

91 Express Lanes Debt



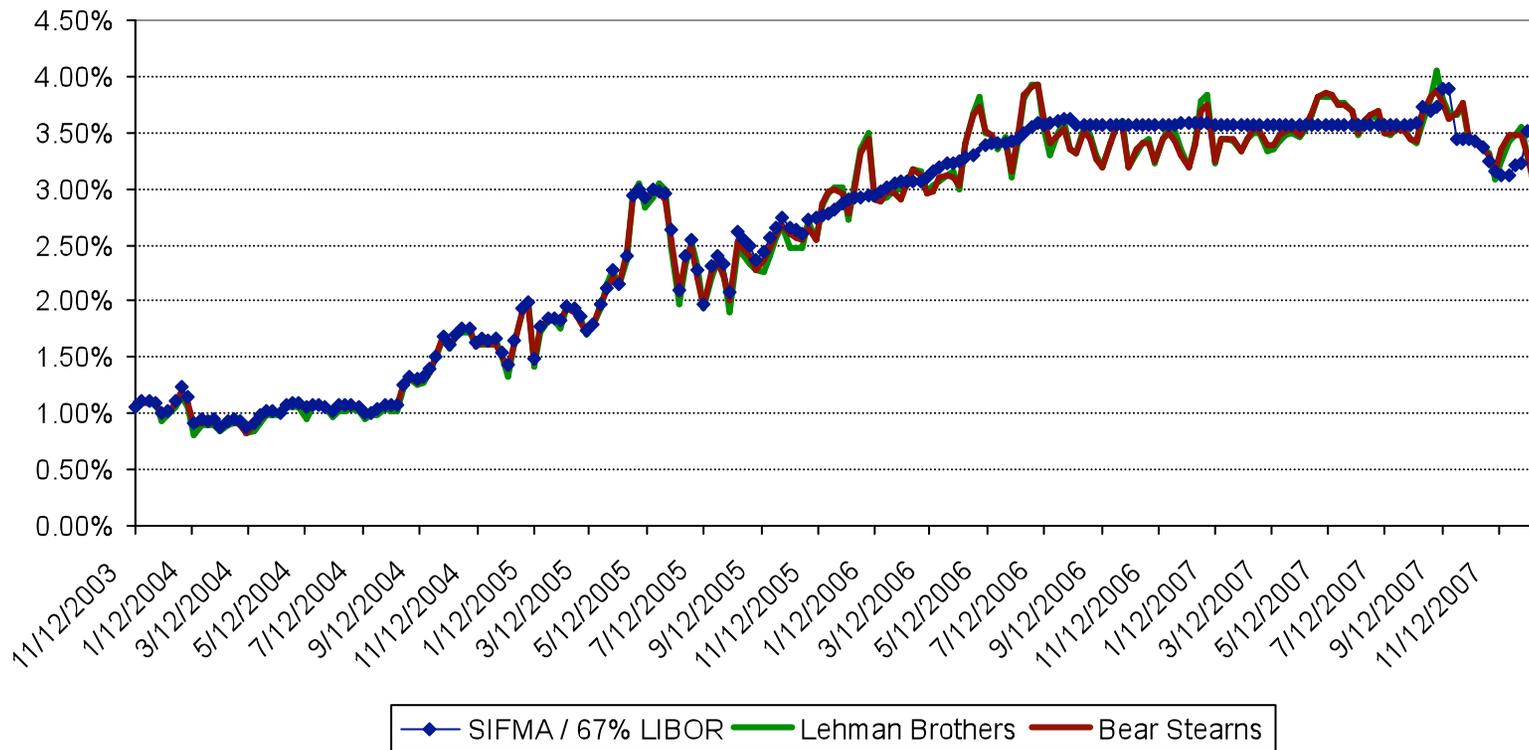
**Board of Directors' Meeting
June 23, 2008**

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
 - Lehman Brothers
 - Bear Stearns
- Standby Bond Purchase Agreement provided by JP Morgan and Dexia Credit Local
 - Expires on November 12, 2008

