91 Express Debt Restructure

Board of Directors’ Meeting

October 10, 2008

Background

- Issued $195.265 million Ambac-insured bonds in November 2003
  - $95.265 million in fixed rate bonds
  - $100 million in variable rate demand bonds
- Variable rate bonds swapped to synthetic fixed rate of 4.06% with two counterparties
- Standby Bond Purchase Agreement provided by JP Morgan and Dexia Credit Local
  - Expires on November 12, 2008

Financial Markets in 2008

- January: Fitch downgrades Ambac
- March: Bear Stearns acquired by JP Morgan
- June: Standard & Poor’s and Moody’s Investors Service downgrades Ambac
- September:
  - Lehman Brothers files for bankruptcy
  - Credit markets tighten
  - Municipal borrowing rates increase

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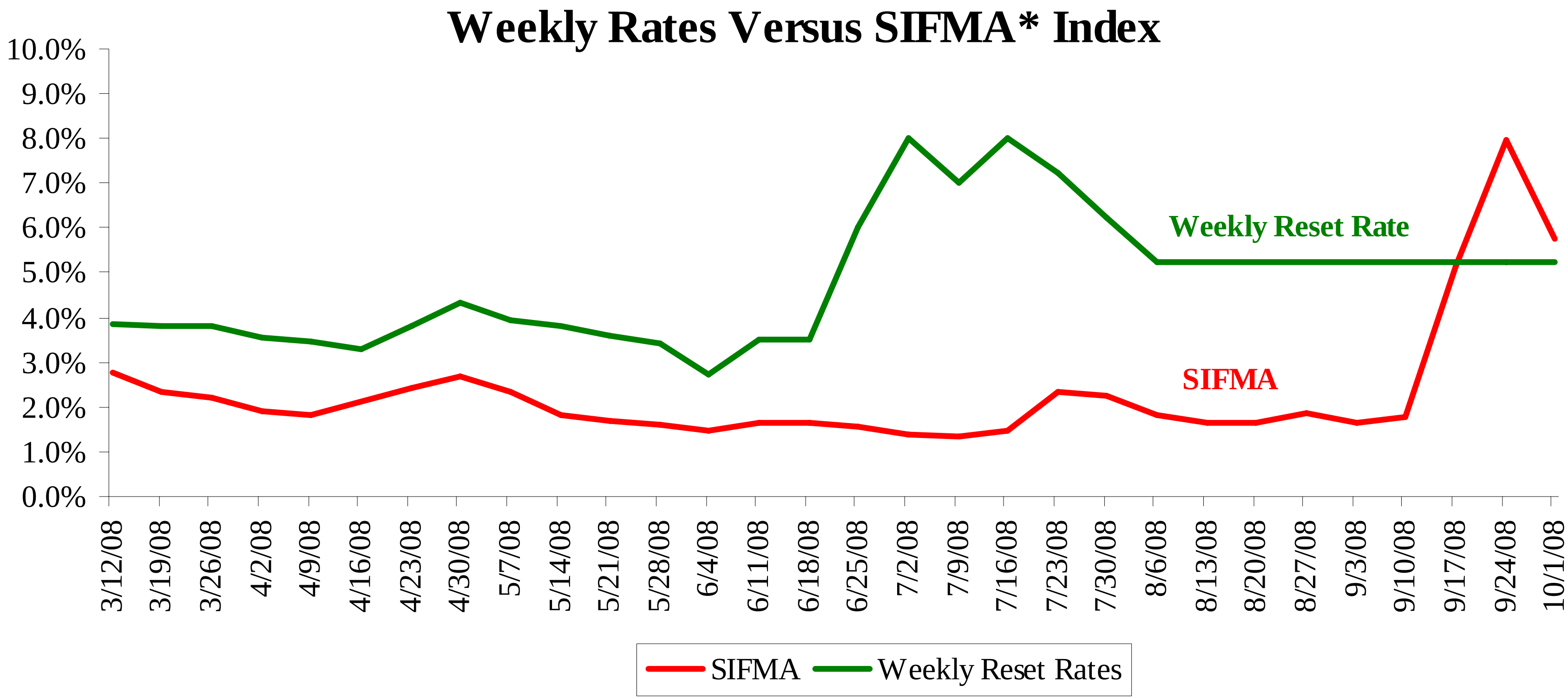
Recent 91 Express Lanes Pricing



** SIFMA – Securities Industry Financial Markets Association*

Restructuring Recommendation

- Private placement with Orange County Investment Pool

- Advantages
  - Fixed rate
  - Two-year transaction
  - Lower cost of issuance expenditures

- Disadvantages
  - Requires self-liquidity
  - Continuing swap counterparty risk
  - Requires take-out financing within two years

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Next Steps

- Draft financing documents and liquidity agreement
- Solicit ratings
- Temporarily invest OCTA investment portfolio in 91 Express Lanes variable rate bonds
- Return to Board of Directors for final approval of financing documents