonds as Build America Bonds or any amounts attributable to a reserve account for Subordinate Bonds. The Senior Indenture Trustee has been instructed by the Authority to transfer to the Subordinate Indenture Trustee any amounts on deposit in the Fees and Expenses Fund under the Senior Indenture to the extent that there is any shortfall in the Bond

Fund under the Subordinate Indenture of amounts needed to make timely payments of principal, interest, and premium, if any, on Subordinate Obligations and to replenish the reserve fund for the Subordinate Bonds, provided that no such transfer is to be made to the extent there is also a concurrent shortfall in the Bond Fund or reserve fund under the Senior Indenture. The Authority has instructed each trustee to notify the other trustee on the third Business Day preceding each principal or interest payment date of the need for such a transfer and to request such transfer on the second Business Day preceding each such payment date.

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

The Authority also has covenanted in the Subordinate Indenture to compute the debt service coverage ratio specified in the Subordinate Indenture on an annual basis within ten Business Days after the beginning of each Fiscal Year and to take such action as promptly as practicable thereafter (including, without limitation, increasing Bridge Toll Revenues through toll increases) as the Authority projects is necessary to cause the projected debt service coverage ratio for that Fiscal Year to equal or exceed 1.20:1. See APPENDIX B—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE (AS OF NOVEMBER [__], 2013) —THE SUBORDINATE INDENTURE—Covenants of the Authority—Revenue Covenants," and Schedule 12 at page 109 in the Other Supplementary Information thereof.

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

(a) the Subordinate Obligations are issued for refunding purposes to provide funds for the payment of any or all of the following: (1) the principal or redemption price of the Subordinate Obligations or Senior Obligations to be refunded; (2) all expenses incident to the calling, retiring or paying of such Subordinate Obligations or Senior Obligations, the Costs of Issuance of such refunding Subordinate Obligations, and any termination payments or other payments to the holders of obligations of the Authority entered into pursuant to California Government Code section 5922 (or any similar statute) related to such Subordinate Obligations or Senior Obligations; (3) interest on all Subordinate Obligations or Senior Obligations to be refunded to the date such Subordinate Obligations or Senior Obligations will be called for redemption or paid at maturity; and (4) interest on the refunding Subordinate Obligations from the date thereof to the date of payment or redemption of the Subordinate Obligations or Senior Obligations to be refunded; or

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

Revenue, the Authority will take into account amounts projected to be received from any adopted toll increase or increases and any additional Bay Area Bridge or Bridges

The Subordinate Indenture includes definitions of Available Revenue, Debt Service, and Maximum Annual Debt Service and other requirements for the issuance of additional Subordinate Obligations. See APPENDIX B—"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE (AS OF NOVEMBER [__], 2013) —Additional Subordinate Bonds."

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

Reserve Fund. Subordinate Bonds may be issued with or without a Reserve Requirement. The Authority will decide at the time of issuance of a series of Subordinate Bonds whether to establish a Reserve Requirement for that series and the amount of the Reserve Requirement. On the date of issuance of any series of Subordinate Bonds that has a Reserve Requirement, the Reserve Requirement will be deposited in the Reserve Account established under the Subordinate Indenture for those bonds. Alternatively, the Authority may decide to establish a pooled Reserve Requirement for that series of Subordinate Bonds and any one or more subsequently issued series of Subordinate Bonds with the same pooled Reserve Requirement, in which case an amount necessary to bring the amount on deposit in the pooled Reserve Account to such pooled Reserve Requirement will be deposited in the pooled Reserve Account established under the Subordinate Indenture. In connection with the issuance of each series of Subordinate Bonds a Reserve Account has been established, and secures only that series of Subordinate Bonds, as set out in the following table:

SUBORDINATE BONDS RESERVE ACCOUNTS

Series of Subordinate Bonds	Reserve Amount[(1)]
2010 Series S-1	$67,938,000.00
2010 Series S-2	20,436,379.50
2010 Series S-3	21,325,362.50
2013 Series S-4	45,972,797.00

(1) Funded at the maximum annual amount of interest payable for each series of Subordinate Bonds as of their date of issue. Each such Reserve Account secures only that respective series of Subordinate Bonds.

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

SUBORDINATE INDENTURE (AS OF NOVEMBER [__], 2013) —Funds and Accounts—Establishment and Application of the Reserve Fund" and "—Funding of the Reserve Fund."

