

Statewide Mobility Partners 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

STATEWIDE MOBILITY PARTNERS LLC AND SUBSIDIARY
(A Delaware Limited Liability Company)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Members of
Statewide Mobility Partners LLC:

We have audited the accompanying consolidated balance sheet of Statewide Mobility Partners 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
Statewide Mobility Partners 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 Statewide Mobility Partners LLC and its 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

STATEWIDE MOBILITY PARTNERS LLC AND SUBSIDIARY
(A Delaware Limited Liability Company)

CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2010 AND 2009 (RESTATED)
(In thousands, except for per unit data)

	2010	2009 (As restated, see Note 2)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 383	\$ 204
Restricted cash and cash reserves	3,051	7,773
Accounts receivable — net of allowance for doubtful accounts of \$19 and \$20 as of December 31, 2010 and 2009, respectively	10,191	9,347
Receivable from related party	211	245
Prepaid expenses and other current assets	4,450	4,175
Current portion of toll freeze deposit	<u>18,222</u>	<u>14,501</u>
Total current assets	<u>36,508</u>	<u>36,245</u>
PROPERTY AND EQUIPMENT:		
Bridges and roads	935,995	919,962
Machinery and equipment	10,585	9,595
Tools	288	288
Furniture and fixtures	448	448
Computers and office equipment	6,831	5,451
Vehicles	<u>3,125</u>	<u>3,125</u>
	957,272	938,869
Less accumulated depreciation	<u>(163,427)</u>	<u>(124,079)</u>
	793,845	814,790
Projects in progress	<u>209,318</u>	<u>154,973</u>
Net property and equipment	1,003,163	969,763
ADVANCE PAYMENTS TO CONTRACTORS	5,199	11,950
CONCESSION RIGHTS — Net of accumulated amortization of \$181,615 and \$141,257 as of December 31, 2010 and 2009, respectively	2,845,202	2,885,560
DEFERRED FINANCING COSTS — Net of accumulated amortization of \$16,401 and \$12,780 as of December 31, 2010 and 2009, respectively	16,305	19,925
LONG-TERM TOLL FREEZE DEPOSIT	39,619	31,299
RESTRICTED CASH AND CASH RESERVES — Long-term	<u>6,788</u>	<u>20,921</u>
TOTAL	<u>\$3,952,784</u>	<u>\$3,975,663</u>
LIABILITIES AND MEMBERS' INVESTMENT		
CURRENT LIABILITIES:		
Accounts payable	\$ 9,616	\$ 6,072
Due to related parties	1,307	1,526
Current portion of accrued other liabilities	3,309	3,127
Deferred revenues	1,374	876
Current portion of due to IFA	<u>18,222</u>	<u>14,501</u>
Total current liabilities	33,828	26,102
ACCRUED OTHER LIABILITIES — Long-term	9,082	6,835
CUSTOMERS' DEPOSITS	647	651
DUE TO IFA — Long-term	39,619	31,299
DERIVATIVE LIABILITY	1,268,912	896,969
LONG-TERM DEBT — Net of financing costs, net, paid to lenders of \$23,364 and \$28,556 as of December 31, 2010 and 2009, respectively	<u>3,646,190</u>	<u>3,584,636</u>
Total liabilities	<u>4,998,278</u>	<u>4,546,492</u>
COMMITMENTS AND CONTINGENCIES (Note 13)		
MEMBERS' INVESTMENT		
Members' capital — one hundred units at \$20 par value	2	2
Additional paid-in capital	702,856	702,856
Accumulated other comprehensive loss	(711,640)	(497,745)
Accumulated deficit	<u>(1,036,712)</u>	<u>(775,942)</u>
Total members' investment	<u>(1,045,494)</u>	<u>(570,829)</u>
TOTAL	<u>\$3,952,784</u>	<u>\$3,975,663</u>

See notes to consolidated financial statements.

STATEWIDE MOBILITY PARTNERS 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	\$ 164,240	\$ 149,642
Lease and other revenue	<u>9,069</u>	<u>8,758</u>
Total revenues	<u>173,309</u>	<u>158,400</u>
OPERATING EXPENSES:		
Salaries and wages	3,795	4,050
Operations overhead	6,930	6,453
Routine repairs and maintenance	8,659	8,322
Toll collection expenses	9,628	10,278
Other office and administrative expenses	4,097	4,587
Insurance	1,347	1,412
Depreciation and amortization	<u>79,705</u>	<u>74,623</u>
Total operating expenses	<u>114,161</u>	<u>109,725</u>
OPERATING INCOME	59,148	48,675
DERIVATIVE (LOSS) GAIN	(51,865)	187,892
INTEREST EXPENSE — Net	<u>(268,053)</u>	<u>(257,713)</u>
NET LOSS	<u>\$ (260,770)</u>	<u>\$ (21,146)</u>

See notes to consolidated financial statements.

