Foothill/Eastern Transportation Corridor Agency

Toll Road Refunding Revenue Bonds

Series 1999

Continuing Disclosure Report

For the Fiscal Year Ended June 30, 2012

Prepared pursuant to the Continuing Disclosure Certificate

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CONTINUING DISCLOSURE REPORT
For the Fiscal Year Ended June 30, 2012

Introduction:

On August 2, 1999, the Foothill/Eastern Transportation Corridor Agency (the "agency") issued $1,588,143,865.05 aggregate initial principal amount of Toll Road Refunding Revenue Bonds, Series 1999 (the "1999 Bonds"). The 1999 Bonds were issued pursuant to a Master Indenture of Trust, dated as of August 1, 1999, between the agency and BNY Western Trust Company, as trustee (the "Trustee"), as supplemented by the First Supplemental Indenture of Trust, dated as of August 1, 1999, between the agency and the Trustee (such Master Indenture of Trust, as so supplemented, the "Master Indenture").

The 1999 Bonds were issued by the agency for the purpose of providing funds, together with certain other available funds, to refund certain indebtedness of the agency, as more fully described in the Official Statement for the 1999 Bonds dated July 16, 1999 (the "Official Statement").

Pursuant to Rule 15c2-12(b)(5) of the Securities and Exchange Commission, the agency has executed a Continuing Disclosure Certificate, dated as of August 2, 1999 (the "Continuing Disclosure Certificate"). The Continuing Disclosure Certificate states that the agency shall provide not later than January 15 of each year to each Repository (as defined in the Continuing Disclosure Agreement) a Disclosure Report relating to the immediately preceding fiscal year. The Disclosure Report is to contain certain data related to the agency, the Toll Road, and the 1999 Bonds.

The information contained in this report constitutes all disclosure required pursuant to the Continuing Disclosure Certificate. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Official Statement.

Disclosure Information:

Section 4.1 ~ Audited Financial Statements for the year ended June 30, 2012.

See separate report.

Section 4.2 ~ Principal amount of Bonds outstanding in each Series.

As of June 30, 2012, the aggregate principal amount of 1999 Toll Road Revenue Bonds outstanding was $2,192,033,000, which included accreted amounts of $723,774,000. The bonds outstanding consist of the following series of bonds: $712,080,000 principal amount of Series 1999 Current Interest Bonds; $690,030,000 principal amount of Series 1999 Convertible Capital Appreciation Bonds; and $789,923,000 principal amount of Series 1999 Capital Appreciation Bonds. Accreted amounts were calculated as of June 30, 2012.

Section 4.3 ~ Statement of the Reserve Fund Requirement, balance in the Reserve Fund and the instruments utilized to fund the Reserve Requirement.

The combined Reserve Fund Requirement under the Indentures is equal to the sum of (1) the maximum amount of interest due on the Outstanding 1995 Bonds in the current Fiscal Year or any Fiscal Year thereafter, less any offsetting balance on deposit in the Fixed Rate Senior Lien Bonds Capitalized Interest Account and (2) Maximum Annual Debt Service on the 1999 Bonds. The interest due on the Outstanding 1995 Bonds is $8,999,500, all of which is offset by amounts in the Fixed Rate Senior Lien Bonds Capitalized Interest Account. 1999 Maximum Annual Debt Service is $297,879,706 and occurs in fiscal year 2040. The current Reserve Fund Requirement is $297,879,706.

The total amount available to meet the Reserve Fund Requirement as of June 30, 2012 was $298,300,237, including interest of $420,531 which was transferred subsequent to year end in accordance with the Master Indenture of Trust. The Reserve Fund is funded with net revenues after the Operations and Maintenance, Interest and Principal accounts are funded. None of the Reserve Fund Requirement is funded with a letter of credit, surety bond, or insurance policy as allowed by the Master Indenture of Trust.

Section 4.4 ~ Statement of the Use and Occupancy Requirement, balance in the Use and Occupancy Fund, and the amount of the Use and Occupancy Fund Requirement that is funded with an insurance policy.

The Use and Occupancy Fund Requirement under the 1999 Indenture is $15,000,000 of which at least $10,000,000 must be held in cash and investments. No such requirement exists under the 1995 Indenture. The fund consists of $15,321,939 in cash and investments. As the cash and investments held in the Use and Occupancy Fund satisfy the full requirement, no insurance policy is held for this purpose.

Section 4.5 ~ Statement of the balance in the Toll Stabilization Fund.