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

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

OTHER AUTHORITY OBLIGATIONS

Credit Facilities

On September 28, 2010, the Authority entered into a Reimbursement Agreement with certain banks pursuant to which the banks provided, on November 1, 2010, irrevocable, direct-pay letters of credit (the "Letters of Credit"). The Letters of Credit are available to be drawn on for funds to pay principal of and interest on the Authority's Senior Bonds that are variable rate demand bonds. The Letters of Credit are also be available to be drawn on for funds to purchase the Authority's Senior Bonds that are variable rate demand bonds and that are tendered for purchase and are not successfully remarketed. Senior Bonds so purchased with proceeds of draws under the Letters of Credit ("Credit Provider Bonds") will continue to be Senior Bonds under the Senior Indenture payable on a parity basis with other Senior Bonds, but they will bear interest at the applicable rate of interest set forth in the Reimbursement Agreement. Reimbursement obligations created by unreimbursed principal and interest draws under the Letter of Credit will be Senior Parity Obligations, payable on a parity basis with Senior Bonds. Under the Reimbursement Agreement, fees and other payments due to the banks providing the Letters of Credit are subordinate to Senior Obligations and Subordinate Obligations and are payable from the Fees and Expenses Fund held by the Senior Indenture Trustee. The Authority's obligation to pay interest on reimbursement obligations and on Credit Provider Bonds evidencing the Authority's obligation to pay amounts advanced under the Letters of Credit can be as high as 15% per annum.

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

In addition, in order for a liquidity drawing to be converted to a liquidity advance under the Reimbursement Agreement, certain preconditions must be satisfied by the Authority. These include, in addition to there being no event of default under the Reimbursement Agreement, the requirement that the

Authority be able to make, as of the conversion date, certain representations and warranties set forth in the Reimbursement Agreement, including representations regarding the absence of certain litigation or legislation. Such representations may not be possible under circumstances that are beyond the control of the Authority. If the preconditions to the conversion to a liquidity advance cannot be met, the liquidity drawing is due and payable immediately by the Authority. Liquidity drawings and liquidity advances under the Reimbursement Agreement are required to be paid on a parity with the Senior Bonds and prior to the Subordinate Bonds.

JPMorgan Chase Bank, National Association is the agent for all of the banks under the Reimbursement Agreement, which banks currently include: The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, JPMorgan Chase Bank, National Association, and Union Bank, N.A.

During the FYE 2013, the Authority completed three reoffering transactions for a total of $1.050 billion of Senior Toll Revenue Bonds. In each case, the reoffered bonds were subject to a mandatory tender and remarketing to either a Term Rate or an Index Rate, as described below. As a result of the reofferings, certain Letters of Credit were released because under the Indenture Bonds of the Authority that bear interest at a Term Rate or an Index Rate are not required to have a letter of credit or other credit or liquidity facility.

As of November [___], 2013, the Authority has outstanding $1,457,760,000 aggregate principal amount of Variable Rate Bonds. Of the Variable Rate Bonds $407,760,000 are variable rate demand bonds bearing interest at a Weekly Rate, $745,000,000 are Variable Rate Bonds bearing interest at Index Rates tied to the SIFMA Swap Index, $155,000,000 are Variable Rate Bonds bearing interest at an Index Rate tied to 67% of 3-month LIBOR, and $150,000,000 are Variable Rate Bonds bearing interest at Term Rates. See APPENDIX D—"OUTSTANDING OBLIGATIONS (AS OF NOVEMBER [__], 2013" for further information about the Authority's outstanding Variable Rate Bonds.

The Authority has authorized the issuance of refunding or restructuring Bonds, including the remarketing of Variable Rate Bonds from a Weekly Rate to a Term Rate or an Index Rate. See "CAPITAL PROJECTS AND FUNDING—Anticipated Bond Issuances of the Authority" herein.

Qualified Swap Agreements

The Authority has entered into seventeen Qualified Swap Agreements with seven counterparties that as of September 30, 2013 had an aggregate notional amount of $1,925,545,000 of which thirteen, having an aggregate notional amount of $1,440,000,000, are agreements pursuant to which the Authority pays a fixed rate and receives a variable rate based on an index and of which four, having an aggregate notional amount of $485,545,000, are agreements pursuant to which the Authority pays a variable rate based on an index and receives a fixed rate. The governing board of the Authority has authorized the amendment, restructuring, and termination of existing Qualified Swap Agreements and the governing board has authorized the Authority to enter into additional Qualified Swap Agreements.

For a discussion of the Authority's outstanding interest rate swap agreements as of June 30, 2013, see "Note 5—Derivative Instruments" and "—Objective and Terms of Hedging Derivative Instruments" on pages 73-77 and Schedules 16 through 20 on pages 116-120, of the MTC 2013 CAFR.

Each Qualified Swap Agreement may terminate prior to its scheduled termination date and prior to the maturity of the Senior Bonds to which it relates. . As of September 30, 2013, the termination payments payable by the Authority in connection with the agreements pursuant to which the Authority pays a fixed rate and receives a variable rate based on an index would exceed an approximate estimated aggregate amount of $307 million, and the termination payments receivable by the Authority in connection with the agreements pursuant to which the Authority pays a variable rate based on an index and receives a fixed rate would exceed an approximate aggregate estimated amount of $14 million.

