San Joaquin Hills Transportation Corridor Agency

Toll Road Refunding Revenue Bonds
Series 1993 & 1997A
(Including Restructured 1997A Bonds)

Continuing Disclosure Report

For the Fiscal Year Ended June 30, 2012

Prepared pursuant to the Continuing Disclosure Certificate

San Joaquin Hills Transportation Corridor Agency
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Introduction:

On October 21, 1997, the San Joaquin Hills Transportation Corridor Agency (the "agency") issued $1,448,274,315.10 aggregate principal amount of Toll Road Refunding Revenue Bonds (collectively referred to herein as the "1997A Bonds"). The 1997A Bonds were issued by the agency pursuant to a Master Indenture of Trust, dated as of September 1, 1997, between the agency and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Trustee"), as supplemented by a First Supplemental Indenture of Trust, dated as of September 1, 1997, between the agency and the Trustee, and a Second Supplemental Indenture of Trust, dated as of April 1, 2011, between the agency and the Trustee (such Master Indenture of Trust, as so supplemented, the "Master Indenture").

The 1997A 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 1997A Bonds dated September 26, 1997 (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 October 21, 1997 and May 11, 2011 related to the 1997A Bonds and Restructured 1997A Bonds, respectively (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 1993, 1997A and Restructured 1997A 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 ~ Principal amount of Bonds outstanding in each Series.

As of June 30, 2012, the aggregate principal amount of Toll Road Revenue Bonds outstanding was $2,103,164,000 which included accreted amounts of $618,891,000. The bonds outstanding consist of the following series of bonds: $220,180,000 principal amount of Series 1993 Current Interest Bonds; $604,885,000 principal amount of Series 1997A Current Interest Bonds; $250,000,000 principal amount of Series 1997A Convertible Capital Appreciation Bonds; $453,932,000 principal amount of Series 1997A Restructured Convertible Capital Appreciation Bonds; and $574,167,000 principal amount of Series 1997A Capital Appreciation Bonds. Accreted amounts were calculated as of June 30, 2012. Additional information can be found in the agency's Audited Financial Statements.

Section 4.2 ~ 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 Maximum Annual Debt Service on all outstanding Bonds. Maximum Annual Debt Service on all outstanding Bonds is $225,684,500 and occurs in fiscal year 2033.

The total amount available to meet the Reserve Fund Requirement as of June 30, 2012 was $228,021,485. The components of this amount include $217,002,097 in the 1997 Reserve Fund, including interest of $2,326,597 which was transferred subsequent to year end in accordance with the Master Indenture, and $11,019,388 in the 1993 Reserve Fund. 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 4.3 ~ 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 1997 Use and Occupancy Fund Requirement for any period while there are 1993 Bonds outstanding is zero. As of June 30, 2012, 1993 Bonds remained outstanding. In accordance with the 1993 Indenture, a Use and Occupancy Fund in the amount of $25,000,000 was held as of June 30, 2012. The fund consists of $15,036,088 in cash and investments and an insurance policy with a face value of $10,000,000.

The insurance policy is an all risk policy, including earthquake and flood, on operating toll roads, specifically the bridges of San Joaquin Hills Transportation Corridor. Specific coverage includes costs to reconstruct, restore, repair or rehabilitate the bridges due to damage by an insured peril. The policy also includes business interruption and expediting expenses.

Section 4.4 ~ 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 Revenue*	% Change
2012	25,424,605	(0.1)%	$102,543,000	6.3%
2011	25,451,120	0.6%	$96,427,000	1.7%
2010	25,308,372	(5.6%)	$94,782,000	3.1%
2009	26,810,468	(10.8%)	$91,957,000	(4.6%)
2008	30,057,878	(3.3%)	$96,373,000	2.5%

