

**Skyway Concession
Company Holdings, LLC and
Subsidiary**

(A Delaware Limited Liability Company)

**Consolidated Financial Statements
December 31, 2009 and 2008**

Skyway Concession Company Holdings, LLC and Subsidiary
(A Delaware Limited Liability Company)
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December 31, 2009 and 2008

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Report of Independent Auditors

To the Board of Directors and Members of
Skyway Concession Company Holdings, LLC

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, members' investment and cash flows present fairly, in all material respects, the financial position of Skyway Concession Company Holdings, LLC and Subsidiary (the "Company") at December 31, 2009 and 2008, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting for asset components and depreciation for highway-related property, plant and equipment as of January 1, 2009.

PricewaterhouseCoopers LLP

February 26, 2010

Skyway Concession Company Holdings, LLC and Subsidiary
Consolidated Balance Sheets
December 31, 2009 and 2008
(in thousands of dollars)

	2009	2008
Assets		
Current assets		
Cash	\$ 48	\$ 60
Restricted cash and cash equivalents	13,349	17,611
Accounts receivable, net of allowance for doubtful accounts of \$127 as of December 31, 2009 and 2008	3,391	2,965
Receivable from related parties	764	397
Prepaid financial guaranty insurance policy and other assets	3,862	3,911
Total current assets	21,414	24,944
Property and equipment		
Bridges and roads	401,501	400,570
Machinery and equipment	1,555	1,618
Furniture and fixtures	809	805
Computers and office equipment	508	350
	404,373	403,343
Less accumulated depreciation (see Note 2)	(38,279)	(28,715)
	366,094	374,628
Projects in progress	125	579
Net property and equipment	366,219	375,207
Concession rights, net of amortization of \$ 75,426 and \$60,140 as of December 31, 2009 and 2008, respectively	1,437,932	1,453,218
Deferred financing costs, net of amortization of \$3,271 and \$2,558 as of December 31, 2009 and 2008, respectively	10,551	11,264
Prepaid financial guaranty insurance policy, net of current portion of \$3,158 and \$3,101 as of December 31, 2009 and 2008, respectively	22,414	25,528
Security deposits	28	28
Restricted cash and cash equivalents, long-term	56,617	55,210
Total assets	\$ 1,915,175	\$ 1,945,399
Liabilities and Members' Investment		
Current liabilities		
Accounts payable	\$ 238	\$ 794
Due to related parties	597	577
Accrued other liabilities	648	747
Current portion of accrued interest	6,229	5,642
Total current liabilities	7,712	7,760
Accrued interest, long-term	10,018	8,149
Derivative liability	459,217	695,522
Long-term debt	1,552,729	1,552,513
Total liabilities	2,029,676	2,263,944
Commitments and contingencies (Note 9)		
Members' investment		
Members' capital	467,555	478,055
Accumulated other comprehensive loss	(229,782)	(428,400)
Accumulated deficit	(352,274)	(368,200)
Total members' investment	(114,501)	(318,545)
Total liabilities and members' investment	\$ 1,915,175	\$ 1,945,399

The accompanying notes are an integral part of these consolidated financial statements.

Skyway Concession Company Holdings, LLC and Subsidiary
Consolidated Statements of Operations
Years Ended December 31, 2009 and 2008
(in thousands of dollars)

	2009	2008
Revenue		
Toll revenue	\$ 63,600	\$ 62,312
Lease revenue	38	36
Total revenue	<u>63,638</u>	<u>62,348</u>
Operating expenses		
Salaries and wages	1,994	1,840
Operations overhead	613	651
Routine repairs and maintenance	1,376	1,404
Toll collection expenses	2,231	2,381
Other office and administrative expenses	2,018	2,900
Insurance	1,456	1,606
Depreciation and amortization (see Note 2)	24,908	21,554
Total operating expenses	<u>34,596</u>	<u>32,336</u>
Operating income	29,042	30,012
Derivatives gain (loss)	81,397	(75,977)
Interest expense, net	(94,513)	(97,220)
Net income (loss)	<u>\$ 15,926</u>	<u>\$ (143,185)</u>

The accompanying notes are an integral part of these consolidated financial statements.

Skyway Concession Company Holdings, LLC and Subsidiary
Consolidated Statements of Members' Investment
Years Ended December 31, 2009 and 2008
(in thousands of dollars)

	Members'	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total
	Capital			
Members' investment at December 31, 2007	\$ 486,130	\$ (76,541)	\$ (225,015)	\$ 184,574
Distributions	(8,075)	-	-	(8,075)
Net loss	-	-	(143,185)	(143,185)
Net unrealized loss on hedging activities	-	(351,859)	-	(351,859)
Total comprehensive loss				<u>(495,044)</u>
Members' investment at December 31, 2008	478,055	(428,400)	(368,200)	(318,545)
Distributions	(10,500)	-	-	(10,500)
Net income	-	-	15,926	15,926
Net unrealized gain on hedging activities	-	198,618	-	198,618
Total comprehensive gain				<u>214,544</u>
Members' investment at December 31, 2009	<u>\$ 467,555</u>	<u>\$ (229,782)</u>	<u>\$ (352,274)</u>	<u>\$ (114,501)</u>

The accompanying notes are an integral part of these consolidated financial statements.