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

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

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

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

The Authority has terminated and novated other swaps in the past from time to time. The Authority has authorized future terminations, restructuring and novations of swaps until December 31, 2014 and may authorize terminations, restructuring and novations of swaps in the future.

Further Subordinated Obligations

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

RELATED ENTITIES

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

Metropolitan Transportation Commission

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

Bay Area Headquarters Authority

The Bay Area Headquarters Authority or "BAHA" is a joint exercise of powers authority created by a Joint Exercise of Powers Agreement (the "BAHA Agreement") between the Authority and MTC. BAHA was created to plan, acquire, and develop office space and facilities and undertake related activities by exercising the common powers of the Authority and MTC and the powers separately conferred by law. The Authority authorized a contribution of up to $215,450,000 to BAHA pursuant to the BAHA Agreement for purposes of acquiring and developing an office facility at 390 Main Street in San Francisco, California (the "Administration Building"). BAHA acquired the office facility at 390 Main Street for a purchase price of $93 million and has spent approximately $8.3 million as of June 2013 toward development of the facility. Portions of the building may be sold, and portions may be leased to the Bay Area Air Quality Management District (the "Air District"), the Association of Bay Area Governments, and other governmental or private tenants, in addition to being the headquarters of MTC and the Authority and SAFE. BAHA has entered into a Lease Purchase Agreement with the Air District under which the Air District will lease an area equivalent to one floor and will have the option to purchase such space.

On August 28, 2012, the Bureau of State Audits (the "Bureau") released the report of its audit of the BAHA's acquisition and development of a new office facility for the Authority, MTC, and other public agencies, and the contribution by the Authority to BAHA of toll bridge funds for such acquisition and development. The Bureau concluded in the report, among other things, that the use of toll revenues to acquire the new office facility likely was legally permissible. The Bureau also recommended that, if the State Legislature believes state law provides the Authority with too much discretion over its use of toll revenues, the Legislature should consider amending state law to more narrowly define how toll revenues that are not immediately needed for bridge maintenance or debt service may be spent or invested. See "RISK FACTORS – State Legislation" below for a discussion of Senate Bill 613, which was recently enacted in response to the report released by the Bureau.

Bay Area Infrastructure Financing Authority

The Bay Area Infrastructure Financing Authority or "BAIFA" is a joint exercise of powers authority created by a Joint Exercise of Powers Agreement between the Authority and MTC. In December 2006, BAIFA issued its $972,320,000 State Payment Acceleration Notes ("SPANs"), the net proceeds of which are being used to finance a portion of the Seismic Retrofit Program described in this Information Statement. The BAIFA SPANs have no claim on and are not payable from toll revenues collected by the Authority. As of June 30, 2013 the aggregate principal amount of BAIFA SPANs outstanding was $325,270,000. BAIFA is in the process of redeeming and defeasing all outstanding SPANs.

Regional Express Lanes

MTC, in consultation with the Authority, is in the initial stages of planning to develop, administer, operate and maintain a multi-county, value-priced tolling system within the high-occupancy toll lane network (the "Express Lane Network") in the Bay Area. Vehicles that do not otherwise meet the applicable occupancy requirements for high-occupancy lane(s) within a particular segment of highway within the Express Lane Network will be able to use the FasTrak system to pay to access the otherwise–restricted lane(s). The California Transportation Commission took action in 2011 finding MTC eligible to develop and operate the Express Lane Network. MTC is currently exploring financing options for the Express Lane Network, the BAIFA Joint Exercise of Powers Agreement has been amended in contemplation of BAIFA being a potential financing vehicle and operating entity for the Express Lane Network, and MTC has entered into a cooperative agreement with BAIFA under which MTC has delegated to BAIFA substantially all responsibility for developing and operating the Express Lanes Network. Environmental review and toll system development for the initial phase of the Express Lane

Network, consisting of approximately 80 miles of conversion of existing high-occupancy vehicle (HOV) lanes to Express Lanes, has commenced. Design and construction of the initial phase are expected to commence in 2014. Further plans include approximately 190 miles of Express Lanes, consisting of converted HOV lanes and new lanes, located around the Bay Area.

RISK FACTORS

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

Risk of Faulty Forecast

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

Risk of Earthquake

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

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

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

The Seismic Retrofit Program was specifically intended to mitigate the risk of major damage to the Bridges due to seismic activity by enhancing the structural integrity of the Bridges to accommodate ground motions along the various identified faults with return periods of between 1,000 and 2,000 years. As described above, the Seismic Retrofit Program has been substantially completed as of September 2013. However, the completion of the Seismic Retrofit Program will not ensure that one or more of the Bridges or their highway approach routes would not be damaged, destroyed or rendered unusable for a period of time in the event of a single earthquake or a combination of earthquakes.