*Toll revenue includes 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
Mainline Plaza	Cash Off-Peak	$4.75	$5.00	$0.25
	Fastrak® Off-peak	$4.00	$4.20	$0.20
	Cash Peak	$5.50	$5.75	$0.25
	Fastrak Peak	$4.75	$5.00	$0.25
	Weekend Cash	$4.50	$4.75	$0.25
	Weekend Fastrak	$3.75	$3.95	$0.20
El Toro	Cash	$2.25	$2.50	$0.25
	Fastrak	$2.00	$2.10	$0.10
Newport Coast	Cash	$2.00	$2.25	$0.25
	Fastrak	$1.75	$1.85	$0.10
Aliso Creek	Cash	$1.75	$2.00	$0.25
	Fastrak	$1.50	$1.60	$0.10
La Paz	Cash	$1.50	$1.75	$0.25
	Fastrak	$1.25	$1.30	$0.05
Bonita Canyon	Cash	$1.00	$1.25	$0.25
	Fastrak	$0.75	$0.80	$0.05

Section 4.5 ~ 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	20,041,533	25,424,605	78.8%
2011	19,989,244	25,451,120	78.5%
2010	19,952,845	25,308,372	78.8%
2009	18,619,538	26,810,468	69.4%
2008	20,980,420	30,057,878	69.8%

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 that agency has verified that the independent counts are consistent with TCARMS.

Section 4.6 ~ Table of Revenues, Current Expenses, Adjusted Net Toll Revenues, and Debt Service Coverage

Fiscal Year	Transfers from 1993 Surplus Revenue Fund	Earnings from all 1997 Funds (excluding Rebate Fund)	Other Sources from Supplemental Indenture	**Total Revenues Series 1997A**
2012	$86,624,892	$5,177,878	$0	**$91,802,770**
2011	$80,006,192	$6,106,142	$0	**$86,112,334**
2010	$74,344,362	$6,507,488	$0	**$80,851,850**
2009	$68,899,608	$5,993,765	$0	**$74,893,373**
2008	$73,862,559	$8,597,606	$0	**$82,460,165**

During any period that there are Outstanding 1993 Bonds, Revenues, as defined in the Master Indenture of Trust dated September 1, 1997, are as reported above. Upon defeasance of the Outstanding 1993 Bonds, Tolls are included in the definition of Series 1997A Revenues.

The remaining information is presented on a combined basis, reflecting both the 1993 and 1997 Indentures.

Fiscal Year	Tolls	Earnings from certain 1993 Funds	Earnings from certain 1997 Funds	Federal LOC	Current Expenses	**Adjusted Net Toll Revenues**
2012	$102,542,765	$340,986	$5,101,442	$0	($11,187,348)	**$96,797,845**
2011	$96,427,176	$753,840	$5,956,558	$0	($11,669,847)	**$91,467,727**
2010	$94,782,358	$760,410	$6,104,233	$0	($12,000,684)	**$89,646,317**
2009	$91,957,325	$923,255	$5,326,731	$0	($12,657,670)	**$85,549,641**
2008	$96,373,104	$1,079,213	$8,101,603	$0	($12,997,514)	**$92,556,406**

Adjusted Net Toll Revenues includes earnings on the Debt Service Funds, the Reserve Funds and the Use & Occupancy Fund only.

Fiscal Year	Adjusted Net Toll Revenues	Gross Debt Service	Series 1993 Capitalized Interest	1997 Defeased Debt and Toll Stabilization Funds Utilized *	Annual Debt Service	**Debt Service Coverage ****
2012	$96,797,845	$90,132,269	$0	$0	$90,132,269	**1.07**
2011	$91,467,727	$98,782,268	$0	($32,900,000)	$65,882,268	**1.39**
2010	$89,646,317	$95,602,268	$0	($28,700,000)	$66,902,268	**1.34**
2009	$85,549,641	$90,707,268	$0	($27,500,000)	$63,207,268	**1.35**
2008	$92,556,406	$85,987,268	$0	($15,400,000)	$70,587,268	**1.31**

*The agency utilized $32.9 million, $28.7 million, $27.5 million and $15.4 million of Toll Stabilization Funds in Fiscal Years 2011, 2010, 2009 and 2008, respectively, which per the Master Indenture of Trust and Supplemental Indentures reduces the amount of annual debt service used for calculating debt service coverage.