Skyway Concession Company Holdings, LLC and Subsidiary
Consolidated Statements of Cash Flows
Years Ended December 31, 2009 and 2008
(in thousands of dollars)

	2009	2008
Cash flows from operating activities		
Net income (loss)	\$ 15,926	\$ (143,185)
Adjustments to reconcile net loss to net cash used in operating activities		
Amortization of deferred financing costs included in interest	713	713
Financial guaranty insurance premium expense	6,285	6,291
Depreciation of property and equipment	9,625	6,268
Amortization of concession rights	15,286	15,286
Loss on disposal of property and equipment	10	810
Net unrealized (gain) loss on hedging activities	(37,687)	128,728
Financing components of derivatives	(66,052)	(62,778)
Changes to operating assets and liabilities		
Accounts receivable	(426)	222
Receivable from related parties	(367)	(221)
Prepaid expenses and security deposits	106	(105)
Accounts payable	(555)	(192)
Accrued other liabilities	137	(1,759)
Due to related parties	20	226
Accrued interest	3,708	5,302
Net cash flows used in operating activities	<u>(53,271)</u>	<u>(44,394)</u>
Cash flows from investing activities		
Purchase of property and equipment	(883)	(3,945)
Change in restricted cash and cash equivalents and cash reserve accounts	2,854	(3,110)
Net cash flows provided by (used in) investing activities	<u>1,971</u>	<u>(7,055)</u>
Cash flows from financing activities		
Financial guaranty insurance premium paid	(3,228)	(3,235)
Financing derivatives	66,052	62,778
Distributions and return of capital	(10,500)	(8,075)
Repayment of subdebt	(1,036)	-
Net cash flows provided by financing activities	<u>51,288</u>	<u>51,468</u>
Net change in cash	(12)	19
Cash		
Beginning of year	60	41
End of year	<u>\$ 48</u>	<u>\$ 60</u>
Supplemental disclosure of cash flow information		
Cash paid during the year for interest and swaps	<u>\$ 39,357</u>	<u>\$ 33,029</u>
Supplemental disclosure of non-cash financing activities		
Purchase of property and equipment under liabilities	<u>\$ 25</u>	<u>\$ 261</u>
Net unrealized gain (loss) on hedging activities	<u>\$ 198,618</u>	<u>\$ (351,859)</u>
Conversion of interest to additional subordinated debt	<u>\$ 216</u>	<u>\$ 2,781</u>

The accompanying notes are an integral part of these consolidated financial statements.

Skyway Concession Company Holdings, LLC and Subsidiary

Notes to Consolidated Financial Statements

December 31, 2009 and 2008

(in thousands of dollars)

1. Description of Operations

Skyway Concession Company Holdings, LLC (the "Company") is a limited liability company formed pursuant to the laws of the State of Delaware. The Company wholly owns a subsidiary, Skyway Concession Company, LLC ("SCC").

The Company is indirectly owned 55% by Cintra Concesiones de Infraestructuras de Transporte, S.A. ("Cintra") and 45% by Macquarie Infrastructure Group and Macquarie Infrastructure Partners ("Macquarie") (collectively the "Members").

SCC was formed for the purpose of (1) leasing the Skyway Toll Bridge (the "Chicago Skyway") from the City of Chicago and (2) operating and collecting the toll revenues and maintaining the Chicago Skyway per the terms of the Concession and Lease Agreement between SCC and the City of Chicago.

The Chicago Skyway is a 7.8 mile limited access highway that was opened to traffic in 1959 and provides an important link between downtown Chicago and the surrounding communities. The Skyway provides two three-lane roadways, separated by a continuous reinforced concrete barrier median that links the Indiana Toll Road (I-90) on the eastern end to the Dan Ryan Expressway (I-94) on the western end. Approximately five miles of the highway consist of paved roadway. The balance of the roadway consists of various types of elevated bridge structures such as overpasses, long viaduct sections and the Calumet River Bridge with its connected ramps. The Calumet River Bridge itself is 2,458 feet in length and provides navigation clearance of 125 feet vertically and 200 feet horizontally.

On January 24, 2005, the closing date, as defined under the Concession and Lease agreement, SCC made a payment of \$1.83 billion to the City of Chicago and consequently assumed the operations of the Chicago Skyway. The Concession and Lease agreement conveyed the following rights to SCC:

- Right to use roads and bridges which form part of the Chicago Skyway Toll Bridge,
- Right to use buildings which housed the office and the toll booths,
- A leasehold interest in the land associated with the Chicago Skyway,
- Right to use certain computer software and hardware for the operation of the Toll Bridge,
- Right to use certain furniture and fixtures, and
- A concession right to operate the toll bridge.

SCC has determined that a lease exists, (the "Lease Arrangement"), under the guidance of ASC 840, "Leases," as the Agreement conveyed the right to SCC to operate the underlying property and equipment and SCC has taken on the financial risk associated with operating such property and equipment.

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SCC has also determined that the Concession and Lease Agreement contains a lease arrangement that qualifies as a capital lease since the term of the Concession and Lease Agreement exceeds 75% of the economic useful life of the leased property. Consequently, the one-time lease payment of \$1.83 billion has been allocated to the tangible assets and the intangible asset, "Concession Rights," based on their relative fair market values.

The Concession and Lease agreement, among other things, requires SCC to:

- Be responsible for all aspects of the Chicago Skyway operations and to be in accordance with the provisions of the Concession and Lease agreement and applicable law.
- Comply with the Minority/Women Business Enterprise ("M./W.B.E.") requirements so long as the M./W.B.E. of Section 2-92-420 et seq. of the Municipal Code and the M./W.B.E. construction program requirements of Section 2-92-650 et seq. of the City of Chicago Municipal Code are in full force and effect.
- Fund and complete certain capital improvements.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant judgments and estimates include the estimates required to value derivative assets and liabilities and traffic assumptions used to calculate depreciation expense for highway related assets. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of December 31, 2009 and 2008. Actual results could differ from those estimates.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and SCC. All significant intercompany balances and transactions have been eliminated.

Cash and Cash Equivalents

The Company and SCC consider all short-term investments with original maturities of three months or less to be cash equivalents. Cash equivalents include short-term investments in money market mutual funds.

Restricted Cash and Cash Reserves

SCC deposits all of its cash collections into a designated bank account. Transfers of funds from this designated bank account into the operation and capital expenditure bank accounts require the approval of SCC's lenders. Restricted cash and cash equivalents as of December 31, 2009 and 2008 pertain to project accounts (see Note 3).

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Accounts Receivable

Beginning April 1, 2008, SCC's electronic toll collection ("ETC") transactions are processed by a related party, ITR Concession Company, LLC ("ITRCC"). Amounts due from ITRCC for having processed these ETC transactions are presented in accounts receivable in the Company's consolidated balance sheet as of December 31, 2009. Until April 1, 2008, SCC's ETC transactions were processed by the Illinois State Toll Highway Authority ("ISTHA"), a third party.