When large seismic events have occurred in the past, Caltrans has demonstrated an ability to quickly repair bridge structures and reestablish traffic flows. As a consequence of the 1989 Loma Prieta earthquake, the San Francisco-Oakland Bay Bridge suffered collapse of a section of the bridge's east span upper deck. Within 30 days, two replacement deck sections were designed, ordered, fabricated, delivered and installed as part of a $8.6 million construction project. With the completion of the Seismic Retrofit Program, the need for repairs of this magnitude is expected to be greatly reduced, especially on the San Francisco-Oakland Bay Bridge and the Benicia-Martinez Bridge, both of which have been strengthened to

Lifeline Structure criteria. See "CAPITAL PROJECTS AND FUNDING— Seismic Retrofit Program Capital Projects – Seismic Design Strategies for the Bridge System." However, the actual damage caused by a future seismic event could vary substantially from expectations or past experience.

Other Force Majeure Events

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

Threats and Acts of Terrorism

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

No Insurance Coverage

No business interruption insurance or any other commercially available insurance coverage is currently maintained by the Authority or Caltrans with respect to damage to or loss of use of any of the Bridges. However, pursuant to the Cooperative Agreement the Authority currently maintains a self insurance fund. The Cooperative Agreement calls for a minimum balance of $50 million, which would be available for reconstruction, repair and operations in the event of damage due to a major emergency which would result in closure to traffic of a Bridge estimated to extend more than 30 days and to exceed $10 million in cost. Such reserve is maintained pursuant to the Cooperative Agreement and upon agreement of Caltrans and the Authority may be reduced or eliminated in its entirety. Pursuant to the Cooperative Agreement, replenishment of funds used for such repairs would be made by the Authority from bridge toll revenues. In addition, the BATA board has authorized a total of $800 million for emergency extraordinary loss reserves, which includes $120 million for bridge rehabilitation, $580 million in projects/operating reserves and $100 million in variable rate risk. Moreover, the Authority expects that emergency assistance and loans from the federal government would be made available to the State in the event of major damage to the Bridges caused by a major earthquake or other force majeure event.

Economic Factors

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

Risk of Non-Payment of Direct Subsidy Payments

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

The Budget Control Act of 2011 (the "Budget Control Act") provided for increases in the federal debt limit and established procedures designed to reduce the federal budget deficit. The Budget Control Act provided that a failure by Congress to otherwise reduce the deficit would result in sequestration: automatic, generally across-the-board spending reductions. Pursuant an executive order that reduced budgetary authority for expenditures subject to sequestration, including subsidies for Build America Bonds, beginning on March 1, 2013, subsidy payments for Build America Bonds were to be reduced by approximately 8.7 percent. Pursuant to this executive order, the subsidy payments that the Authority received for the April 1, 2013 and October 1, 2013 interest payment dates for the Build America Bonds were reduced by approximately \$2.8 million and \$3.3 million, respectively.

Future Build America Bonds subsidy payments that the Authority expects to receive in connection with the its outstanding Build America Bonds after the start of the 2013-2014 Federal Fiscal Year ("FFY 2014") on October 1, 2013 may be reduced depending on future budget actions of Congress. The IRS has announced that, absent Congressional budget action changing the sequester, the sequester reduction for Build America Bonds subsidy payments for FFY 2014 will be 7.2 percent for subsidy payments made during FFY 2014. The Authority estimates that the subsidy payment it would receive for the April 1, 2014 interest payment would be approximately \$35.5 million, which reflects the expected 7.2 percent reduction of its Build America Bond subsidy payment. The Authority cannot predict when or whether federal legislation may be enacted, and no assurance can be given that Congress will enact new legislation providing funding or authorization for the Build America Bonds subsidy payments, or that if enacted, whether any such legislation would be signed into law by the president.

If the Authority fails to comply with the conditions to receiving the subsidy payments throughout the term of the toll bridge revenue bonds designated as Build America Bonds, it may no longer receive such payments and could be subject to a claim for the return of previously received payments. The Authority has not made any covenant to comply with all of the conditions to the receipt of the subsidy payments. The Authority is obligated to make payments of principal of and interest on its toll bridge revenue bonds without regard to the receipt of subsidy payments.

Credit Facilities Risk

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

Variable Rate Obligations Rate and Acceleration Risk

The Senior Bonds that are variable rate bonds are subject to tender at the option of the owners thereof and if not remarketed will be purchased pursuant to the Reimbursement Agreement. Under certain conditions the reimbursement obligations related to such purchases may be due and payable immediately on a parity basis with the Senior Bonds. The Senior Bonds are not otherwise subject to acceleration. In addition, the interest rate on the Senior Bonds that are variable rate bonds fluctuates and could increase up to a maximum rate of 12% per annum or, if there is a failure to remarket, 15% per annum when purchased by a Credit Provider pursuant to the Reimbursement Agreement.

