Skyway Concession Company Holdings, LLC and Subsidiary

(A Delaware Limited Liability Company)

Consolidated Financial Statements as of and for the Years Ended December 31, 2010 and 2009 (Restated), and Independent Auditors' Report

SKYWAY CONCESSION COMPANY HOLDINGS, LLC AND SUBSIDIARY
(A Delaware Limited Liability Company)

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated balance sheet of Skyway Concession Company Holdings, LLC and Subsidiary (the "Company") as of December 31, 2010, and the related consolidated statements of operations, members' investment, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit 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 consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2010, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP

April 21, 2011

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, of members' investment and of 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 the results of their operations and their cash flows for the year ended December 31, 2009 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 audit. We conducted our audit 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 audit provides a reasonable basis for our opinion.

As discussed in Note 2 to the consolidated financial statements, the Company restated its 2009 financial statements.

PricewaterhouseCoopers LLP

February 26, 2010, except for the impact of the matters described in Note 2 as to which the date is April 21, 2011

SKYWAY CONCESSION COMPANY HOLDINGS, LLC AND SUBSIDIARY
(A Delaware Limited Liability Company)

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2010 AND 2009 (RESTATED)
(In thousands)

	2010	2009 (As restated, see Note 2)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 23	$ 48
Restricted cash and cash reserves	2,950	13,349
Accounts receivable — net of allowance for doubtful accounts of $127 as of December 31, 2010 and 2009	2,734	3,391
Receivable from related parties	352	764
Prepaid financial guaranty insurance policy and other assets	3,914	3,862
Total current assets	9,973	21,414
PROPERTY AND EQUIPMENT:		
Bridges and roads	401,543	401,501
Machinery and equipment	1,573	1,555
Furniture and fixtures	809	809
Computers and office equipment	533	508
	404,458	404,373
Less accumulated depreciation	(49,232)	(39,243)
	355,226	365,130
Projects in progress	1,588	125
Net property and equipment	356,814	365,255
CONCESSION RIGHTS — Net of accumulated amortization of $90,713 and $75,426 as of December 31, 2010 and 2009, respectively	1,422,645	1,437,932
DEFERRED FINANCING COSTS — Net of accumulated amortization of $3,985 and $3,271 as of December 31, 2010 and 2009, respectively	9,837	10,551
PREPAID FINANCIAL GUARANTY INSURANCE POLICY — Net of current portion of $3,220 and $3,158 as of December 31, 2010 and 2009, respectively	18,877	22,414
SECURITY DEPOSITS	19	28
RESTRICTED CASH AND CASH RESERVES — Long-term	66,537	56,617
TOTAL	$1,884,702	$1,914,211
LIABILITIES AND MEMBERS' INVESTMENT		
CURRENT LIABILITIES:		
Accounts payable	$ 213	$ 238
Due to related parties	414	597
Accrued other liabilities	864	648
Current portion of accrued interest	7,908	6,229
Total current liabilities	9,399	7,712
ACCRUED INTEREST — Long-term	11,328	10,018
DERIVATIVE LIABILITY	622,997	459,217
LONG-TERM DEBT	1,554,890	1,552,729
Total liabilities	2,198,614	2,029,676
COMMITMENTS AND CONTINGENCIES (Note 10)		
MEMBERS' INVESTMENT:		
Members' capital	460,305	467,555
Accumulated other comprehensive loss	(210,009)	(135,156)
Accumulated deficit	(564,208)	(447,864)
Total members' investment	(313,912)	(115,465)
TOTAL	$1,884,702	$1,914,211

See notes to consolidated financial statements.