STATEWIDE MOBILITY PARTNERS 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	Accumulated Deficit	Total
MEMBERS' INVESTMENT — January 1, 2009 (As restated, see Note 2)	\$ 702,858	\$ (1,441,491)	\$ (754,796)	\$ (1,493,429)
Net loss (As restated, see Note 2)			(21,146)	(21,146)
Net unrealized gain in hedging activities (As restated, see Note 2)		943,746		<u>943,746</u>
Total comprehensive gain (As restated, see Note 2)	_____	_____	_____	<u>922,600</u>
MEMBERS' INVESTMENT — December 31, 2009 (As restated, see Note 2)	702,858	(497,745)	(775,942)	(570,829)
Net loss			(260,770)	(260,770)
Net unrealized loss in hedging activities		(213,895)		<u>(213,895)</u>
Total comprehensive loss	_____	_____	_____	<u>(474,665)</u>
MEMBERS' INVESTMENT — December 31, 2010	<u>\$ 702,858</u>	<u>\$ (711,640)</u>	<u>\$ (1,036,712)</u>	<u>\$ (1,045,494)</u>

See notes to consolidated financial statements.

STATEWIDE MOBILITY PARTNERS 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	\$ (260,770)	\$ (21,146)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of deferred financing costs and financing costs included in interest expense	8,812	8,812
Depreciation of property and equipment	39,347	34,265
Amortization of concession rights	40,358	40,357
Loss on disposal of property and equipment		35
Net unrealized loss (gain) in hedging activities	158,048	(85,251)
Changes to operating assets and liabilities:		
Accounts receivable	(82)	(1,451)
Prepaid expenses and other current assets	(275)	(958)
Accounts payable	(210)	(3,166)
Accrued other liabilities	355	1,970
Due to related parties	(947)	71
Deferred revenues	498	(434)
Customers' deposits	(4)	(124)
Net cash used in operating activities	<u>(14,870)</u>	<u>(27,020)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(60,168)	(72,410)
Change in restricted cash and cash reserves	<u>18,855</u>	<u>26,147</u>
Net cash used in investing activities	<u>(41,313)</u>	<u>(46,263)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Series B loan	1,200	4,800
Proceeds from Series C loan	56,449	68,451
Payment on series A, B, and C loans	<u>(1,287)</u>	<u>-</u>
Net cash provided by financing activities	<u>56,362</u>	<u>73,251</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	179	(32)
CASH AND CASH EQUIVALENTS:		
Beginning of year	<u>204</u>	<u>236</u>
End of year	<u>\$ 383</u>	<u>\$ 204</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION — Cash paid during the period for interest and swaps (including interest capitalized)		
	<u>\$ 154,454</u>	<u>\$ 147,840</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES —		
Purchase of property and equipment under liabilities	<u>\$ 5,828</u>	<u>\$ 3,483</u>
Net unrealized (loss) gain on hedging activities charged to other comprehensive income	<u>\$ (213,895)</u>	<u>\$ 943,746</u>

See notes to consolidated financial statements.

STATEWIDE MOBILITY PARTNERS LLC AND SUBSIDIARY

(A Delaware Limited Liability Company)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009 (RESTATED) (In thousands, except toll rate data)

1. DESCRIPTION OF OPERATIONS

Statewide Mobility Partners LLC (the “Company”) is a limited liability company formed pursuant to the laws of the State of Delaware. The Company wholly owns ITR Concession Company Holdings, LLC (“ITRCCH”), which in turn wholly owns ITR Concession Company LLC (“ITRCC”).

The Company is indirectly owned 50% by Cintra Concesiones de Infraestructuras de Transporte, S.A. (“Cintra”) and 50% by Macquarie Infrastructure Partners and Macquarie Atlas Roads (“Macquarie”) (collectively, the “Members”). Macquarie Atlas Roads was formed in 2010 through the divestiture of assets from Macquarie Infrastructure Group.

ITRCC was formed for the purpose of (1) leasing the Indiana Toll Road from the Indiana Finance Authority (“IFA”) and (2) operating and collecting the toll revenues and maintaining the Indiana Toll Road under the terms of the Concession and Lease Agreement between ITRCC and IFA. The Company was formed for the purpose of owning ITRCC and ITRCCH.