Swap Related Risks

The Authority has Qualified Swap Agreements with, as of June 30, 2013, a notional amount of $1,440,000,000 outstanding with various counterparties pursuant to which the Authority pays a fixed rate and receives a variable rate based on an index. The variable rates received pursuant to such agreements which are LIBOR-based may differ, at times substantially, from the interest rates on the Senior Bonds corresponding to such swap agreements. In addition, if the counterparties to such Qualified Swap Agreements encounter financial difficulties, under certain circumstances payments may not be received from such counterparties or the swap agreements may be terminated requiring, depending on market conditions at the time, termination payments to be made by the Authority. Such termination payments could be substantial and are payable as Subordinate Obligations, on a parity basis with the Subordinate Bonds. As of September 30, 2013, such termination payments would exceed an approximate estimated aggregate amount of $307 million.

Rising Tolls Could Result in Reduced Traffic and Lower Total Revenue

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

Construction Delays and Cost Escalation

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

State Legislation

State legislation is introduced from time to time that could affect the finances or operations of the Authority or MTC or both, including, the level and expenditure of tolls. The Authority cannot predict whether any such legislation will be introduced or enacted in future legislative sessions.

During the 2013-2014 session two bills were adopted related to the Authority. SB 613, which was signed by the Governor on October 5, 2013, imposes the following limits on the Authority: (i) prohibiting the Authority from purchasing or otherwise acquiring office space or office facilities in addition to the Administration Building and (ii) limiting direct contributions of the Authority to the Metropolitan Transportation Commission to one percent (1%) of gross annual toll bridge revenues, including a contribution for overhead expenses as an authorized contribution. SB 110, which was adopted by the Legislature, to establish an independent expert panel to assess the anticipated seismic structural performance of the new eastern span of the San Francisco-Oakland Bay Bridge was vetoed by the Governor on October 11, 2013, and is now pending for review by the Legislature. The Legislature has until March 1, 2014 to override the Governor's veto. The Authority does not expect either of the two bills to have a material adverse effect on the Authority's financings or operations.

The Senate Transportation and Housing Committee (the "Senate Transportation Committee") is expected to hold a hearing in the next two months on lessons learned from the Bay Bridge, however, as of the date of this Information Statement the hearing is not yet scheduled. The Authority cannot predict any outcome from the Senate Transportation Committee hearing.

Voter Initiatives

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

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

CONTINUING DISCLOSURE

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

The Authority has filed annual reports and material event notices as required by the Rule and its previous undertakings. However, the Authority has determined that its annual reports for the FYE 2007 through 2010 contained average toll rates on each of the Bay Area bridges rather than an update of toll rates by number of axles per vehicle. The Authority's annual report for the FYE 2011 contained the Authority's current schedule of toll rates by number of axles per vehicle. The Authority has also determined that certain of its annual reports and material event notices had not been recorded correctly by individual nine digit CUSIP numbers with respect to the Bay Area Toll Authority San Francisco Bay Area Toll Bridge Revenue Bonds, 2009 Series F-1, although such reports were timely filed with respect to the six digit base CUSIP number. All relevant reports have now been filed on EMMA with respect to the 2009 Series F-1 Bonds. The Authority has otherwise complied in all material respects with all previous undertakings with regard to providing annual reports and material event notices in accordance with the Rule.

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MISCELLANEOUS

This Information Statement is not to be construed as a contract or agreement between the Authority and holders of any of the Authority's toll bridge revenue bonds. All quotations from and summaries and explanations of statutes and documents contained herein, do not purport to be complete, and reference is made to said documents and statutes for full and complete statements of their provisions.

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

BAY AREA TOLL AUTHORITY

By: ______________________
Executive Director

APPENDIX A

DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE (AS OF NOVEMBER [__], 2013)

APPENDIX B

DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE (AS OF NOVEMBER [__], 2013)

APPENDIX C

REGIONAL MEASURE 2 PROJECTS*
(AS OF AUGUST 31, 2013)