The Toll Stabilization Fund was structured to cover a portion of the first five debt service payments only in the event that revenues are insufficient. The first five debt service payments were made without utilizing these funds and therefore the funds were transferred to the Reserve Fund. As of June 30, 2012, the balance in the Toll Stabilization Fund was zero.

Section 4.6 ~ Table of toll transactions and the amount of Tolls collected by the agency for each of the immediately preceding five fiscal years, together with a schedule of toll rates showing changes as of the end of the prior fiscal year.

Fiscal Year	Toll Transactions	% Change	Toll Revenues*	% Change
2012	56,173,061	0.0%	$122,948,000	7.2%
2011	56,160,818	(0.4%)	$114,715,000	1.0%
2010	56,395,279	(5.7%)	$113,623,000	9.9%
2009	59,780,382	(7.7)%	$103,433,000	(7.0)%
2008	64,741,974	(4.2)%	$111,167,000	(3.7)%

* Toll revenues include fees and fines collected on violation transactions.

Effective July 1, 2011, the agency's Board of Directors approved cash toll rate increases of $0.25 and Fastrak® toll rate increases of 5% rounded to the nearest $0.05. The toll rates as of June 30, 2012 compared to the prior fiscal year were as follows:

Location	Time/Type	Fiscal Year 2011	Fiscal Year 2012	$ Change
Windy Ridge Mainline	Cash Off-Peak	$2.75	$3.00	$0.25
	Fastrak Off-Peak	$2.25	$2.35	$0.10
	Cash Peak	$2.75	$3.00	$0.25
	Fastrak Peak	$2.25	$2.35	$0.10
Orange Grove Mainline	Cash Off-Peak	$2.00	$2.25	$0.25
	Fastrak Off-Peak	$1.50	$1.60	$0.10
	Cash Peak	$2.00	$2.25	$0.25
	Fastrak Peak	$1.50	$1.60	$0.10
Irvine Ranch Mainline	Cash Off-Peak	$1.75	$2.00	$0.25
	Fastrak Off-Peak	$1.25	$1.30	$0.05
	Cash Peak	$2.00	$2.25	$0.25
	Fastrak Peak	$1.50	$1.60	$0.10
Portola West	Cash	$1.50	$1.75	$0.25
	Fastrak	$1.25	$1.30	$0.05
Irvine Boulevard-East	Cash	$1.00	$1.25	$0.25
	Fastrak	$0.75	$0.80	$0.05
Irvine Boulevard-West	Cash	$1.00	$1.25	$0.25
	Fastrak	$0.75	$0.80	$0.05
Tomato Springs	Cash Off-Peak	$2.50	$2.75	$0.25
	Fastrak Off-Peak	$2.00	$2.10	$0.10
	Cash Peak	$2.75	$3.00	$0.25
	Fastrak Peak	$2.25	$2.35	$0.10
Portola North	Cash Off-Peak	$1.50	$1.75	$0.25
	Fastrak Off-Peak	$1.25	$1.30	$0.05
	Cash Peak	$1.75	$2.00	$0.25
	Fastrak Peak	$1.50	$1.60	$0.10
Alton	Cash	$1.00	$1.25	$0.25
	Fastrak	$0.75	$0.80	$0.05
Portola South	Cash	$0.75	$1.00	$0.25
	Fastrak	$0.50	$0.55	$0.05
Los Alisos	Cash	$0.75	$1.00	$0.25
	Fastrak	$0.50	$0.55	$0.05
Antonio	Cash	$0.75	$1.00	$0.25
	Fastrak	$0.50	$0.55	$0.05
Oso Parkway	Cash	$1.50	$1.75	$0.25
	Fastrak	$1.25	$1.30	$0.05

Section 4.7 ~ Statistical data summarizing the use of the AVI collection system on the toll road, including the percentage of toll transactions using transponders and the overall level of accuracy of the toll collection system.