SKYWAY CONCESSION COMPANY HOLDINGS, LLC AND SUBSIDIARY
(A Delaware Limited Liability Company)

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009 (RESTATED)
(In thousands)

	2010	2009 (As restated, see Note 2)
REVENUES:		
Toll revenue	$ 59,459	$ 63,600
Lease revenue	43	38
Total revenues	59,502	63,638
OPERATING EXPENSES:		
Salaries and wages	1,862	1,994
Operations overhead	664	613
Routine repairs and maintenance	1,350	1,376
Toll collection expenses	2,226	2,231
Other office and administrative expenses	1,494	2,018
Insurance	1,258	1,456
Depreciation and amortization	25,276	24,231
Total operating expenses	34,130	33,919
OPERATING INCOME	25,372	29,719
DERIVATIVES (LOSS) GAIN	(46,255)	44,115
INTEREST EXPENSE — Net	(95,461)	(94,513)
NET LOSS	$ (116,344)	$ (20,679)

See notes to consolidated financial statements.

SKYWAY CONCESSION COMPANY HOLDINGS, LLC AND SUBSIDIARY
(A Delaware Limited Liability Company)

CONSOLIDATED STATEMENTS OF MEMBERS' INVESTMENT
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009 (RESTATED)
(In thousands)

	Members' Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total
MEMBERS' INVESTMENT — January 1, 2009 (As restated, see Note 2)	$ 478,055	$ (371,056)	$ (427,185)	$ (320,186)
Distributions	(10,500)			(10,500)
Net loss (As restated, see Note 2)			(20,679)	(20,679)
Net unrealized gain on hedging activities (As restated, see Note 2)		235,900		235,900
Total comprehensive gain (As restated, see Note 2)				215,221
MEMBERS' INVESTMENT — December 31, 2009 (As restated, see Note 2)	467,555	(135,156)	(447,864)	(115,465)
Distributions	(7,250)			(7,250)
Net loss			(116,344)	(116,344)
Net unrealized loss on hedging activities		(74,853)		(74,853)
Total comprehensive loss				(191,197)
MEMBERS' INVESTMENT — December 31, 2010	$ 460,305	$ (210,009)	$ (564,208)	$ (313,912)

See notes to consolidated financial statements.

SKYWAY CONCESSION COMPANY HOLDINGS, LLC AND SUBSIDIARY
(A Delaware Limited Liability Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009 (RESTATED)
(In thousands)

	2010	2009 (As restated, see Note 2)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (116,344)	$ (20,679)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of deferred financing costs included in interest expense	714	713
Financial guaranty insurance premium expense	6,284	6,285
Depreciation of property and equipment	9,989	8,948
Amortization of concession rights	15,287	15,286
Loss on disposal of property and equipment	12	10
Net unrealized loss (gain) on hedging activities	88,927	(405)
Financing components of derivatives	22,406	12,431
Changes to operating assets and liabilities:		
Accounts receivable	657	(426)
Receivable from related parties	412	(367)
Prepaid expenses and other assets	20	106
Accounts payable	(26)	(555)
Accrued other liabilities	(23)	137
Due to related parties	(183)	20
Accrued interest	6,353	4,352
Net cash provided by operating activities	34,485	25,856
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(1,321)	(883)
Change in restricted cash and cash reserves	480	2,854
Net cash (used in) provided by investing activities	(841)	1,971
CASH FLOWS FROM FINANCING ACTIVITIES:		
Financial guaranty insurance premium paid	(4,013)	(3,872)
Financing derivatives	(22,406)	(12,431)
Distributions and return of capital	(7,250)	(10,500)
Repayment of subdebt	-	(1,036)
Net cash used in financing activities	(33,669)	(27,839)
NET CHANGE IN CASH	(25)	(12)
CASH:		
Beginning of year	48	60
End of year	$ 23	$ 48
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION — Cash paid during the year for interest and swaps	$ 39,396	$ 39,357
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES — Purchase of property and equipment under liabilities	$ 239	$ 25
Net unrealized (loss) gain on hedging activities	$ (74,853)	$ 235,900
Conversion of interest to additional subordinated debt	$ 2,161	$ 216

See notes to consolidated financial statements.