RM2 Project	Authorized Amounts
BART/MUNI Connection at Embarcadero and Civic Center Stations	$ 3,000,000
MUNI Metro Third Street Light Rail Line	30,000,000
MUNI Waterfront Historic Streetcar Expansion	10,000,000
East to West Bay Commuter Rail Service over the Dumbarton Rail Bridge	44,000,000
Vallejo Station	28,000,000
Solano County Express Bus Intermodal Facilities	20,000,000
Solano County Corridor Improvements near Interstate 80/Interstate 680 Interchange	100,000,000
Interstate 80: Eastbound High-Occupancy Vehicle (HOV) Lane Extension from Route 4 to Carquinez Bridge**	37,175,000
Richmond Parkway Transit Center	16,000,000
Sonoma-Marin Area Rail Transit District (SMART) Extension to Larkspur or San Quentin	36,500,000
Greenbrae Interchange/Larkspur Ferry Access Improvements	63,500,000
Direct High-Occupancy Vehicle (HOV) lane connector from Interstate 680 to the Pleasant Hill or Walnut Creek BART Stations	15,000,000
Rail Extension to East Contra Costa/E-BART	96,000,000
Capital Corridor Improvements in Interstate 80/Interstate 680 Corridor	25,000,000
Central Contra Costa Bay Area Rapid Transit (BART) Crossover	25,000,000
Regional Express Bus North	20,000,000
Clipper	22,000,000
Real-Time Transit Information	20,000,000
Safe Routes to Transit	22,500,000
BART Tube Seismic Strengthening	33,801,000
Transbay Terminal/Downtown Caltrain Extension	150,000,000
Oakland Airport Connector	115,199,000
AC Transit Enhanced Bus-Phase 1 on Telegraph Avenue, International Boulevard, and East 14th Street	65,000,000
Commute Ferry Service for Alameda/Oakland/Harbor Bay	12,000,000
Commute Ferry Service for Berkeley/Albany	12,000,000
Commute Ferry Service for South San Francisco	12,000,000
Water Transit Facility Improvements, Spare Vessels, and Environmental Review Costs	48,000,000
Regional Express Bus Service for San Mateo, Dumbarton, and San Francisco-Oakland Bay Bridge Corridors	22,000,000
I-880 North Safety Improvements	10,000,000
BART Warm Springs Extension	186,000,000
I-580 (Tri Valley) Rapid Transit Corridor Improvements	65,000,000
Regional Rail Master Plan	6,500,000
Integrated Fare Structure Program	1,500,000
Transit Commuter Benefits Promotion	5,000,000
Caldecott Tunnel Improvements	50,500,000
BART Transit Capital Match	24,000,000
Regional Express Lane Network**	4,825,000
Modifications in I-80 and San Pablo**	8,000,000
TOTAL	$1,465,000,000

* RM2 also authorizes $50 million for the construction of the Benicia-Martinez Bridge in addition to amounts authorized under RM1, bringing the total project authorizations under RM2 to $1.515 billion.

** Interstate 80 HOV project's budget was reduced by $12,825,000 and allocated to Regional Express Lane Network and modifications in I-80 and San Pablo.

APPENDIX D

OUTSTANDING OBLIGATIONS
(AS OF NOVEMBER [__], 2013)

Senior Bonds and Senior Obligations

There are currently outstanding $5,315,750,000 aggregate principal amount of Senior Bonds, comprised of: (i) fixed rate bonds; (ii) variable rate demand bonds bearing interest at a Weekly Rate; (iii) bonds bearing interest at Index Rates tied to the SIFMA Swap Index; (iv) bonds bearing interest at an Index Rate tied to 67% of 3-month LIBOR; (v) bonds bearing interest at Term Rates, all as more specifically set forth below.

Fixed Rate Bonds. The following are outstanding Senior Bonds that bear interest at a Fixed Rate:

Bonds	Outstanding Principal Amount	Interest Rate
San Francisco Bay Area Toll Bridge Revenue Bonds, 2006 Series F	$107,195,000	Fixed
San Francisco Bay Area Toll Bridge Revenue Bonds, 2007 Series F	$66,820,000	Fixed
San Francisco Bay Area Toll Bridge Revenue Bonds, 2008 Series F-1	$707,730,000	Fixed
San Francisco Bay Area Toll Bridge Revenue Bonds, 2009 Series F-1	$768,720,000	Fixed
San Francisco Bay Area Toll Bridge Revenue Bonds, 2009 Series F-2	$1,300,000,000	Fixed (Taxable)
San Francisco Bay Area Toll Bridge Revenue Bonds, 2012 Series F-1	$907,525,000	Fixed
TOTAL	**$3,857,990,000**	

Weekly Rate Bonds and Related Credit Facilities. The following are outstanding Senior Bonds that bear interest at a Weekly Rate and are supported by a Credit Support Instrument as described below.

The Authority has entered into a Reimbursement Agreement dated as of September 28, 2010 with the banks listed in the table below pursuant to which such banks have issued letters of credit in the aggregate notional amount of $407,760,000 plus 34 days interest thereon at 12% per annum to provide liquidity support for the Senior Bonds bearing interest at the Weekly Rate. The Authority's reimbursement obligations under the Reimbursement Agreement are on parity with the Senior Bonds. See "OTHER AUTHORITY OBLIGATIONS – Credit Facilities" for additional information.