Fiscal Year	AVI Transactions	Total Transactions	AVI %
2012	45,610,183	56,173,061	81.2%
2011	45,308,970	56,160,818	80.7%
2010	45,624,954	56,395,279	80.9%
2009	42,123,646	59,780,382	70.5%
2008	46,171,031	64,741,974	71.3%

The Toll Collection and Revenue Management System (TCARMS), under the original contract with Lockheed Martin IMS, was required to be accurate to a 99.9% level. The TCARMS contract was terminated in January 2001 and replaced in part by several contracts with individual service providers and in part by additional agency staff. The new contracts do not contain an overall system accuracy guarantee. The agency, however, continues to ensure that the TCARMS system is well maintained and sustains a high level of accuracy in collecting AVI toll transactions. In order to monitor TCARMS accuracy, the agency has developed an independent automated data retrieval system. The data retrieval system allows for the agency to monitor all mainline toll plazas twenty-four hours a day and seven days a week. The system counts all vehicles that drive through each of the mainline toll lanes independently from the TCARMS system. The counts made by the data retrieval are then routinely compared to those captured by TCARMS. Through the use of this system the agency has verified that the independent counts are consistent with TCARMS.

Section 4.8 ~ Table of Revenues, Current Expenses, Adjusted Net Toll Revenues, and Debt Service Coverage

Fiscal Year	Transfers from 1995 Revenue Fund	Earnings from certain 1999 Funds	Development Impact Fees used for Debt Service	Other Sources from Supplemental Indenture	**Total Revenues Series 1999**
2012	$107,704,564	$4,921,253	None	None	**$112,625,817**
2011	$98,053,153	$5,187,694	None	None	**$103,240,847**
2010	$97,207,787	$5,630,097	None	None	**$102,837,884**
2009	$97,488,079	$18,263,141	None	None	**$115,751,220**
2008	$112,781,432	$18,957,620	None	None	**$131,739,052**

During any period that there are Outstanding 1995 Bonds, Revenues, as defined in the Master Indenture of Trust dated August 1, 1999, are as reported above. Upon defeasance of the Outstanding 1995 Bonds, Tolls are included in the definition of Series 1999 Revenues.

The remaining information is presented on a combined basis, reflecting both the 1995 and 1999 Indentures.

Fiscal Year	Tolls	Current Expenses	Net Toll Revenues	Earnings from certain 1999 Funds	**Adjusted Net Toll Revenues**
2012	$122,948,392	($20,171,226)	$102,777,166	$4,921,253	**$107,698,419**
2011	$114,714,901	($20,623,477)	$94,091,424	$5,187,694	**$99,279,118**
2010	$113,622,700	($20,912,634)	$92,710,000	$5,630,097	**$98,340,163**
2009	$103,432,826	($23,179,934)	$80,253,892	$18,263,141	**$98,516,033**
2008	$111,167,089	($24,745,931)	$86,421,158	$18,957,620	**$105,378,778**

Fiscal Year	Adjusted Net Toll Revenues	Gross Debt Service	Capitalized Interest/ Escrow Defeasance*	Annual Debt Service	**Debt Service Coverage**
2012	$107,698,419	$101,079,604	($25,399,500)	$75,680,104	**1.42**
2011	$99,279,118	$94,632,179	($22,499,500)	$72,132,679	**1.38**
2010	$98,340,163	$90,200,004	($17,699,500)	$72,500,504	**1.36**
2009	$98,516,033	$81,891,586	($10,999,500)	$70,892,086	**1.39**
2008	$105,378,778	$77,469,676	($8,999,500)	$68,470,176	**1.54**

*The agency utilized $16.4 million, $13.5 million, $8.7 million, and $2.0 million of Escrow Defeasance Funds in Fiscal Years 2012, 2011, 2010, and 2009, respectively, which per the Master Indenture of Trust and Supplemental Indenture reduces the amount of annual debt service used for calculating debt service coverage.

Section 4.9 ~ Table of Development Impact Fees collected for each of the immediately preceding five fiscal years.

Fiscal Year ended June 30,	Development Impact Fees Accrued
2012	$4,752,000
2011	$11,613,000
2010	$4,254,000
2009	$2,146,000
2008	$11,844,000

Section 4.10 ~ A description of any material damage to the toll road or the toll collection system during the past fiscal year.

During the fiscal year ended June 30, 2012, no damage occurred to the Toll Road or the toll collection system, which, in the determination of the agency, resulted in a material reduction in Net Toll Revenues.

Additional Data ~ Update of Statistical Data contained in Official Statement titled "The Toll Collection and Revenue Management System—Cooperative User Fee Processing Agreement."