The ETC transactions processed by ITRCC on behalf of SCC include both amounts for prepaid and postpaid tolls incurred by motorists on the Chicago Skyway. Management regularly reviews its postpaid tolls receivable and provides an allowance for those amounts when it considers them uncollectible. In establishing the allowance for doubtful accounts, SCC considers historical write-off experience and amounts past due exceeding predetermined criteria. The actual amount of accounts that are not collected in a timely manner may differ from the allowance estimated by management.

Financial Guaranty Insurance Policy

As a condition precedent to the Series A and Series B Bonds (collectively, the "Bonds"), SCC was required to enter into a financial guaranty insurance policy, guaranteeing the repayment of the Bonds. In order to meet the condition precedent, SCC entered into a 40 year financial guaranty insurance policy. Under the terms of the agreement, SCC was required to prepay \$38.9 million of the net present value of a portion of the periodic premium payments as well as make the remaining premium payments over the life of the policy. SCC has deemed the net present value of such periodic premium payments to be made over the life of the Bonds and the \$38.9 million prepayment to be debt issuance cost. SCC amortizes these debt issuance costs using the effective interest method over the life of the Bonds and accretes the periodic premium payments to their net present value through interest expense. For the year ended December 31, 2009 and 2008, SCC has recorded \$8.8 million of interest expense in the statement of operations related to amortization of the prepaid premium and accretion of interest on the periodic premium payments.

As of December 31, 2009 and 2008, \$3.1 million of the prepaid premium has been recorded in current assets and \$22.4 million and \$25.5 million, respectively, has been recorded in long-term assets.

Property and Equipment

Property and equipment includes purchased property and equipment and the bridges and roads, buildings, leasehold interests on land and leasehold improvements and other furniture, fixtures and equipment associated with operating the Chicago Skyway.

Property and equipment are stated at cost less accumulated depreciation. SCC capitalizes additions and improvements that add to productive capacity or extend an asset's useful life. Maintenance and repair expenditures are charged to operations as incurred.

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Effective January 1, 2009 SCC changed its method of depreciation for highway-related property and equipment from a composite method to a component method. In conjunction with this change, the Company re-established the useful lives of its highway-related property and equipment. SCC concluded that a component method of accounting for fixed assets would provide a more specific estimate of the useful lives of specific asset components, thus resulting in a better estimate of depreciation. Therefore, the component method is a preferable method.

The Company has accounted for the change in the accounting for asset components and depreciation for its highway-related property and equipment as a change in accounting estimate effected by a change in accounting principle. A change in accounting estimate is accounted for in (a) the period of change if the change affects that period only or (b) the period of change and future periods if the change affects both.

Depreciation expense for highway-related assets was \$9.1 million for the year ended December 31, 2009 and is included in depreciation and amortization in the Company's consolidated statement of operations for the year ended December 31, 2009. Had the Company continued using the composite method of depreciation for highway-related assets, depreciation expense for highway-related assets would have been \$7.1 million for the year ended December 31, 2009.

Property and equipment are stated at cost less accumulated depreciation. SCC capitalizes additions and improvements that add to productive capacity or extend an asset's useful life. Maintenance and repair expenditures are charged to operations as incurred.

The Company accounts for the depreciation of highway-related property and equipment using a "modified units of production" method which makes use of traffic volume over an asset's estimated useful life. This method is referred to as the "traffic-based depreciation method." Under the traffic-based depreciation method, depreciation of an asset is a function of both time and usage. The impact of usage on depreciation is taken into account with traffic volume. The time factor implies that an asset has a maximum longevity, regardless of usage. Depreciation expense cannot be less than the straight-line amount which would be calculated using the asset's maximum economic life, which is longer than its estimated useful life. Depreciation expense for an individual asset is the greater of the amount computed under the traffic-based method or straight-line over the individual asset's maximum economic life.

Depreciation is recorded over the following useful lives, under the modified units of production method for highway-related assets, bridges and roads, and the straight line method for all other assets during the year ended December 31, 2009 and 2008:

Bridges and roads	4 to 99 years
Machinery and equipment	5 years
Furniture and fixtures	7 years
Computer and office equipment	5 years

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For the years ended December 31, 2009 and 2008, total depreciation expense was \$9.6 million and \$6.3 million, respectively.

Concession Rights

The value assigned to the right to operate the Chicago Skyway is amortized on a straight-line basis over the life of the Concession and Lease agreement of 99 years and assumes no residual value.

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flow expected to be generated by the asset (undiscounted and without interest charges). If such assets are considered to be impaired, the impairment recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. The Company has not recognized any impairment on long-lived assets as of December 31, 2009 and 2008.

Deferred Financing Costs

Deferred financing costs consist of costs incurred in connection with obtaining the Company and SCC's debt. The costs have been capitalized and are amortized to interest expense over the terms of the debt using the effective interest method. Amortization expense related to deferred financing costs was \$0.7 million for the years ended December 31, 2009 and 2008. Annual amortization expense of deferred financing costs for the next five years amounts to \$0.7 million.

Construction Retention

Retention amounts represent amounts due to contractors upon significant completion of construction contracts which are withheld pending final inspection of the works performed. Retention amounts withheld from invoices range from 5% to 10% of the underlying invoice total and are recorded as an accrued liability at the time payment is made on the underlying invoice. As of December 31, 2009 and 2008, \$0.2 million and \$0.3 million was recorded for construction retention, respectively, and is recorded in accrued liabilities in the consolidated balance sheets.

Income Taxes

The Company operates as a limited liability company and is a disregarded entity for federal and state income tax purposes. The Company is not liable for U.S. federal income taxes as its members recognize their share of income and loss in their respective tax return. Accordingly, no provision for U.S. federal income taxes is recorded.

Traffic and Revenue Recognition

Revenues include toll revenues which are recognized at the time vehicles use the Chicago Skyway. Lease revenues consist of two components, fixed and variable. The fixed component is recognized on a straight-line basis over the life of the lease while the variable component is recognized as a percentage of the lessees' gross revenues in the year those revenues are earned. Toll revenues are collected in two ways:

Cash Collections

Cash received at the actual toll booths each day is deposited into deposit accounts.