Series	Letter of Credit Provider	Principal Amount	Expiration Date
2007 Series G-1	JPMorgan Chase Bank, National Association	$50,000,000	October 31, 2014
2007 Series A-2	Union Bank, N.A.	$75,000,000	October 31, 2014
2007 Series B-2	JPMorgan Chase Bank, National Association	$75,000,000	October 31, 2014
2007 Series C-2	Union Bank, N.A.	$25,000,000	October 31, 2014
2007 Series D-2	JPMorgan Chase Bank, National Association	$100,000,000	October 31, 2014
2008 Series C-1	Union Bank, N.A.	$25,000,000	October 31, 2014
2008 Series E-1	Bank of Tokyo – Mitsubishi UFJ, Ltd., acting through its New York Branch	$57,760,000	October 31, 2014

Term Rate and Index Rate Bonds. The following are outstanding Senior Bonds that bear interest at a Term Rate or Index Rate, as described below, and are not supported by a letter of credit or liquidity facility:

Series	Principal Amount	Term Rate	Index Rate	Purchase Date Following End of Index Rate or Term Rate Period[(1)]
2001 Series A (Francis F. Chin Issue)	$150,000,000		SIFMA Swap Index plus 1.25%	April 1, 2027
2006 Series C-1	125,000,000		SIFMA Swap Index plus 0.90%	May 1, 2023
2006 Series C-2	100,000,000	1.45%		August 1, 2017
2006 Series C-3	25,000,000	1.45%		August 1, 2017
2006 Series C-4	25,000,000	1.45%		August 1, 2017
2007 Series A-1	50,000,000		SIFMA Swap Index plus 0.70%	October 1, 2019
2007 Series C-1	50,000,000		SIFMA Swap Index plus 0.90%	May 1, 2023
2007 Series E-3	100,000,000		SIFMA Swap Index plus 0.70%	October 1, 2019
2008 Series A-1	110,000,000		SIFMA Swap Index plus 0.90%	May 1, 2023
2008 Series B-1	110,000,000		SIFMA Swap Index plus 1.10%	April 1, 2024
2008 Series D-1	155,000,000		67% of 3-month LIBOR plus 0.80%	August 1, 2017
2008 Series G-1	50,000,000		SIFMA Swap Index plus 1.10%	April 1, 2024

(1) The Authority expects funds from such remarketing to be applied to pay the purchase price of such Bonds upon mandatory tender. The Authority is not obligated to provide any other funds for the purchase of such Bonds other than remarketing proceeds and can give no assurance that sufficient remarketing proceeds will be available to pay such Bonds upon mandatory tender. If there are insufficient funds to purchase any Series of Bonds identified in the table above at the end of any Term Rate Period or Index Rate Period, the owners of such Bonds will retain such Bonds and such Bonds will bear interest at the Stepped Rate. In its Pricing Notices for each Series of Bonds identified in the table above, the Authority specified that the Stepped Rate Index for such Bonds is the SIFMA Swap Index.

Qualified Swap Agreements

In addition to its outstanding Senior Bonds, the Authority has Senior Obligations outstanding, including the scheduled payment obligations under Qualified Swap Agreements listed below. Termination payments and payments of fees and expenses under the Qualified Swap Agreements are Subordinate Obligations and not Senior Obligations. See "OTHER AUTHORITY OBLIGATIONS — Qualified Swap Agreements" for additional information concerning Qualified Swap Agreements.

Qualified Swap Agreements
as of September 30, 2013

Counterparty	Notional Amount	Rate Paid by Authority	Rate Received by Authority
Bank of America, N.A.	$30,000,000 amortizing to $0 by April 1, 2045	3.633% per annum	A floating per annum rate based on 68% of the one-month LIBOR Index(1)
Bank of America, N.A.	$50,000,000 amortizing to $0 by April 1, 2047	3.6255% per annum	A floating per annum rate based on 68% of the one-month LIBOR Index(1)
Bank of America, N.A.	$160,000,000 amortizing to $0 by April 1, 2045(2)	A floating per annum rate based on the SIFMA Swap Index(3)	3.70% per annum
Bank of America, N.A.	$125,000,000 amortizing to $0 by April 1, 2045	3.6418% per annum	A floating per annum rate based on 68% of the one-month LIBOR Index(1)
Bank of America, N.A.	$40,000,000 amortizing to $0 by April 1, 2047(2)	A floating per annum rate based on the SIFMA Swap Index(3)	3.764% per annum
Citibank, N.A.	$115,000,000 amortizing to $0 by April 1, 2045	3.6375% per annum	A floating per annum rate based on 53.80% of the one-month LIBOR Index(1) plus 0.74%
Citibank, N.A.	$260,000,000 amortizing to $0 by April 1, 2047	3.636% per annum	A floating per annum rate based on 53.80% of the one-month LIBOR Index(1) plus 0.74%
Goldman Sachs Mitsui Marine Derivative Products, L.P.	$85,000,000 amortizing to $0 by April 1, 2047	3.6357% per annum	A floating per annum rate based on 68% of the one-month LIBOR Index(1)
Goldman Sachs Mitsui Marine Derivative Products, L.P.	$60,000,000 amortizing to $0 by April 1, 2045	3.6418% per annum	A floating per annum rate based on 68% of the one-month LIBOR Index(1)
JPMorgan Chase Bank, N.A.	$139,100,00 amortizing to $0 by April 1, 2047(2)	A floating per annum rate based on the SIFMA Swap Index(3)	3.705% per annum
JPMorgan Chase Bank, N.A.	$245,000,000 amortizing to $0 by April 1, 2045	4.00% per annum	A floating per annum rate based on 75.105% of the one-month LIBOR Index(1)
Morgan Stanley Capital Services Inc.	$75,000,000, amortizing to $0 by April 1, 2036	4.09% per annum	A floating per annum rate based on 65% of the one-month LIBOR Index(1)
The Bank of New York Mellon	$146,445,000 amortizing to $0 by April 1, 2047(2)	A floating per annum rate based on the SIFMA Swap Index(3)	3.79% per annum