The Indiana Toll Road was opened to traffic in 1956 and stretches 157 miles across the northernmost part of Indiana from its border with Ohio to the Illinois state line. It provides a principal link between Chicago and the east coast.

On April 12, 2006, ITRCC entered into a Concession and Lease Agreement with the IFA for the exclusive right to operate, manage, rehabilitate, and toll the Indiana portion of the Toll Road. On June 29, 2006, the closing date, as defined under the Concession and Lease agreement, ITRCC made a one-time rent payment of \$3.8 billion to the IFA and consequently assumed the operations of the Indiana Toll Road.

The Concession and Lease Agreement, as amended, among other things, requires ITRCC to:

- Be responsible for all aspects of the Indiana Toll Road operations and to be in accordance with the provisions of the Concession and Lease agreement and applicable laws
- Fund and complete certain mandatory expansion projects, which include the implementation of a barrier-controlled electronic toll collection system and expansion of travel lanes no later than 2010 (see Note 11)
- Fund certain capital expenditures of the Indiana State Police (“ISP”) totaling \$5.0 million, on the closing date, in connection with the latter’s provision of law enforcement services along the Indiana Toll Road

- Reimburse the IFA annually for traffic patrol and traffic law enforcement services provided by the ISP on the Indiana Toll Road, made in quarterly payments. The IFA shall be permitted to increase the annual reimbursement every year by certain applicable percentage increases. For the years ended December 31, 2010 and 2009, ITRCC submitted payments totaling \$6.4 million and \$6.2 million, respectively, which were recorded in prepaid expenses and other current assets on the accompanying consolidated balance sheets when payments are submitted.

ITRCC has determined that a lease exists (the "Lease Agreement") in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 840, *Leases*, as the Concession and Lease Agreement conveyed the right to ITRCC to operate underlying property and equipment, and ITRCC has taken the financial risk associated with operating such property and equipment.

ITRCC has also determined that the Lease Agreement contains a lease arrangement that qualifies as a capital lease since the term of the Lease Agreement exceeds 75% of the economic useful life of the leased property.

The Concession and Lease Agreement includes a toll freeze period beginning on June 29, 2006, and continuing until the earlier of (i) June 30, 2016, or (ii) one hundred twenty (120) days following notice of termination of the toll freeze period having been delivered to the Company by the IFA (collectively, the "Toll Freeze Period"). During such Toll Freeze Period, tolls to be collected from Class 2 users (including commuter discount users) using the electronic toll collection system shall be based on the original toll rates in effect on June 29, 2006. The IFA has agreed to fund and reimburse ITRCC for its lost revenues which is the difference between the (a) tolls actually collected from the Class 2 users using the original toll rate and (b) tolls that would have been collected had ITRCC been entitled to charge the contract toll rate specified in the original Concession and Lease Agreement during the Toll Freeze Period (see Note 4).

2. RESTATEMENT

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

ITRCC designates 90% of its 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 ITRCC 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.

Further, management restated the consolidated financial statements as of and for the year ended December 31, 2009 to adjust for the straight-line impact of rental revenue related to 2008 and prior years in accordance with ASC 840, *Leases*, which had previously been recognized in accordance with the contractual terms of the lease agreements, to correct for errors in depreciation expense related to 2008 and prior years, and to correct a balance sheet reclassification of financing costs paid to lenders for the arrangement of financing in 2006. The deferred financing costs were previously classified as an asset but have been reclassified to be shown as financing costs offset to long-term debt.

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

	<u>As Reported</u>	<u>As Restated</u>
Consolidated statement of members' investment as of January 1, 2009:		
Accumulated other comprehensive loss	\$(1,518,929)	\$(1,441,491)
Accumulated deficit	(677,555)	(754,796)
Total members' investment	(1,493,626)	(1,493,429)
Consolidated balance sheet and statement of members' investment as of December 31, 2009:		
Accumulated other comprehensive loss	(596,331)	(497,745)
Accumulated deficit	(677,553)	(775,942)
Total members' investment	(571,026)	(570,829)
Consolidated balance sheet as of December 31, 2009:		
Prepaid expenses and other current assets	2,985	4,175
Total current assets	35,055	36,245
Deferred financing costs	48,482	19,925
Accumulated amortization of deferred financing costs	(30,952)	(12,780)
Accumulated depreciation	(123,087)	(124,079)
Net property and equipment	970,755	969,763
Total assets	4,004,022	3,975,663
Long-term debt	3,613,192	3,584,636
Total liabilities	4,575,048	4,546,492
Total liabilities and members' investment	4,004,022	3,975,663
Consolidated statement of operations for the year ended December 31, 2009:		
Derivative gain	209,040	187,892
Net income (loss)	2	(21,146)
Consolidated statement of members' investment for the year ended December 31, 2009:		
Net income (loss)	2	(21,146)
Net unrealized gain on hedging activities	922,598	943,746
Consolidated statement of cash flows for the year ended December 31, 2009:		
Net income (loss)	2	(21,146)
Net unrealized gain on hedging activities	(106,399)	(85,251)
Supplemental disclosure of noncash investing activities —		
Net unrealized gain in hedging activities charged to other comprehensive income	\$ 922,598	\$ 943,746