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(in thousands of dollars)

I-Pass, EZ-Pass, and I-Zoom Revenues

I-Pass and EZ-Pass were implemented in 2005, whereas I-Zoom began in April of 2008. Customers are charged according to the electronic tolling record of usage.

Total electronic toll collection accounted for approximately 55.8% and 51.3% of the total traffic in 2009 and 2008, respectively.

Toll rates are based on number of axles per vehicle and are subject to the maximum amounts to which SCC is entitled, in accordance with the terms of the Concession and Lease agreement. The toll rates in effect as of December 31, 2009 and 2008 were as follows:

Vehicle Classification	4 a.m. to 8 p.m.	8 p.m. to 4 a.m.
2 axles	\$ 3.00	\$ 3.00
3 axles	7.60	5.40
4 axles	10.10	7.20
5 axles	12.60	9.00
6 axles	15.20	10.80
7 or more axles	17.70	12.60

Accounting for Derivative Instruments and Hedging Activities

All derivative financial instruments are recorded on the balance sheet at fair value. Changes in fair values are recorded each period in income or Other Comprehensive Income ("OCI"), depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. SCC and the Company formally document all relationships between derivative hedging instruments and hedged items, as well as their method of assessing hedge effectiveness.

If certain conditions are met, a derivative may be specially designated as (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, (b) a hedge of the exposure to variable cash flows of a forecasted transaction, or (c) a hedge of the foreign currency exposure of a net investment in a foreign-currency-denominated transaction. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and resulting designation.

Currently SCC and the Company only designate and account for their hedge relationships using cash flow hedge accounting.

For a qualifying cash flow hedge, changes in the fair value of the derivative, to the extent that the hedge is effective, are recorded in OCI, until earnings are affected by the variability of cash flows of the hedged transaction. Any ineffective portion of a cash flow hedge is immediately recognized as a derivative gain or (loss) in the statement of operations. Amounts recorded in OCI are reclassified to interest income or interest expense during the period in which the hedged transaction impacts earnings, unless (a) occurrence of the forecasted transaction is not probable, in which case the amount in accumulated OCI is reclassified to earnings immediately, (b) SCC or the Company expect at any time that continued reporting of a net loss in accumulated OCI would lead to recognizing a net loss on the combination of the hedging instrument and hedged transaction (and related asset acquired or liability incurred) in one or more future periods, in which case the loss is

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reclassified immediately into earnings for the amount that is not expected to be recovered, or (c) the occurrence of the forecasted transaction was the issuance of long-term debt; in which case, SCC or the Company recognize the effective portion of the cumulative changes in fair value as interest expense over the life of the long-term debt.

If a derivative no longer qualifies as a cash flow hedge, SCC or the Company will discontinue hedge accounting prospectively. SCC or SCCCH continues to carry the derivative on the balance sheet at fair value and records further changes in fair value in the statements of operations as derivative gain or loss on hedging activities until the derivative is terminated or re-designated.

The changes in the value of undesignated derivatives are recorded as derivative income (loss) in the statement of operations.

All derivatives are recorded on the balance sheet at their estimated fair value. Where available, the fair value of derivative instruments is based on quoted market prices received from knowledgeable independent sources. However, active markets do not exist for all of the Company's derivative instruments. Consequently, the independent sources the Company uses to obtain quoted market prices may use estimating techniques, such as discounted cash flow analysis and comparison to similar instruments to determine fair values. Estimates developed by these independent sources involve subjective judgment about the amount, timing and probabilities of potential future cash flows. These estimates are susceptible to material change over time.

Fair Value of Financial Instruments

As of December 31, 2009, the carrying amount of certain financial instruments employed by the Company and SCC, including restricted cash and cash equivalents, accounts receivable, accounts payable and accrued expenses were representative of their fair values because of the short-term maturity of these instruments.

The carrying amount reported in the consolidated balance sheet as of December 31, 2009 for long-term debt is \$1.55 billion. Using a discounted cash flow technique, the Company has estimated the fair value of its debt to be \$1.49 billion at December 31, 2009. In determining the fair value, the Company considered an interest rate spread that would be issued for comparable debt, however the volatility in the marketplace, and the unique nature of the underlying assets makes fair value determinations highly subjective.

Interest rate swap agreements have been recorded at their estimated fair values as discussed in Note 7.

Effective January 1, 2008, the Company adopted ASC 820, *Fair Value Measurements* ("ASC 820"). ASC 820 clarifies the definition of fair value, prescribes methods for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value and expands disclosures about the use of fair value measurements. These additional disclosures are provided in Note 7.

In accordance with ASC 820, SCC and the Company adopted ASC 820 for nonfinancial assets and nonfinancial liabilities on January 1, 2009. This adoption had minimal impact on the financial position of SSC and the Company.

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Reclassifications

Certain accounts in 2008 were reclassified to conform to the 2009 financial statement presentation.

Recent Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 168 (ASC 105) "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles - a replacement of FASB Statement No. 162." This statement is effective for the Company in 2009. Upon effect, the FASB Accounting Standard Codification will become the source of authoritative U.S. GAAP recognized by the FASB. The adoption of this statement had no impact on the Company's consolidated financial condition and results of operations.

In May 2009, FASB issued SFAS No. 165 (ASC 855), "Subsequent Events." ASC 855 is intended to establish general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The standard requires disclosure of the date through which the company has evaluated subsequent events and whether that date represents the date the financial statements were issued or were available to be issued. This statement is effective for the Company in 2009. Refer to Note 11, "Subsequent Events," for disclosure of the Company's subsequent events for the current reporting period.

In March 2008, the FASB issued SFAS No. 161 (ASC 815), "Disclosures about Derivative Instruments and Hedging Activities — an amendment of FASB Statement No. 133". ASC 815 enhances required disclosures regarding derivatives and hedging activities, including how an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for under SFAS No. 133 and how derivative instruments and related hedged items affect an entity's financial position, financial performance and cash flows. ASC 815 was effective for the Company on January 1, 2009. See Note 6, "Derivatives," for disclosure of the Company's derivative instruments and hedging activities at December 31, 2009.