Counterparty	Notional Amount	Rate Paid by Authority	Rate Received by Authority
The Bank of New York Mellon	$170,000,000 amortizing to $0 by April 1, 2047	3.6357% per annum	A floating per annum rate based on 68% of the one-month LIBOR Index(1)
The Bank of New York Mellon	$40,000,000 amortizing to $0 by April 1, 2047	3.6357% per annum	A floating per annum rate based on 68% of the one-month LIBOR Index(1)
Wells Fargo	$110,000,000 amortizing to $0 by April 1, 2045	3.6375% per annum	A floating per annum rate based on 53.80% of the one-month LIBOR Index(1) plus 0.74%
Wells Fargo	$75,000,000 amortizing to $0 by April 1, 2036	4.10% per annum	A floating per annum rate based on 65% of the one-month LIBOR Index(1)

(1) Defined, generally, as the rate for United States dollar denominated deposits in the Eurodollar interbank market with a designated maturity of one-month as quoted in a source nominated by the British Bankers' Association.

(2) Counterparties have the right to cancel the Qualified Swap Agreement on April 1, 2014, without termination payments.

(3) Defined, generally, as a rate determined on the basis of the seven-day high grade market index of tax-exempt variable rate demand obligations as produced by Municipal Market Data and made available by the Securities Industry and Financial Markets Association.

Subordinate Obligations

As of November [__], 2013, the Authority has outstanding $3,285,000,000 principal amount of Subordinate Bonds.

Bonds	Outstanding Principal Amount	Interest Rate
San Francisco Bay Area Subordinate Toll Bridge Revenue Bonds, 2010 Series S-1	$1,500,000,000	Fixed (Taxable)
San Francisco Bay Area Subordinate Toll Bridge Revenue Bonds, 2010 Series S-2	$410,000,000	Fixed
San Francisco Bay Area Subordinate Toll Bridge Revenue Bonds, 2010 Series S-3	$475,000,000	Fixed (Taxable)
San Francisco Bay Area Subordinate Toll Bridge Revenue Bonds, 2013 Series S-4	$900,000,000	Fixed
TOTAL	**$3,285,000,000**	

APPENDIX E

MTC INVESTMENT PORTFOLIO INFORMATION (AS OF AUGUST 31, 2013)

As of August 31, 2013, the average maturity of the investment portfolio of MTC, which includes investments on behalf of the Authority, was 144 days, with an average annual yield of approximately 0.15%.

INVESTMENT PORTFOLIO INFORMATION (1)
as of August 31, 2013 (Unaudited)

Investments	Percent of Portfolio	Par Value	Market Value
Cash	8.3%	$ 341,049,391	$ 341,049,391
Government Sponsored Enterprises(2)	75.1%	3,136,120,000	3,135,120,748
Municipal Bonds	4.9%	202,190,000	202,192,530
Certificates of Deposit	2.6%	109,050,000	109,064,435
Commercial Paper	1.7%	68,800,000	68,769,360
Corporate Bonds	0.9%	38,044,000	38,193,672
Mutual Funds	1.6%	67,670,556	67,670,556
Government Pools(3)	Less than 0.1%	1,849,633	1,849,633
California Asset Management Program	4.9%	206,182,491	206,182,491
TOTAL INVESTMENTS	100.0%	$4,170,956,071	$4,170,092,816

(1) The investment portfolio includes funds of MTC and related entities and trustee held funds, including approximately $2.9 billion of funds of the Authority.
(2) Federal Home Loan Mortgage Corp., Federal Home Loan Banks, Federal National Mortgage Association and Federal Farm Credit Bank.
(3) Local Agency Investment Fund maintained by the Treasurer of the State of California and the County of Alameda, California Treasurer's Investment Pool.
Source: MTC Monthly Investment Report.