The agency, along with the San Joaquin Hills Transportation Corridor Agency, entered into a Cooperative User Fee Processing Agreement with California Private Transportation Company, LLP, a California limited partnership (CPTC). The agreement was assigned over by CPTC to the Orange County Transportation Authority (OCTA) when the OCTA purchased the State Route 91 Express Lanes from CPTC. The agreement expires on June 30, 2022. Similar agreements have been entered into with San Diego Association of Governments (SANDAG), the Bay Area Toll Authority (BATA), South Bay Expressway, LP (South Bay) and Los Angeles County Metropolitan Transportation Authority (LA Metro). The SANDAG, BATA, South Bay, and LA Metro agreements expire on December 31, 2022 amendment pending, December 31, 2019, October 31, 2013, and November 30, 2022 amendment pending, respectively. These Cooperative User Fee Processing Agreements (Agreements) allow patrons using an AVI transponder issued by any of the above entities to use the various toll facilities of the signatories. The Agreements provide for daily reporting by each party to the other parties for such toll transactions. Cash settlements are to be made weekly with OCTA. Cash settlements with SANDAG, BATA, South Bay and LA Metro are made monthly due to the lower amounts.

Section 5. Reporting of Significant Events

Analysis of Financial Alternatives:

On November 10, 2005, the agency's Board of Directors, with the Board of Directors of the SJHTCA, entered into a Mitigation Payment and Loan Agreement (the Agreement). The terms of the Agreement call for the agency to make payments totaling $120 million over four years to the SJHTCA to mitigate for anticipated loss of revenue due to the construction of the 241 completion project. All scheduled payments totaling $120 million were made to the SJHTCA as of June 2009.

In addition to the mitigation payments, the Agreement also establishes a loan, on an as-needed basis provided the agency has funds available, up to $1.04 billion that is available to SJHTCA to assist in achieving its debt service coverage of 1.3x. The Agreement was amended on March 1, 2011 to reflect the modification of SJHTCA's debt service coverage ratio from 1.3x to 1.0x. The Agreement provides that the agency loans will be made only to the extent that surplus revenues are available and all findings and determinations required by law are met, including California Government Code Section 66484.3, paragraph (f), which requires that the following findings must be met before the agency can make a loan: 1) the agency will benefit mutually financially by sharing and/or loaning revenues with SJHTCA, 2) the agency possesses adequate financial resources to fund all costs of construction of existing and future projects that it plans to undertake prior to the final maturity of the loan, and 3) the funding of the loan will not materially impair its financial condition or operations during the term of the loan. The Agreement also stipulates that the agency will not be obligated to make loans to SJHTCA prior to securing the necessary funds for constructing the 241 completion project unless the agency has determined that it will not build the project. The agency is also not required to increase toll rates to ensure sufficient revenues are available and that any liens or revenue pledges required in order to finance the 241 completion project and certain other capital projects would have priority over loans to the SJHTCA. If the commencement and diligent pursuit of the construction of the 241 completion project does not occur by December 31, 2015, the mitigation payments will be added to the principal of the loan. Accrued interest will not count toward the $1.04 billion principal limitation. Payments of accrued interest and outstanding principal will begin in the fiscal year when SJHTCA has a surplus in revenues that exceeds the amount needed to meet the debt coverage requirement. All principal and accrued interest will be due and payable on January 1, 2037 to the extent that SJHTCA has surplus revenues available to pay all amounts due. At June 30, 2012, no amounts were outstanding on the loan.

As of June 30, 2012, none of the following events have occurred with respect to the 1999 Bonds:

- Principal and interest payment delinquencies
- Non-payment related defaults
- Modifications to the rights of Bondholders
- Optional, contingent or unscheduled bond calls
- Defeasances
- Rating Changes
- Adverse tax opinions or events affecting the tax exempt status of the 1999 Bonds
- Unscheduled draws on the debt service reserves reflecting financial difficulties, as well as any draws on the 1999 Use and Occupancy Fund or the 1999 Toll Stabilization Fund.
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitutions of credit or liquidity providers, or failure to perform
- Release, substitution or sale of property securing repayment of the bonds
- Damage to the Toll Road or the toll collection system that, in the determination of the agency, could result in a material reduction in Net Revenues

Signature

The information set forth herein has been furnished by the agency and is believed to be accurate and reliable, but is not guaranteed as to accuracy and completeness. Statements contained in this Disclosure Report which involve estimates, forecasts, or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further, expressions of opinion contained herein are subject to change without notice and the delivery of this Disclosure Report will not, under any circumstances, create any implication that there has been no change in the affairs of the agency.

Foothill/Eastern Transportation Corridor Agency

By: Amy Potter

Amy Potter
Chief Financial Officer
January 3, 2013