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, ITRCCH, and ITRCC. All significant intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents — ITRCC considers all short-term investments with original maturities of three months or less to be cash equivalents.

Restricted Cash and Cash Reserves — ITRCC deposits all of its cash collections into a designated bank account. Transfers of funds from this designated bank account into its operating bank accounts require the approval of ITRCC's lenders. Cash reserves as of December 31, 2010 and 2009, pertain to project accounts (see Note 5).

Accounts Receivable — ITRCC's accounts receivable primarily includes amounts to be collected from the Illinois State Toll Highway Authority ("ISTHA"), the New York Highway Authority, and various other governmental agencies that issue electronic toll collection ("ETC") transponders. The amounts to be collected are for prepaid and postpaid tolls incurred by motorists who possess a transponder issued by these other agencies which was used on the Indiana Toll Road. Management regularly reviews its postpaid tolls receivable and amounts due from these governmental agencies to provide an allowance when it considers them uncollectible. In establishing the allowance for doubtful accounts, ITRCC 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.

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 Indiana Toll Road.

ITRCC capitalizes interest cost as part of the cost of acquiring property and equipment for items that require a period of time to get ready for their intended use. The interest rate applied is the interest rate on ITRCC's Series C Loan, as proceeds from the Series C Loan are solely used to fund capital expenditures. ITRCC capitalized \$2.7 million and \$3.0 million of interest expense for the years ended December 31, 2010 and 2009, respectively.

Property and equipment are stated at cost less accumulated depreciation. ITRCC 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 that 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	4–75 years
Machinery and equipment	4–5 years
Tools	4–5 years
Furniture and fixtures	5–12 years
Computers and office equipment	3 years
Vehicles	5 years

For the years ended December 31, 2010 and 2009, total depreciation expense was \$39.3 million and \$34.3 million, respectively.

Concession Rights — The value assigned to the right to operate the Indiana Toll Road is amortized on a straight-line basis over the life of the Concession and Lease Agreement of 75 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.

Concession and Lease Agreement Direct Costs — ITRCC has capitalized those costs directly related to entering into the Concession and Lease Agreement and has included such costs in the total amount allocated to property and equipment under lease or concession rights based upon relative fair values.

Deferred Financing Costs — Deferred financing costs consist of costs incurred with third parties in connection with obtaining ITRCC's debt. The costs have been capitalized and are amortized to interest expense over the terms of the loans, using the straight-line method, which approximates the effective interest method. Financing costs are recorded as a debt discount and consist of amounts paid to the lenders in connection with obtaining ITRCC's long-term debt. Amortization expense related to deferred financing costs and financing costs was \$8.8 million for the years ended December 31, 2010 and 2009.

Construction Retention — Retention amounts represent amounts due to contractors upon significant completion of highway 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, \$10.7 million and \$8.7 million was recorded for construction retention, respectively, and is recorded in accrued other liabilities in 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 Indiana Toll Road. The Indiana Toll Road has two toll collection systems. The Barrier System is used in the first 23 miles of the western section of the Indiana Toll Road. Under the Barrier System, the customers pay their tolls at time of entry to the Indiana Toll Road, as well as at certain exits within this portion. The Ticket System is used from mile post 24 to the eastern end of the Indiana Toll Road. Under the Ticket System, the customers obtain a ticket as they enter this section of the Indiana Toll Road and pay for the toll based on the rates stated on the ticket when they exit this section of the Indiana Toll Road. Toll revenues are collected in three ways:

Cash Collections — Cash received at the automatic coin collection machines and toll booths each day is deposited into deposit accounts.