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 Partners and Macquarie Atlas Roads ("Macquarie") (collectively, the "Members"). Macquarie Atlas Roads was formed in 2010 through the divesture of assets from Macquarie Infrastructure Group.

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 Chicago 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 remaining balance of the Chicago Skyway consists of various types of elevated bridge structures, such as overpasses, long viaduct sections, and the Calumet River Bridge and connected ramps. The Calumet River Bridge 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;
- 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 Chicago Skyway;
- Right to use certain furniture and fixtures; and
- A concession right to operate the Chicago Skyway.

SCC has determined that a lease exists (the "Lease Arrangement") in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 840, *Leases*, as the Concession and Lease 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.

SCC has also determined that the Lease Arrangement 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 was allocated to the tangible assets and the intangible asset, concession rights, on the consolidated balance sheets based on the 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 in accordance with the provisions of the Concession and Lease Agreement and applicable laws.

- Fund and complete certain capital improvements.

2. RESTATEMENT

The 2009 financial statements have been restated to correct for errors related to interest rate derivatives and other adjustments as described below.

SCC designates its Series A swaps and 75% of each of its Series B swaps and the Company designates its subordinated debt swaps as cash flow hedges and records the effective portion of each of the hedges as a component of other comprehensive income (loss) and records the ineffective portion as derivative gain (loss). Subsequent to the issuance of the Company's audited consolidated financial statements as of and for the year ended December 31, 2009, management determined that those consolidated financial statements contained errors related to the amounts of the designated swaps that were considered effective and recorded as other comprehensive income (loss) during the year ended December 31, 2009, as well as the accumulated other comprehensive income (loss) amounts as of the beginning and end of the year. The error originated as SCC and the Company previously considered the quarterly change in value and not the cumulative change in value of the hypothetical and actual derivatives it uses to determine the ineffective portions of the designated swaps. In addition, SCC and the Company previously did not consider the off-market element of the Series A and B and subordinated debt swaps in the calculation of ineffectiveness of the swaps, which had a fair value of other than zero on the date of designation.

Further, management concluded that the consolidated financial statements as of and for the year ended December 31, 2009 also contained an error in the classification of certain operating and financing activities in the statement of cash flows. The financing components of derivatives incorrectly reflected the cash paid on the financing element related to the Series A and B swaps (see Note 7). In addition, the financial guaranty insurance premium should have included the interest portion of the actual cash paid during the year ended December 31, 2009.

Finally, management restated the consolidated financial statements as of and for the year ended December 31, 2009 to correct for an error in depreciation expense recorded in 2009 but relating to 2008 and prior years and for depreciation expense related to periods prior to 2009 that had not been recorded, which was recorded to accumulated deficit as of January 1, 2009.

The Company's previously reported and restated consolidated financial statements as of and for the year ended December 31, 2009, are as follows:

	As Reported	**As Restated**
Consolidated statement of members' investment as of January 1, 2009:		
Accumulated other comprehensive loss	$ (428,400)	$ (371,056)
Accumulated deficit	(368,200)	(427,185)
Total members' investments	(318,545)	(320,186)
Consolidated balance sheet and statement of members' investment as of December 31, 2009:		
Accumulated other comprehensive loss	(229,782)	(135,156)
Accumulated deficit	(352,274)	(447,864)
Total members' investments	(114,501)	(115,465)
Consolidated balance sheet as of December 31, 2009:		
Accumulated depreciation	(38,279)	(39,243)
Net property and equipment	366,219	365,255
Total assets	1,915,175	1,914,211
Consolidated statement of operations for the year ended December 31, 2009:		
Depreciation and amortization	24,908	24,231
Derivative gain	81,397	44,115
Net income (loss)	15,926	(20,679)
Consolidated statement of members' investment for the year ended December 31, 2009:		
Net income (loss)	15,926	(20,679)
Net unrealized gain on hedging activities	198,618	235,900
Total comprehensive gain	214,544	215,221
Consolidated statement of cash flows for the year ended December 31, 2009:		
Net income (loss)	15,926	(20,679)
Depreciation of property and equipment	9,625	8,948
Net unrealized (gain) on hedging activities	(37,687)	(405)
Financing components of derivatives	(66,052)	12,431
Accrued interest	3,708	4,352
Net cash provided by operating activities	(53,271)	25,856
Financial guaranty insurance premium paid	(3,228)	(3,872)
Financing derivatives	66,052	(12,431)
Net cash used in financing activities	51,288	(27,839)
Supplemental disclosure of noncash financing activities — Net unrealized gain on hedging activities	198,618	235,900