In September 2006, the FASB issued SFAS No. 157 (ASC 820), "Fair Value Measurements." ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. ASC 820 also establishes a fair value hierarchy that prioritizes information used in developing assumptions when pricing an asset or liability. The Company adopted this statement effective January 1, 2008. The adoption of this standard has had no material impact on the Company's consolidated financial condition and results of operation. See Note 7, "Fair Value of Financial Instruments," for more information regarding the impact of the Company's adoption of ASC 820. In February 2008, the FASB issued FSP FAS 157-2 (ASC 820), "Effective Date of FASB Statement No. 157," which delayed the effective date of SFAS No. 157 for nonfinancial assets and nonfinancial liabilities that are recognized or disclosed in the financial statements on a nonrecurring basis to fiscal years beginning after November 15, 2008. The Company has applied the provisions of ASC 820 to its nonfinancial assets and nonfinancial liabilities in accordance with FSP FAS 157-2 as of January 1, 2009. The adoption of this standard has had minimal impact on the Company's consolidated financial condition and results of operations.

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3. Project Accounts System (Cash Reserve Accounts)

Under the terms of the Series A and Series B Bonds, SCC maintains the following restricted cash project accounts held by banks, as applicable, when the requirement to do so arises:

- Collection account
- Proceeds account
- Operating account--operating costs disbursement account, Schedule 2 works disbursement account, the major maintenance disbursement account and the capital improvement account
- Bond payment accounts--Series A Bonds, Series B Bonds
- Operational reserve account
- Debt service reserve account
- Major maintenance reserve account
- Distribution account
- Senior indebtedness redemption account (if and when required)
- Cash sweep redemption account (if and when required)
- Schedule 2 works reserve account
- Capital improvement account (if and when required)
- City loss compensation account (if and when required)
- Revenue stabilization reserve account
- Additional FSA-insured indebtedness payment accounts (if and when required)
- Loss proceed account (if and when required)
- Permitted swap counterparty collateral accounts (if and when required)

All of the project accounts are under the control of a common security representative and any withdrawals from these accounts need approval of the latter. These restricted cash accounts are set up to fund the operating and capital expenditure requirements of SCC.

Amounts are classified as non current based on the requirements within the loan agreement.

As of December 31, 2009 and 2008, balances exist in the following cash reserve accounts:

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	2009	2008
Collection account	\$ 375	\$ 363
Proceeds account	789	1,035
Operating account	605	999
Bond payment accounts	-	9
Operational reserve account	4,000	4,003
Debt service reserve account	32,198	30,085
Major maintenance reserve account	1,093	-
Distribution account	12,369	16,248
Schedule 2 works reserve account	13,537	13,824
Revenue stabilization reserve account	5,000	6,255
	<u>69,966</u>	<u>72,821</u>
Less - current portion	<u>(13,349)</u>	<u>(17,611)</u>
	<u>\$ 56,617</u>	<u>\$ 55,210</u>

4. Intangible Assets

As of December 31, 2009 and 2008, the Company's intangible assets consisted of the following:

	Estimated Useful Life (in years)	2009			2008		
		Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Concession rights	99	\$ 1,513,358	\$ 75,426	\$ 1,437,932	\$ 1,513,358	\$ 60,140	\$ 1,453,218

Amortization expense related to intangible assets was \$15.3 million for the years ended December 31, 2009 and 2008. Annual amortization expense of intangible assets for each of the next five years amounts to \$15.3 million per year.

5. Debt

Long-term debt consists of the following at December 31, 2009 and 2008:

	2009	2008
Series A bonds	\$ 439,000	\$ 439,000
Series B bonds	961,000	961,000
Subordinated debt	152,729	152,513
	<u>\$ 1,552,729</u>	<u>\$ 1,552,513</u>

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Series A and B Bonds

On August 16, 2005, SCC issued two series of bonds totaling \$1.4 billion.

The Series A Senior Secured Floating Rate Bonds (\$439 million) are due in 2017 and bear interest at 3-month LIBOR, 0.25% at December 31, 2009 (3.76% at December 31, 2008) plus 0.28% per annum. Principal on the Series A Bonds is payable in full at maturity.

The Series B Senior Secured Floating Rate Bonds (\$961 million) are due in 2026 and bear interest at 3-month LIBOR, 0.25% at December 31, 2009 (3.76% at December 31, 2008) plus 0.38% per annum. Principal on the Series B Bonds is payable on the 30th day of June and December of each year, commencing on June 30, 2019 in accordance with the amortization schedule set forth below:

Series B Bonds - Principal Payment Schedule

Payment date	Principal Payment
June 30, 2019	\$ 25,192
December 30, 2019	152,033
June 30, 2020	152,033
December 30, 2020	41,955
June 30, 2021	41,955
December 30, 2021	44,475
June 30, 2022	44,475
December 30, 2022	47,174
June 30, 2023	47,174
December 30, 2023	57,218
June 30, 2024	57,218
December 30, 2024	60,765
June 30, 2025	60,765
December 30, 2025	64,284
June 30, 2026	64,284
	<u>\$ 961,000</u>

Interest on the Series A and B bonds is payable quarterly in arrears on the 30th day of March, June, September and December.

Pursuant to a financial guaranty insurance policy and the Bond Insurance policy issued by Financial Security Assurance Inc. ("FSA"), FSA unconditionally and irrevocably guarantees the timely payment of scheduled installments of principal and accrued and unpaid interest on the Series A Bonds and Series B Bonds and the related interest rate swap payments (see Note 6).

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The terms of the Series A and B bonds also provide for the following:

- a. Optional redemption at any time after September 30, 2010 at a redemption price set as follows:
 - o 103% of the principal amount being redeemed plus any accrued interest, if redeemed within the 12-month period commencing on September 30, 2010;
 - o 102% of the principal amount plus any accrued interest if the optional redemption occurs during the 12-month period commencing on September 30, 2011;
 - o 101% of the principal amount plus any accrued interest if the optional redemption occurs during the 12-month period commencing on September 30, 2012; and
 - o 100% of the principal amount plus any accrued interest if the optional redemption occurs on or after September 30, 2013.
- b. Various restrictive covenants common to such agreements, including limitations on sale of assets (not to exceed \$2.0 million per year); incurrence of additional debt outside of the permitted indebtedness and limitations on investments and distributions.