Electronic Toll Collection — ITRCC uses an ETC system in both the barrier and ticket portions of the Indiana Toll Road. ITRCC issues its own transponders, the i-Zoom, to be used for transmitting the usage of the toll road by the vehicle to the ETC system. ITRCC is also a member of the E-Z Pass Inter-Agency Group (“IAG”). IAG is an organization with 23 member agencies that operate the E-Z Pass on 46 roads, bridges, and tunnels in the Northeast and the Midwest, and as such, ITRCC also accepts the transponders issued by other members of the IAG. Customers are charged according to their usage. For customers who have a prepaid account, the usage amounts are deducted from the initial deposits set up, which are automatically replenished by the customer when it reaches a minimum amount. For commercial customers who have a post pay account with ITRCC, the usage amounts are billed every month. Charges incurred by customers using other agencies’ transponders are settled between agencies once a month.

IFA Reimbursement — See Note 4

Toll rates are based on number of axles per vehicle and are subject to the maximum amounts ITRCC is entitled to establish in accordance with the terms of the Concession and Lease Agreement. The toll rates in effect for vehicles traveling the entire distance in the Barrier and Ticket Systems for customers who pay in cash, as of December 31, 2010 and 2009, are as follows:

Vehicle Classification	2010		2009	
	Barrier	Ticket	Barrier	Ticket
2 axles	\$ 1.50	\$ 7.30	\$ 1.25	\$ 6.75
3 axles	1.80	11.10	1.75	10.00
4 axles	3.90	23.00	3.75	20.75
5 axles	5.20	30.00	5.00	27.00
6 axles	6.00	35.20	5.75	31.75
7 or more axles	11.40	65.20	11.00	58.75

Two-axle vehicle customers who pay using the ETC system pay reduced rates due to the IFA reimbursement as discussed in Note 4.

Lease Revenue Recognition — Under the terms of the Concession and Lease Agreement, ITRCC is entitled to collect lease revenues from third parties that lease space in travel plazas along the Indiana Toll Road. The terms of the lease agreements with each lessee provide for the payment of minimum annual rent payments, rent payments based on the lessee’s sales, or a combination of both minimum annual rent and rent payments based on the lessee’s sales. The terms of the leases with each lessee also contain annual rent increases. Any minimum annual rent is recognized on a straight-line basis over the life of the lease. The executed leases in effect as of December 31, 2010, expire at various dates through January 2015 and contain right of renewal options which are at the option of both the lessee and ITRCC.

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. ITRCC formally documents 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 forecasted transaction. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and resulting designation.

Currently, ITRCC only designates and accounts for its 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) ITRCC expects 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, ITRCC recognizes 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, ITRCC will discontinue hedge accounting prospectively. ITRCC would continue to carry the derivative on the balance sheet at fair value and would record further changes in fair value in the statement of operations as derivative gain (loss) until the derivative is terminated or redesignated.

The changes in the value of the undesignated portion of derivatives are reported 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, 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 is \$3.67 billion and \$3.61 billion, respectively. Using a discounted cash flow technique, the Company has estimated the fair value of its debt to be \$3.41 billion at December 31, 2010 and within a range of \$3.41 and \$3.54 billion at December 31, 2009. In determining the fair value, the Company considered interest rate spreads 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 the estimated fair values as discussed in Notes 8 and 9.

4. TOLL FREEZE DEPOSIT

The Concession and Lease Agreement provided that during the Toll Freeze Period, the IFA shall pay ITRCC the difference between the tolls actually collected from Class 2 users (including Commuter Discount Users) and the tolls that would have been collected from the same Class 2 users had ITRCC been entitled to contract toll rates under the original Concession and Lease Agreement. The IFA applied \$60 million from the Concession and Lease payment to fund the toll freeze deposit account. Such toll freeze deposit account is maintained in the name of ITRCC, which shall have exclusive dominion and control over such deposit. The Concession and Lease Agreement provided that ITRCC shall use the toll freeze deposit account solely to fund reimbursement of lost revenues and shall not use such funds for any other purpose without prior consent of the IFA.

The Concession and Lease Agreement also provided a mechanism whereby if the balance in the toll freeze deposit account falls below \$30 million at any point prior to the termination of the Toll Freeze Period, the IFA will deposit additional funds into the toll freeze deposit account so that immediately following the deposit, the balance in the toll freeze deposit account will be \$60 million, unless ITRCC and IFA agree otherwise that conditions warrant for the balance in the toll freeze deposit account to be replenished at an amount less than \$60 million.

On December 2, 2010, the IFA deposited an additional \$30.2 million into the toll freeze deposit account to replenish the account to \$60 million.

The Concession and Lease Agreement permits ITRCC to withdraw funds from the toll freeze deposit account for payment three times per month.