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates — The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates, judgments, and assumptions include the estimates required to value derivative assets and liabilities and traffic assumptions used to calculate depreciation expense for highway-related assets. The estimates, judgments, and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of the relevant facts and circumstances as of December 31, 2010 and 2009. 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 in consolidation.

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.

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 reserves as of December 31, 2010 and 2009, pertain to project accounts (see Note 4).

Accounts Receivable — 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 sheets as of December 31, 2010 and 2009.

Management regularly reviews the 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 and thus entered into a financial guaranty insurance policy, which guarantees the repayment of the Bonds. 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 years ended December 31, 2010 and 2009, SCC recorded $8.8 million of interest expense in the accompanying consolidated statements of operations related to amortization of the prepaid premium and accretion of interest on the periodic premium payments.

As of December 31, 2010 and 2009, $3.2 million and $3.1 million, respectively, of the prepaid premium was recorded in current assets on the accompanying consolidated balance sheets and $18.9 million and $22.4 million, respectively, was recorded in long-term assets.

Property and Equipment — Property and equipment include purchased property and equipment, bridges and roads, buildings, leasehold interests on land, 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 expense 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 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 years ended December 31, 2010 and 2009, over the following lives:

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

For the years ended December 31, 2010 and 2009, total depreciation expense was $10.0 million and $8.9 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, 2010 and 2009.

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 straight-line method, which approximates the effective interest method. Amortization expense related to deferred financing costs was $0.7 million for the years ended December 31, 2010 and 2009.

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, 2010 and 2009, $0.4 million and $0.2 million, respectively, was recorded for construction retention within accrued other liabilities on the accompanying 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 federal and state income taxes as its members recognize their share of income and loss in their respective tax returns. Accordingly, no provision for federal or state 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 at the time those revenues are contractually earned. Toll revenues are collected in two ways:

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

Electronic Toll Collection — Customers are charged according to their usage (see Note 9).

Total ETC transactions accounted for approximately 57.1% and 55.8% of the total traffic in 2010 and 2009, 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, 2010 and 2009, 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 consolidated balance sheets at fair value. Changes in fair values are recorded each period in income or other comprehensive income (loss), 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 other comprehensive income (loss). Any ineffective portion of a cash flow hedge is immediately recognized as a derivative gain (loss) in the consolidated statements of operations. Amounts recorded in other comprehensive income (loss) are reclassified to interest income or interest expense during the period in which the hedged transaction impacts net income, unless (a) occurrence of the forecasted transaction is not probable, in which case the amount in accumulated other comprehensive income (loss) is reclassified to net income immediately, (b) SCC or the Company expect at any time that continued reporting of a net loss in accumulated other comprehensive income (loss) 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 reclassified immediately into net income 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 and the Company will discontinue hedge accounting prospectively. SCC and the Company would continue to carry the derivative on the consolidated balance sheet at fair value and would record further changes in fair value in the consolidated statement of operations as derivative gain (loss) until the derivative is terminated or redesignated.

The changes in the value of undesignated derivatives are recorded as derivative gain (loss) in the consolidated statements of operations.