The Series A and B bonds were issued pursuant to an indenture and offered within the United States to qualified buyers in reliance on Rule 144A under the Securities Act and to a limited number of institutional "accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Security Act); and outside the United States pursuant to Regulation S under the Securities Act.

Subordinated Debt

On August 17, 2005, the Company entered into a loan agreement for a term loan of \$150 million. The loan matures 30 years from the date of closing (August 17, 2035). The interest rates for the subordinated loan are as follows:

From August 17, 2005 to August 16, 2008	6-month LIBOR + 2.50%
From August 17, 2008 to August 16, 2011	6-month LIBOR + 2.75%
From August 17, 2011 to August 17, 2035	6-month LIBOR + 3.00%

The 6-month LIBOR rate at December 31, 2009 is 1.0% (3.10% at December 31, 2008). Interest payments are due on January 10 and July 10 of each year. During the year ended December 31, 2009 \$1.0 million of principal payments were made. No principal payments were made during the year ended December 31, 2008. The subordinated loan agreement allows for payment of interest in kind and \$1.25 million and \$2.8 million of interest was converted to additional principal during the year ended December 31, 2009 and 2008.

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The terms of the subordinated loan agreement provide for prepayments of the loan at the option of the Company and various restrictive covenants common to such agreements, including a limitation on incurrence of indebtedness outside of the subordinated loan agreement and those permitted under this subordinated loan agreement and limitations on investments.

The subordinated debt is subordinated to the Series A and Series B Bonds.

6. Derivatives

The Series A and B bond agreements between SCC and its lenders require SCC to enter into a hedging transaction to hedge the variable cash flows of interest payments. Accordingly, SCC entered into four interest rate swaps (the "Series A and Series B Swaps"), as set out in the table below.

Description	Notional Amount	Counterparty
Series A swap	\$ 219,500	Citibank
Series A swap	219,500	Goldman Sachs
Series B swap	480,500	Citibank
Series B swap	480,500	Dexia Credit Local

The details of the Series A and Series B swaps are as follows:

	Series A	Series B
Trade date	August 8, 2005	August 8, 2005
Effective date	August 16, 2005	August 16, 2005
Termination date	June 30, 2017	June 30, 2026
Floating rate option	USD-LIBOR-BBA	USD-LIBOR-BBA
Spread	Plus 0.28%	Plus 0.38%
Floating rate day count fraction	Actual/360	Actual/360
Floating rate period end date	Quarterly on each March 30, June 30, September 30 and December 30 commencing on September 30, 2005	Quarterly on each March 30, June 30, September 30 and December 30 commencing on September 30, 2005
Fixed rate amount	See Table A	See Table B

SCC's effective interest rate on the Series B Swaps was 5.74% for the years ended December 31, 2009 and 2008.

SCC designated the Series A swaps as cash flow hedges and records the effective portion of the hedge as a component of other comprehensive income. SCC uses the hypothetical derivative method to determine the ineffective portion of the Series A swaps and records those amounts as derivative income (loss) in the statement of operations.

SCC designated 75% of each of the Series B swaps as effective for cash flow hedge accounting. SCC records the effective portion of the Series B swaps as a component of other comprehensive income and the ineffective portion as derivative loss. SCC utilizes the hypothetical derivative method to determine the ineffective portions of the Series B swaps.

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Because an other than insignificant financing element is included in the structure of the Series A and Series B swaps (i.e. deferred interest payments), cash inflows and outflows associated with Series A and Series B swaps are included in cash flows from financing activities in the statement of cash flows.

Swap A Fixed Payments

Payment Dates	Fixed Payment	Notional Amount	Payment Dates	Fixed Payment	Notional Amount
September 30, 2005		\$ 439,000	September 30, 2011		\$ 439,000
December 30, 2005	\$ 10,569	439,000	December 30, 2011	\$ 10,569	439,000
March 30, 2006		439,000	March 30, 2012		439,000
June 30, 2006	10,569	439,000	June 30, 2012	10,569	439,000
September 30, 2006		439,000	September 30, 2012		439,000
December 30, 2006	10,569	439,000	December 30, 2012	10,569	439,000
March 30, 2007		439,000	March 30, 2013		439,000
June 30, 2007	10,569	439,000	June 30, 2013	10,569	439,000
September 30, 2007		439,000	September 30, 2013		439,000
December 30, 2007	10,569	439,000	December 30, 2013	10,569	439,000
March 30, 2008		439,000	March 30, 2014		439,000
June 30, 2008	10,569	439,000	June 30, 2014	10,569	439,000
September 30, 2008		439,000	September 30, 2014		439,000
December 30, 2008	10,569	439,000	December 30, 2014	12,907	439,000
March 30, 2009		439,000	March 30, 2015		439,000
June 30, 2009	10,569	439,000	June 30, 2015	12,907	439,000
September 30, 2009		439,000	September 30, 2015		439,000
December 30, 2009	10,569	439,000	December 30, 2015	12,907	439,000
March 30, 2010		439,000	March 30, 2016		439,000
June 30, 2010	10,569	439,000	June 30, 2016	12,907	439,000
September 30, 2010		439,000	September 30, 2016		439,000
December 30, 2010	10,569	439,000	December 30, 2016	12,907	439,000
March 30, 2011		439,000	March 30, 2017		439,000
June 30, 2011	10,569	439,000	June 30, 2017	12,907	439,000