Interest earned on the toll freeze deposit shall be held in the toll freeze deposit account and included as amounts accrued and remaining on deposit. Upon termination of the Toll Freeze Period, interest or investment income on the toll freeze deposit account shall become payable to the IFA. Consistent with these conditions, all interest and investment income on the toll freeze deposit account are recorded as due to the IFA on the accompanying consolidated balance sheets.

ITRCC has recognized toll freeze revenue of \$18.2 million and \$14.5 million for the years ended December 31, 2010 and 2009, respectively. This revenue is reported as part of toll revenue in the accompanying consolidated statements of operations. The amounts withdrawn from the toll freeze deposit account were \$18.3 million and \$14.4 million for the years ended December 31, 2010 and 2009,

respectively. The amounts withdrawn from the toll freeze deposit account differ from the toll freeze revenue recognized due to the timing of the withdrawal requests. The remaining balance in the toll freeze deposit account, \$57.8 million and \$45.8 million as of December 31, 2010 and 2009, respectively, is reflected in both short-term and long-term assets and liabilities. The short-term amount in both the assets and liabilities was based on estimated amounts to be earned in the upcoming twelve months. The amounts classified as short-term were \$18.2 million and \$14.5 million as of December 31, 2010 and 2009, respectively.

Upon termination of the Toll Freeze Period and following the implementation of the tolls at the contract toll rate, ITRCC shall disburse the funds remaining in the toll freeze deposit account, after the application of all payments of lost revenues owed to ITRCC, back to the IFA including all interest accrued with respect to such funds.

5. PROJECT ACCOUNTS SYSTEM (CASH RESERVE ACCOUNTS)

Under the terms of its loan agreement, ITRCC is required to maintain the following cash reserve project accounts:

- Proceeds account
- Collections account
- Operating account
- Construction proceeds account
- Revenue stabilization reserve account
- Distribution account
- Cash collateral
- ETC customer prepayment account

All of the project accounts are under the control of a collateral agent. These restricted cash reserve accounts are set up to fund the operating and capital expenditure requirements of ITRCC. Amounts are classified as current or long-term based on the requirements within the loan agreement.

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

	2010	2009
Proceeds account	\$ 195	\$ -
Collections account	666	815
Operating account	6,032	5,730
Construction proceeds account	19	104
Revenue stabilization reserve account		14,286
Distribution account	392	4,625
Cash collateral	90	90
ETC customer prepayment account	<u>2,445</u>	<u>3,044</u>
	9,839	28,694
Less current portion	<u>(3,051)</u>	<u>(7,773)</u>
	<u>\$ 6,788</u>	<u>\$ 20,921</u>

6. 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	75	<u>\$3,026,817</u>	<u>\$181,615</u>	<u>\$2,845,202</u>	<u>\$3,026,817</u>	<u>\$141,257</u>	<u>\$2,885,560</u>

Amortization expense related to intangible assets was \$40.4 million for the years ended December 31, 2010 and 2009. Annual amortization expense of concession rights for each of the next five years is \$40.4 million per year.

7. LONG-TERM DEBT

ITRCC is party to a loan agreement ("Loan Agreement") with multiple banks which provides for a term loan of \$3.25 billion (Series A loan), a liquidity facility not to exceed \$150 million (Series B loan), and a capital expenditure facility not to exceed \$665 million (Series C loan). The total value of the long-term debt outstanding is reduced by the financing costs paid to the creditors at the time ITRCC obtained the debt, net of accumulated amortization.

As of December 31, 2010 and 2009, outstanding debt under the above Loan Agreement consisted of the following:

	2010	2009 (As Restated)
Series A loan	\$3,247,185	\$3,248,341
Series B loan	78,473	77,300
Series C loan	343,896	287,551
Financing costs paid to lenders, net of accumulated amortization of \$23,364 and \$18,172 as of December 31, 2010 and 2009, respectively	<u>(23,364)</u>	<u>(28,556)</u>
	<u>\$3,646,190</u>	<u>\$3,584,636</u>

The above loans mature on June 29, 2015 and are subject to interest rates equivalent to the 6-month LIBOR (0.75% and 1.0% as of December 31, 2010 and 2009, respectively), plus an applicable margin, which are set out as follows:

- 95 basis points per annum for years 1 to 5;
- 110 basis points per annum for years 6 and 7; and
- 125 basis points per annum for years 8 and 9.

Interest is due semi-annually on June 30 and December 30.