Trading Values of Variable Rate Bonds: 2003-2007

Weekly Variable Rate Demand Bonds Reset Rates

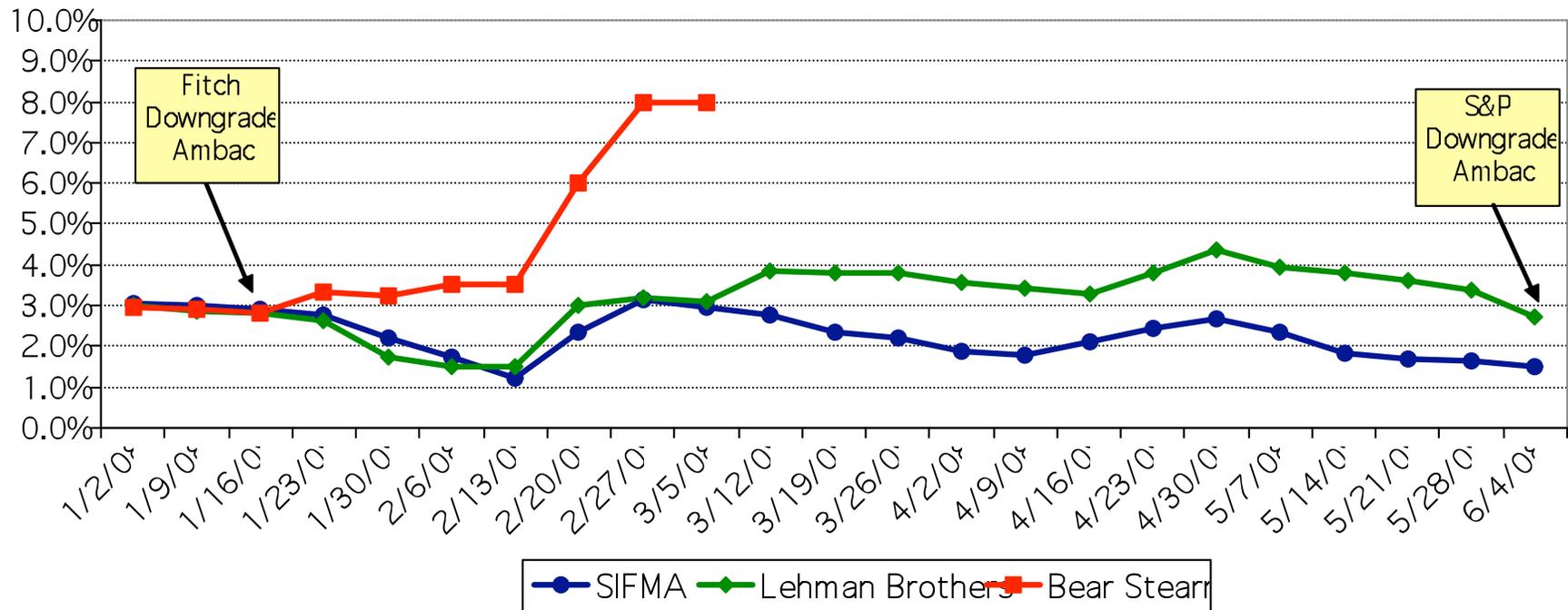


Ambac Related Events

- Jan. 18, 2008: Fitch downgrades Ambac to AA
- Jan. 22, 2008: Ambac announces \$3.28 billion 4th quarter 2007 loss
- March 12, 2008: Ambac announces closing of \$1.5 billion common stock offering
- April 23, 2008: Ambac announces \$1.66 billion 1st quarter 2008 loss
- June 5, 2008: S&P downgrades Ambac to AA

Trading Values of Variable Rate Bonds: 2008

Weekly Variable Rate Demand Bonds Reset |



Actions to Date

- Removed Bear Stearns as remarketing agent on March 12, 2008
- Temporarily transferred \$25 million from Bear Stearns to Lehman Brothers
- Purchased approximately \$10 million in variable rate bonds to prevent bonds from being tendered
- Issued RFP to replace Bear Stearns and solicit ideas for short and long-term solutions

Issues

- Incurring an additional \$30,000 per week in interest costs
- Volatile municipal market environment
- Standby Bond Purchase Agreement expiration in November 2008

Recommendations

- Authorize the issuance of a RFP for credit support and liquidity agreement

- Select the following firms to serve on the underwriting team:
 - Lehman Brothers – Senior Manager
 - Citi
 - De La Rosa
 - Goldman Sachs
 - JP Morgan
 - Merrill Lynch

Next Steps

- Issue RFP
- Review results and discuss debt options with Finance and Administration Committee
- Return to the Board with final recommendations