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Swap B Fixed Payments

Payment Dates	Fixed Payment	Notional Amount	Payment Dates	Fixed Payment	Notional Amount
September 30, 2005		\$ 961,000	March 30, 2016		\$ 961,000
December 30, 2005	\$ 293	961,000	June 30, 2016	\$ 19,241	961,000
March 30, 2006		961,000	September 30, 2016		961,000
June 30, 2006	293	961,000	December 30, 2016	20,229	961,000
September 30, 2006		961,000	March 30, 2017		961,000
December 30, 2006	129	961,000	June 30, 2017	20,229	961,000
March 30, 2007		961,000	September 30, 2017		961,000
June 30, 2007	129	961,000	December 30, 2017	283,688	961,000
September 30, 2007		961,000	March 30, 2018		961,000
December 30, 2007		961,000	June 30, 2018	283,688	961,000
March 30, 2008		961,000	September 30, 2018		961,000
June 30, 2008		961,000	December 30, 2018	195,876	961,000
September 30, 2008		961,000	March 30, 2019		961,000
December 30, 2008	3,846	961,000	June 30, 2019	170,684	961,000
March 30, 2009		961,000	September 30, 2019		961,000
June 30, 2009	3,846	961,000	December 30, 2019		961,000
September 30, 2009		961,000	March 30, 2020		961,000
December 30, 2009	5,077	961,000	June 30, 2020		961,000
March 30, 2010		961,000	September 30, 2020		961,000
June 30, 2010	5,077	961,000	December 30, 2020		961,000
September 30, 2010		961,000	March 30, 2021		961,000
December 30, 2010	5,983	961,000	June 30, 2021		961,000
March 30, 2011		961,000	September 30, 2021		961,000
June 30, 2011	5,983	961,000	December 30, 2021		961,000
September 30, 2011		961,000	March 30, 2022		961,000
December 30, 2011	10,324	961,000	June 30, 2022		961,000
March 30, 2012		961,000	September 30, 2022		961,000
June 30, 2012	10,324	961,000	December 30, 2022		961,000
September 30, 2012		961,000	March 30, 2023		961,000
December 30, 2012	11,752	961,000	June 30, 2023		961,000
March 30, 2013		961,000	September 30, 2023		961,000
June 30, 2013	11,752	961,000	December 30, 2023		961,000
September 30, 2013		961,000	March 30, 2024		961,000
December 30, 2013	16,373	961,000	June 30, 2024		961,000
March 30, 2014		961,000	September 30, 2024		961,000
June 30, 2014	16,373	961,000	December 30, 2024		961,000
September 30, 2014		961,000	March 30, 2025		961,000
December 30, 2014	14,894	961,000	June 30, 2025		961,000
March 30, 2015		961,000	September 30, 2025		961,000
June 30, 2015	14,894	961,000	December 30, 2025		961,000
September 30, 2015		961,000	March 30, 2026		961,000
December 30, 2015	19,241	961,000	June 30, 2026		961,000

On August 17, 2005, Skyway Concession Company Holdings LLC entered into interest rate swap agreements (the "Subordinated Debt Swaps") with following banks:

Bank	Notional Amount
Banco Bilbao Vizcaya Argentaria	\$ 50,000
Banco Santander Central Hispano, S.A.	50,000
CALYON	50,000

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The details of the subordinated debt swaps are as follows:

Trade date	August 17, 2005
Effective date	August 19, 2005
Termination date	July 10, 2011
Floating rate option	USD-LIBOR
Spread	
Floating rate day count fraction	Actual/360
Floating rate period end date	Semiannual on January 10 and July 10
Fixed rate	4.68%

The terms of the above swap agreements provide for varying notional amounts during the life of the swaps ranging from \$44.5 million to \$53.6 million.

The Company has designated the subordinated debt and the subordinated debt swaps in a cash flow hedge relationship which the Company believes is 100% hedged and accordingly records the effective portion of the subordinated debt swaps as a component of other comprehensive income and the ineffective portion as derivative loss.

A summary of the changes in fair value of the Company and SCC's derivatives is as follows:

	Series A Swaps	Series B Swaps	Subordinated Debt Swaps	Total
Balance at December 31, 2007	\$ (5,907)	\$ (206,174)	\$ (2,854)	\$ (214,935)
Derivative loss charged to operations	(6,141)	(67,095)	(2,741)	(75,977)
Interest expense	-	(52,751)	-	(52,751)
Other comprehensive loss	<u>(73,014)</u>	<u>(273,982)</u>	<u>(4,863)</u>	<u>(351,859)</u>
Balance at December 31, 2008	(85,062)	(600,002)	(10,458)	(695,522)
Derivative gain (loss) charged to operations	5,324	77,008	(935)	81,397
Interest expense	-	(43,710)	-	(43,710)
Other comprehensive income	<u>41,877</u>	<u>155,838</u>	<u>903</u>	<u>198,618</u>
Balance at December 31, 2009	<u>\$ (37,861)</u>	<u>\$ (410,866)</u>	<u>\$ (10,490)</u>	<u>\$ (459,217)</u>

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7. Fair Value of Financial Instruments

ASC 820 applies to all assets and liabilities that are being measured and reported on a fair value basis. ASC 820 establishes a framework for measuring fair value, prescribes methods for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value and expands disclosure about fair value measurements. ASC 820 requires that assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The following table summarizes the valuation of our financial instruments by the above ASC 820 pricing levels as of the valuation dates listed:

	December 31, 2009		
	Quoted Market Price (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Money market investments	\$ -	\$ 68,986	\$ -
Total assets	\$ -	\$ 68,986	\$ -
Derivative instrument - liability position	\$ -	\$ 459,217	\$ -
Total liabilities	\$ -	\$ 459,217	\$ -
	December 31, 2008		
	Quoted Market Price (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Money market investments	\$ -	\$ 71,458	\$ -
Total assets	\$ -	\$ 71,458	\$ -
Derivative instrument - liability position	\$ -	\$ 695,522	\$ -
Total liabilities	\$ -	\$ 695,522	\$ -

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Money market investments are included in Restricted cash and cash equivalents and Restricted cash and cash equivalents, long-term in the consolidated balance sheet. The unrealized gains and losses on money market investments are included in interest expense, net in the statement of operations. The unrealized gains and losses on derivatives are included in other comprehensive income, derivative loss and interest expense in the consolidated balance sheet and consolidated statement of operations (see Note 6).