The Loan Agreement also provides for prepayments of the loans at the option of ITRCC and various restrictive covenants common to such agreements, including limitations on sale of assets (not to exceed \$5 million per year); limitation on incurrence of additional debt outside of the Loan Agreement and those permitted under this loan agreement, and limitations on investments and distributions. The Company believes it was in compliance with all covenants as of December 31, 2010 and 2009. As of December 31, 2010, the Company cannot make distributions to the Members as it has failed its lock-up covenant.

The loans are secured by all of the membership interests in ITRCC.

8. DERIVATIVES

ITRCC's Loan Agreement requires that it must enter into a hedging transaction no later than the borrowing date for any amounts drawn from the Series A, B or C facilities. Accordingly, ITRCC is party to seven swap agreements which contain the same terms as follows:

Trade date	March 28, 2006
Effective date	June 30, 2006
Termination date	June 30, 2026
Floating rate option	USD-LIBOR-BBA
Spread	None
Floating rate day count fraction	Actual/360
Designated maturity	For each ending prior to the floating rate payer payment date in December 2006, 1 month. For each calculation period thereafter, 6 months.
Fixed rate	See table below

The terms of the above swap agreements provide for varying aggregate notional amounts during the life of the swaps ranging from \$3.22 million to \$4.24 million.

The fixed rate of each swap agreement over the term of the agreement is as follows:

From and Including	To but Excluding	Rate
June 30, 2006	June 30, 2010	3.1500 %
June 30, 2010	June 30, 2011	3.4000
June 30, 2011	June 30, 2013	3.6500
June 30, 2013	June 30, 2015	4.1500
June 30, 2015	June 30, 2016	4.9000
June 30, 2016	June 30, 2017	5.9500
June 30, 2017	June 30, 2018	6.1500
June 30, 2018	June 30, 2019	6.6500
June 30, 2019	June 30, 2020	7.3470
June 30, 2020	June 30, 2021	7.8319
June 30, 2021	June 30, 2022	9.3850
June 30, 2022	June 30, 2023	9.5444
June 30, 2023	December 31, 2023	11.2900
December 31, 2023	June 30, 2025	11.2901
June 30, 2025	June 30, 2026	11.2904

ITRCC's effective interest rate on the swaps was 5.82% for the years ended December 31, 2010 and 2009.

ITRCC designates 90% of the series of swaps as effective for cash flow hedge accounting and records the effective portion of the hedge as a component of other comprehensive income (loss). ITRCC uses the hypothetical derivative method to determine the ineffective portion of the series of swaps, and records the ineffective amounts as derivative gain (loss) in the consolidated statements of operations.

A summary of ITRCC's changes in fair values of derivatives is as follows:

	Series A, B and C Swaps
Derivative liability as of January 1, 2009	\$(1,925,966)
Derivative gain (As restated)	187,892
Interest expense	(102,641)
Other comprehensive gain (As restated)	<u>943,746</u>
Derivative liability as of December 31, 2009	(896,969)
Derivative loss	(51,865)
Interest expense	(106,183)
Other comprehensive loss	<u>(213,895)</u>
Derivative liability as of December 31, 2010	<u>\$(1,268,912)</u>

9. 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	\$ <u> </u>	\$ <u> 3,219</u>	\$ <u> </u>
Total assets	\$ <u> </u>	\$ <u> 3,219</u>	\$ <u> </u>
Derivative liabilities (interest rate swaps)	\$ <u> </u>	\$ <u>1,268,912</u>	\$ <u> </u>
Total liabilities	\$ <u> </u>	\$ <u>1,268,912</u>	\$ <u> </u>

	December 31, 2009		
	Quoted Market Price (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Money market investments	\$ -	\$ 22,276	\$ -
Total assets	\$ -	\$ 22,276	\$ -
Derivative liabilities (interest rate swaps)	\$ -	\$ 896,969	\$ -
Total liabilities	\$ -	\$ 896,969	\$ -

Money market investments are valued at 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 gains (losses) on money market investments are 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 8).

The Company's derivative instruments require the Company to pay interest based upon a fixed interest rate and an agreed-upon notional amount while the Company receives interest based upon a variable interest rate and an agreed-upon notional amount. The interest rate used to determine the variable amount of interest received each period is based upon 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 factored into the fair value measurement of the derivative instruments in a liability position.

10. RELATED PARTY TRANSACTIONS

ITRCC is party to a cost-sharing agreement with Skyway Concession Company LLC ("SCC"), an affiliate. The terms of this agreement provide that ITRCC and SCC 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, this 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.