All derivatives are recorded on the consolidated balance sheets 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, 2010 and 2009, the carrying amount of certain financial instruments employed by the Company and SCC, including 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 on the consolidated balance sheets as of December 31, 2010 and 2009 for long-term debt was $1.55 billion. The Company has estimated the fair value of its debt to be comparable to the carrying value of debt as of December 31, 2010 and 2009. Using a discounted cash flow technique, the Company considered an interest rate spread that would be issued for comparable debt. Due to the volatility in the marketplace and the unique nature of the underlying assets, fair value determinations are highly subjective.

Interest rate swap agreements have been recorded at their estimated fair values as discussed in Notes 7 and 8.

4. 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 accounts — 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 Financial Security Assurance Inc.-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 common security representative. These restricted cash accounts are set up to fund the operating and capital expenditure requirements of SCC.

Amounts are classified as current or long-term based on the requirements within the loan agreement.

As of December 31, 2010 and 2009, the restricted cash and cash reserve accounts consisted of the following:

	2010	2009
Collection account	$ 297	$ 375
Proceeds account	3,890	789
Operating accounts	942	605
Major maintenance account	68	-
Bond payment accounts	94	-
Operational reserve account	4,000	4,000
Debt service reserve account	37,445	32,198
Major maintenance reserve account	3,820	1,093
Distribution account	1,644	12,369
Schedule 2 works reserve account	13,537	13,537
Revenue stabilization reserve account	3,750	5,000
	69,487	69,966
Less — current portion	(2,950)	(13,349)
	$ 66,537	$ 56,617

5. INTANGIBLE ASSETS

As of December 31, 2010 and 2009, the Company's intangible assets consisted of the following:

	Estimated Useful Life (in Years)	2010			2009		
		Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Concession rights	99	$1,513,358	$90,713	$1,422,645	$1,513,358	$75,426	$1,437,932

Amortization expense related to intangible assets was $15.3 million for the years ended December 31, 2010 and 2009. Annual amortization expense of intangible assets for each of the next five years is $15.3 million per year.

6. LONG-TERM DEBT

As of December 31, 2010 and 2009, outstanding debt consisted of the following:

	2010	2009
Series A bonds	$ 439,000	$ 439,000
Series B bonds	961,000	961,000
Subordinated debt	154,890	152,729
	$ 1,554,890	$ 1,552,729

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 (0.30% and 0.25% as of December 31, 2010 and 2009, respectively), plus a margin of 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 (0.30% and 0.25% as of December 31, 2010 and 2009, respectively) plus a margin of 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
	$ 961,000

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 interest on the Series A Bonds and Series B Bonds and the related interest rate swap payments (see Note 7).

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

a. Optional redemption by SCC at any time after September 30, 2010, at a redemption price set as follows:

   i. 103% of the principal amount being redeemed plus any accrued interest, if redeemed within the 12-month period commencing on September 30, 2010;

   ii. 102% of the principal amount plus any accrued interest if the optional redemption occurs during the 12-month period commencing on September 30, 2011;

   iii. 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

iv. 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 subordinated loan matures on August 17, 2035. The interest rates for the subordinated loan are as follows:

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

The 6-month LIBOR rate as of December 31, 2010 and 2009 was 0.74% and 1.0%, respectively. Interest payments are due on January 10 and July 10 of each year. During the years ended December 31, 2010 and 2009, $0 and $1.0 million, respectively, of principal payments were made. The subordinated loan agreement allows for payment of interest in kind, and $2.16 million and $0.22 million of interest was converted to additional principal during the years ended December 31, 2010 and 2009, respectively.

The aggregate principal amount of the loan is due upon maturity. However, the terms of the subordinated loan agreement provide for prepayments of the loan at the option of the Company. The agreement also has various restrictive covenants, including a limitation on incurrence of indebtedness outside of the subordinated loan agreement.

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

The Company believes it was in compliance with all covenants as of December 31, 2010 and 2009. As of December 31, 2010, the Company and SCC failed the restricted payment minimum ratio covenant and therefore cannot make distributions to the Members or payments of principal and interest on the subordinated debt.

The Series A and B Bonds are secured by substantially all property, rights, and interests of SCC. The subordinated loan is secured by the Members' investment subject to security interest.