The Company's derivative instruments require the Company to pay a fixed dollar amount of interest while the Company receives a variable dollar amount of interest based on the LIBOR swap rate. The LIBOR swap rate is observable at commonly quoted intervals for the full term of the swaps and therefore is considered a level 2 item. ASC 820 states that the fair value measurement of a liability must reflect the nonperformance risk of the entity. Therefore, the impact of the Company's creditworthiness has also been factored into the fair value measurement of the derivative instruments in a liability position.

8. Related Party Transactions

SCC is party to a Cost Sharing agreement with ITR Concession Company LLC ("ITRCC"), an affiliate. The terms of the agreement provide that SCC and ITRCC share the compensation costs of certain SCC and ITRCC employees based upon an estimate of the amount of time spent by such employees to ITRCC and SCC. Likewise, the agreement provides for ITRCC to reimburse SCC approximately 50% of the utilities, repairs, supplies and other costs of maintaining and operating the SCC office. From time to time, ITRCC and SCC may add to, delete, change or modify the expenses to be shared and the percentages of such expenses which each party shall bear.

For the year ended December 31, 2009 and 2008, the total amount of costs charged to ITRCC in relation to this agreement amounted to \$1.5 million and \$1.6 million, respectively, of which \$0.7 million and \$0.4 million remained outstanding at December 31, 2009 and 2008, respectively. These amounts are included in the receivable from related parties in the consolidated balance sheets and included in salaries and wages in the consolidated statement of operations. The total amount of costs charged to SCC by ITRCC amounted to \$0.4 million and \$0.1, for the years ended December 31, 2009 and 2008, respectively, of which \$0.1 million remained outstanding as of December 31, 2009. These amounts are included in due to related parties in the consolidated balance sheet and salaries and wages in the consolidated statement of operations.

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As part of the agreement between the Company's members, SCC is provided with certain secondees from the Company's Members or their affiliates and these secondees provide management services to the Company and SCC. The secondment arrangements are ongoing for the duration of the Concession and Lease agreement. In addition, the Company's Members, or their affiliates, from time to time, provide the Company or SCC with certain services related to operation of the Chicago Skyway. The services provided have included, but are not limited to, the payment of the initial start-up costs, acting as members on the Company's Board of Directors, maintenance of the Back Office System, and working or consulting on behalf of the Company or SCC. The Company or SCC reimburses its Members for the cost of providing these services. The total amount of costs incurred by the Company or SCC in relation to services provided by the Company's Members and the secondment arrangements for the year ended December 31, 2009 and 2008 amounted to \$1.1 million and \$1.8 million, respectively, of which \$0.4 million and \$0.5 million remained outstanding as of December 31, 2009 and 2008, respectively. These amounts are included in salaries and wages in the consolidated statement of operations and included in due to related parties in the consolidated balance sheet.

On September 23, 2008, Skyway Concession Company, LLC ("SCC") entered into a Electronic Toll Collection Agreement with ITR Concession Company, LLC ("ITRCC"), an affiliate. The terms of the agreement permit ITRCC to collect and process electronic toll collection ("ETC") transactions occurring on the Chicago Skyway on behalf of SCC. Cash received by ITRCC for ETC transactions having occurred on the Chicago Skyway is remitted to SCC according to terms of the agreement.

In exchange for collecting and processing ETC transactions on behalf of SCC, SCC reimburses ITRCC for fees and expenses related to this agreement incurred by ITRCC plus a margin of 10.0%. The total amount of costs charged to SCC by ITRCC per the ETC Agreement amounted to \$1.0 million and \$0.5 million for the years ended December 31, 2009 and 2008, respectively, of which \$0.1 million remained outstanding as of December 31, 2009 and 2008. These amounts are included in due to related parties in the consolidated balance sheet and included in toll collection expenses in the consolidated statement of operations.

In addition, ITRCC paid for the installation of certain hardware and software systems in 2008 to permit the collection and processing of ETC transactions by ITRCC on behalf of SCC and SCC was responsible for the reimbursement of these amounts to ITRCC.

ITRCC processed a total amount of \$39.2 million and \$24.6 million under this agreement on behalf of SCC during the years ended December 31, 2009 and 2008, respectively and collected a total of \$38.7 million and \$21.6 million, respectively, which was remitted to SCC. ETC transactions processed on behalf of SCC that remained outstanding as of December 31, 2009 and 2008 totaled \$3.5 million and \$3.0 million, respectively, and is included in the consolidated balance sheet as accounts receivable.

The Electronic Toll Collection Agreement is good through June 9, 2018 and may be extended if agreed upon by both parties.

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9. Commitments and Contingencies

The Company and SCC may be subject to certain liabilities, claims and commitments in the ordinary course of business. The Company and SCC retain insurance for property and casualty risks related to the Chicago Skyway. Management believes purchased insurance coverage is adequate to cover all claims.

Under the terms of the Concession and Lease agreement, SCC is obligated to indemnify the City of Chicago for losses suffered by the City of Chicago arising out of, among other things, any failure on the SCC's part to comply with or observe any of the terms or obligations under the Concession and Lease agreement, any liabilities assumed by SCC relating to the Chicago Skyway or its operation and any tax attributable to the transfer of SCC's interest to the Concession and Lease agreement.

10. Risks and Uncertainties

The Company and SCC are subject to credit risk due to the risk of nonperformance by counterparties to the derivative agreements. If the recent disruptions in the credit markets continue, it may increase the likelihood that derivatives counterparties could experience liquidity or financial constraints that may prevent them from meeting their obligations to the Company or SCC which in turn could adversely affect the Company's financial condition and results of operations. In order to manage counterparty credit risk, management monitors the counterparties' credit ratings as determined by independent rating agencies. The counterparties credit ratings ranged from A to AA as of December 31, 2009.

11. Subsequent Events

The Company has evaluated subsequent events through February 26, 2010.

In January 2010, the Macquarie Infrastructure Group portfolio was reorganized as Intoll Group and Macquarie Atlas Roads ("MQA"). MQA will continue to be a Macquarie-managed entity and hold the indirect interest in SCCH.

On January 13, 2010, the Company made a distribution to its members of \$6.0 million and repaid \$6.0 million of accrued interest and principal on the subordinated debt.