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

On September 23, 2008, ITRCC entered into an Electronic Toll Collection Agreement (“ETC Agreement”) with SCC. The terms of the 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 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 \$1.1 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 expenses in the accompanying consolidated statements of operations and included in due from related parties on the accompanying consolidated balance sheets.

Under the terms of the ETC Agreement, ITRCC collected \$37.7 million and \$39.2 million on behalf of SCC during the years ended December 31, 2010 and 2009, respectively, of which \$37.0 million and \$38.7 million was processed for the years ended December 31, 2010 and 2009, respectively.

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

On September 15, 2006, ITRCC, Indiana Toll-Roads Contractors, LLC (“ITR Contractors”), Ferrovial Agroman, S.A. (“Ferrovial”), and Reith-Riley Construction Co. (“Reith-Riley”) Inc. entered into an agreement for the design and construction work of the mandatory expansion requirements (see Note 11) for a total contract value of \$250 million. Both ITRCC and ITR Contractors are subsidiaries of Ferrovial, the parent company of Cintra. As of December 31, 2010 and 2009, Reith-Riley has completed \$216.3 million and \$171.5 million of the contract, respectively. As of December 31, 2010 and 2009, \$9.1 million and \$6.8 million, respectively, remained in accrued other liabilities, long-term, on the accompanying consolidated balance sheets.

The Members, or their affiliates, from time to time, provide the Company, ITRCCH, or ITRCC with certain services related to operations of the Indiana Toll Road. 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 certain information technology systems, and working or consulting on behalf of the Company, ITRCCH, or ITRCC. The Company, ITRCCH, or ITRCC reimburses its Members for the cost of providing these services. The total amount of costs incurred by the Company, ITRCCH, and ITRCC in relation to services provided by the Members for the years ended December 31, 2010 and 2009 amounted to \$0.6 million and \$0.6 million, respectively, of which \$1.0 million and \$0.8 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 in the accompanying consolidated balance sheets.

11. SIGNIFICANT CONTRACTS

As noted in Note 1, ITRCC is required to complete certain mandatory expansion requirements as follows:

1. Implement a barrier-control ETC within two years from June 29, 2006, the closing date. This requirement was fulfilled during the year ended December 31, 2008.

2. Expand to three travel lanes in each direction from mile post 14.0 to mile post 15.5 by December 31, 2008. By mutual agreement of ITRCC and the IFA, this requirement was later extended until December 31, 2011.
3. Expand to three travel lanes in each direction from mile post 10.6 to mile post 14.0 and lower the Indiana Toll Road elevation to accommodate the flight path of Gary Chicago International Airport by December 31, 2011.
4. Expand to three travel lanes in each direction from mile post 18.5 to 20.27 by December 31, 2007. This requirement was fulfilled during the year ended December 31, 2007.

Items 2, 3 and 4 of the mandatory expansion requirements, above, are specified in the agreement between ITRCC and ITR Contractors (see Note 10). ITRCC intends to fund this through their capital expenditure facility, Series C loan (see Note 7).

12. SELF-INSURANCE

ITRCC has a self-insured medical program which is reinsured for aggregate stop loss and specific stop loss to partially fund the cost of providing health coverage to eligible full time employees. This policy was renewed in June of 2008 and extended through the end of May of 2009. This renewal was substantially similar to the original policy, in which ITRCC was limited to the aggregate stop loss amount of \$4.0 million, and benefits beyond this limit were covered by a third-party stop loss insurance policy. There is a \$5 million lifetime specific stop loss limit for each employee under the policy. The Company is fully insured as of December 31, 2010.

Total expenses incurred under ITRCC's self-insured medical plan amounted to \$1.6 million for the year ended December 31, 2009. No expenses were incurred under ITRCC's self-insured medical plan for the year ended December 31, 2010.

13. COMMITMENTS AND CONTINGENCIES

The Company may be subject to certain liabilities, claims, and commitments in the ordinary course of business. ITRCC retains insurance for property and casualty risks related to the Indiana Toll Road. Management believes purchased insurance coverage is adequate to cover all claims.

Under the terms of the Concession and Lease Agreement, ITRCC is obligated to indemnify the IFA for losses suffered by the IFA arising out of, among other things, any failure on the Company's part to comply with or observe any of the terms or obligations under the Concession and Lease Agreement, any liabilities relating to the Indiana Toll Road or its operations after June 30, 2006, and any tax attributable to the transfer of ITRCC's interest to the Concession and Lease Agreement.

14. RISKS AND UNCERTAINTIES

ITRCC is 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 ITRCC, 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 BBB to A- as of December 31, 2010 and BBB to AA as of December 31, 2009.

15. 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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