7. 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, 2010 and 2009.

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 (loss). SCC uses the hypothetical derivative method to determine the ineffective portion of the Series A swaps and records the ineffective amounts as derivative gain (loss) in the consolidated statements 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 (loss) and the ineffective portion as derivative gain (loss). SCC utilizes the hypothetical derivative method to determine the ineffective portions of the Series B swaps.

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 consolidated statements of cash flows.

The following tables more fully describe the terms of the respective Series A and Series B swaps (in thousands):

Table A: 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

Table B: 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		935,808
June 30, 2009	3,846	961,000	December 30, 2019		935,808
September 30, 2009		961,000	March 30, 2020		783,775
December 30, 2009	5,077	961,000	June 30, 2020		783,775
March 30, 2010		961,000	September 30, 2020		631,742
June 30, 2010	5,077	961,000	December 30, 2020		631,742
September 30, 2010		961,000	March 30, 2021		589,787
December 30, 2010	5,983	961,000	June 30, 2021		589,787
March 30, 2011		961,000	September 30, 2021		547,832
June 30, 2011	5,983	961,000	December 30, 2021		547,832
September 30, 2011		961,000	March 30, 2022		503,357
December 30, 2011	10,324	961,000	June 30, 2022		503,357
March 30, 2012		961,000	September 30, 2022		458,882
June 30, 2012	10,324	961,000	December 30, 2022		458,882
September 30, 2012		961,000	March 30, 2023		411,708
December 30, 2012	11,752	961,000	June 30, 2023		411,708
March 30, 2013		961,000	September 30, 2023		364,534
June 30, 2013	11,752	961,000	December 30, 2023		364,534
September 30, 2013		961,000	March 30, 2024		307,316
December 30, 2013	16,373	961,000	June 30, 2024		307,316
March 30, 2014		961,000	September 30, 2024		250,098
June 30, 2014	16,373	961,000	December 30, 2024		250,098
September 30, 2014		961,000	March 30, 2025		189,333
December 30, 2014	14,894	961,000	June 30, 2025		189,333
March 30, 2015		961,000	September 30, 2025		128,568
June 30, 2015	14,894	961,000	December 30, 2025		128,568
September 30, 2015		961,000	March 30, 2026		64,284
December 30, 2015	19,241	961,000	June 30, 2026		64,284

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

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

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 designated the subordinated debt and the subordinated debt swaps in a cash flow hedge relationship and records the effective portion of the subordinated debt swaps as a component of other comprehensive income (loss). The Company uses the hypothetical derivative method to determine the ineffective portion of the subordinated debt swaps and records the ineffective portion as derivative gain (loss) in the consolidated statements of operations.

A summary of the changes in fair value for the years ended December 31, 2010 and 2009 of the Company and SCC's derivatives is as follows:

	Series A Swaps	Series B Swaps	Subordinated Debt Swaps	Total
Balance — January 1, 2009	$ (85,062)	$ (600,002)	$ (10,458)	$ (695,522)
Derivative gain (loss)	177	44,561	(623)	44,115
Interest expense		(43,710)		(43,710)
Other comprehensive income	47,024	188,285	591	235,900
Balance — December 31, 2009	(37,861)	(410,866)	(10,490)	(459,217)
Derivative loss	(1,699)	(43,961)	(595)	(46,255)
Interest expense		(42,672)		(42,672)
Other comprehensive (loss) income	(22,120)	(57,695)	4,962	(74,853)
Balance — December 31, 2010	$ (61,680)	$ (555,194)	$ (6,123)	$ (622,997)

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company classifies all assets and liabilities carried at fair value in one of the following three categories:

Level 1 — Based upon quoted market prices in active markets for identical assets or liabilities

Level 2 — Based upon observable market based inputs or unobservable inputs that are corroborated by market data

Level 3 — Based upon unobservable inputs that are not corroborated by market data