**Coverage requirement amended from 1.3x to 1.0x in May 2011 with consent from bondholders.

Section 4.7 ~ 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	$5,580,000
2011	$1,764,000
2010	$452,000
2009	$985,000
2008	$4,291,000

Section 4.8 ~ 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 Foothill Eastern Transportation Corridor Agency (F/ETCA), 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

Long Term Financial Stability:

While the agency has historically and currently been able to pay its operating costs and debt service payments, actual revenues continue to run below revenues projected by an independent traffic and revenue consultant at the time of the 1997 financing. To establish long-term financial stability, the agency's Board of Directors has taken several steps in the form of rate increases, establishing the toll rate stabilization fund, defeasing debt with proceeds from the settlement of the Orange County bankruptcy, implementing cost cutting measures, and the implementation of account maintenance fees. Since the bonds were issued, the agency has achieved the required coverage ratio through current year revenues and the use of its toll rate stabilization fund, including amounts received from F/ETCA mitigation payments as described below. In May 2011, the agency amended the Master Indenture and restructured $430 million of its convertible capital appreciation bonds and changed the debt service coverage ratio from 1.3x to 1.0x with the ability to use cash available in reserves to meet the debt service coverage ratio requirement, while being required to optimize net toll revenues on an annual basis.

On November 10, 2005, the agency's Board of Directors, with the Board of Directors of F/ETCA, entered into a Mitigation Payment and Loan Agreement (the Agreement). The terms of the Agreement call for F/ETCA to make payments to the agency totaling $120 million over four years to mitigate for the anticipated loss of revenue due to the construction of the 241 completion project. All scheduled payments totaling $120 million were made by F/ETCA as of June 2009. In addition to the mitigation payments, the Agreement also establishes a loan, on an as-needed basis provided F/ETCA has funds available, up to $1.04 billion to assist the agency in achieving its debt service coverage of 1.3x. The Agreement was amended on March 1, 2011 to reflect the modification of the agency's debt service coverage ratio from 1.3x to 1.0x. 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 the agency has a surplus in revenues that exceeds the amount needed to meet the debt coverage requirement. All principal and accrued interest is due and payable on January 1, 2037 to the extent that the agency has toll stabilization and surplus revenue funds available to pay all amounts due. At June 30, 2012, no amounts had been borrowed.

The Agreement was designed to meet the near-term needs of each agency while preserving the flexibility to continue to pursue alternatives. The Agreement provides that F/ETCA 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 F/ETCA can make a loan: 1) F/ETCA will benefit mutually financially by sharing and/or loaning revenues with the agency, 2) F/ETCA 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 agency's obligation to repay the loans is, in turn, secured by and payable only from its toll stabilization and surplus revenue funds. The Agreement also stipulates that F/ETCA will not be obligated to make loans to the agency prior to securing the necessary funds for constructing the 241 completion project unless F/ETCA has determined that it will not build the project. F/ETCA 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 complete certain other capital projects would have priority over loans to the agency. 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 amount of the loan. The Agreement also requires the agency to pursue other alternatives that would eliminate, or reduce to the maximum extent possible, the need for loans from F/ETCA.

As of June 30, 2012, none of the following events have occurred with respect to either the 1993 or the 1997A Bonds:

- Principal and interest payment delinquencies
- Non-payment related defaults
- Optional, contingent or unscheduled bond calls
- Defeasances
- Rating Changes
- Adverse tax opinions or events affecting the tax exempt status of the 1993, 1997A or Restructured 1997A Bonds
- Unscheduled draws on the debt service reserves reflecting financial difficulties, as well as any draws on the 1993 Use and Occupancy Fund or the Use and Occupancy 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 1993, 1997A or Restructured 1997A 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
- Bankruptcy, insolvency, receivership or similar event of the agency
- The consummation of a merger, consolidation, or acquisition involving the agency or the sale of all or substantially all of the assets of the agency, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- Appointment of a successor or additional trustee or the change of name of a trustee, if material

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.

San Joaquin Hills Transportation Corridor Agency

By: Amy Potter

Amy Potter
Chief Financial Officer
January 3, 2013