The following table summarizes the valuation of our financial instruments by the above categories as of the valuation dates listed:

	December 31, 2010		
	Quoted Market Price (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Money market investments	$ -	$ 68,181	$ -
Total assets	$ -	$ 68,181	$ -
Derivative liability (interest rate swaps)	$ -	$ 622,997	$ -
Total liabilities	$ -	$ 622,997	$ -

	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 liability (interest rate swaps)	$ -	$ 459,217	$ -
Total liabilities	$ -	$ 459,217	$ -

Money market investments are valued based on current market prices and are included in restricted cash and cash reserves and restricted cash and cash reserves, long-term, on the accompanying consolidated balance sheets. The unrealized gain (loss) on money market investments is included in interest expense, net, in the accompanying consolidated statements of operations. The unrealized gain (loss) on derivatives is included in other comprehensive income (loss), derivative gain (loss), and interest expense, net, on the accompanying consolidated statements of operations (see Note 7).

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. The impact of the Company's creditworthiness has also been factored into the fair value measurement of the derivative instruments in a liability position.

9. RELATED PARTY TRANSACTIONS

SCC is party to a cost-sharing agreement with 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 that each party shall bear.

For the years ended December 31, 2010 and 2009, the total amount of costs charged to ITRCC in relation to this agreement amounted to $1.3 million and $1.5 million, respectively, of which $0.2 million and $0.7 million remained outstanding at December 31, 2010 and 2009, respectively. These amounts are included in the receivable from related parties on the accompanying consolidated balance sheets and included in salaries and wages in the accompanying consolidated statements of operations. The total amount of costs charged to SCC by ITRCC amounted to $0.3 million and $0.4 million, for the years ended December 31, 2010 and 2009, respectively, of which $0.1 million remained outstanding as of December 31, 2010 and 2009. These amounts are included in salaries and wages in the accompanying consolidated statements of operations and due to related parties on the accompanying consolidated balance sheets.

On September 23, 2008, SCC entered into an Electronic Toll Collection Agreement ("ETC Agreement") with ITRCC. The terms of the ETC Agreement permit ITRCC to collect and process 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 the ETC 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 $1.1 million and $1.0 million for the years ended December 31, 2010 and 2009, respectively, of which $0.1 million remained outstanding as of December 31, 2010 and 2009. These amounts are included in toll collection expense in the accompanying consolidated statements of operations and due to related parties on the accompanying consolidated balance sheets.

Under the terms of the ETC Agreement, ITRCC processed $37.0 million and $39.2 million on behalf of SCC during the years ended December 31, 2010 and 2009, respectively, and collected $37.7 million and $38.7 million for the years ended December 31, 2010 and 2009, respectively, which was remitted to SCC. ETC transactions processed on behalf of SCC that remained outstanding as of December 31, 2010 and 2009, were $2.8 million and $3.5 million, respectively, and are included in accounts receivable on the accompanying consolidated balance sheets.

The ETC Agreement terminates on June 9, 2018, and may be extended if agreed upon by both parties.

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 and SCC with certain services related to operations of the Chicago Skyway. The services provided include, 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 certain information technology systems, and working or consulting on behalf of the Company and SCC. The Company and SCC reimburse their

Members for the cost of providing these services. The total amount of costs incurred by the Company and SCC in relation to services provided by the Company's Members and the secondment arrangements for the years ended December 31, 2010 and 2009, were $1.0 million and $1.1 million, respectively, of which $0.2 million and $0.4 million remained outstanding as of December 31, 2010 and 2009, respectively. These amounts are included in salaries and wages in the accompanying consolidated statements of operations and due to related parties on the accompanying consolidated balance sheets.

10. 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.

11. 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 consolidated financial statements. 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, 2010 and 2009.

12. SUBSEQUENT EVENTS

The Company has evaluated events occurring subsequent to the date of the consolidated balance sheet through April 21, 2011, the date the consolidated financial statements were available to be issued.

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