Toll Road Investors Partnership II, L.P.

(A Virginia Limited Partnership)

Financial Statements

For the years ended December 31, 2005 and 2004

Toll Road Investors Partnership II, L.P.
(A Virginia Limited Partnership)
Index
December 31, 2005 and 2004

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
1800 Tysons Boulevard
McLean, VA 22102-4261
Telephone (703) 918 3000
Facsimile (703) 918 3100

Report of Independent Auditors

To the Partners of
Toll Road Investors Partnership II, L.P.

In our opinion, the accompanying balance sheets and the related statements of operations, of changes in partners' deficit, and of cash flows present fairly, in all material respects, the financial position of Toll Road Investors Partnership II, L.P. (the "Partnership") at December 31, 2005 and 2004, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

March 28, 2006

Toll Road Investors Partnership II, L.P.
(A Virginia Limited Partnership)
Balance Sheets
as of December 31, 2005 and 2004

	2005	2004
Assets		
Project investment, net	$274,543,453	$258,570,366
Funds held in escrow:		
Interest bearing deposits	176,955,350	74,635,267
Held-to-maturity securities	496,320	11,877,147
Total funds held in escrow	177,451,670	86,512,414
Cash and cash equivalents	3,642,401	1,401,690
Prepaid bond insurance (net of accumulated amortization of $5,223,031 and $4,053,426, respectively)	80,820,854	24,899,574
Deferred bond issue costs (net of accumulated amortization of $1,554,036 and $1,500,709, respectively)	18,788,135	10,449,720
Accrued interest receivable	921,309	1,009,690
Prepaid expenses and other assets	477,554	431,325
Fixed assets (net of accumulated depreciation of $645,253 and $501,298 respectively)	331,914	426,064
Total assets	$556,977,290	$383,700,843
Liabilities and partners' deficit		
Current portion of long-term debt and accrued interest payable of $935,156 for both 2005 and 2004	$ 27,735,156	$ 12,235,156
Long-term debt	855,606,218	515,757,321
Accrued interest payable	-	53,441,406
Accounts payable and accrued expenses:		
Easement payable	4,289,161	3,227,276
Other accounts payable and accrued expenses	2,492,798	1,744,754
VIP Program Accrual	329,010	244,920
Total accounts payable and accrued expenses	7,110,969	5,216,950
Total liabilities	890,452,343	586,650,833
Partners' deficit	(333,475,053)	(202,949,990)
Total partners' deficit	(333,475,053)	(202,949,990)
Total liabilities and partners' deficit	$556,977,290	$383,700,843

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

Toll Road Investors Partnership II, L.P.
(A Virginia Limited Partnership)
Statements of Operations
Years ended December 31, 2005 and 2004

	2005	2004
Revenue		
Toll revenue	$ 45,433,147	$ 40,724,541
Interest income	6,183,362	2,357,695
Gain from real estate tax settlement	-	3,405,883
Other Income	140,028	271,711
Total interest and other income	6,323,390	6,035,289
Total revenue, interest and other income	51,756,537	46,759,830
Costs and expenses		
Interest expense	55,226,307	43,975,310
Operation and maintenance expense	6,147,091	5,708,318
General and administrative	3,696,062	2,272,090
Legal and consulting	1,465,061	755,910
Depreciation	8,320,521	10,889,867
Real estate property taxes	2,191,051	1,457,692
State police agreement	681,452	707,393
VDOT and credit card processing fees	1,438,305	1,431,292
VIP Miles Program expense	428,056	319,419
Insurance	576,639	567,311
Easement fees	1,461,885	477,273
Other operating expenses	203,458	206,245
Expenses reimbursed to related parties (Note 9)	11,000,000	-
Gain on disposal of fixed assets	(102)	(10,864)
Total costs and expenses	92,835,786	68,757,256
Net loss	$ (41,079,249)	$ (21,997,426)

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

Toll Road Investors Partnership II, L.P.
(A Virginia Limited Partnership)
Statements of Changes in Partners' Deficit
Years ended December 31, 2005 and 2004

	General Partner	Limited Partners					
	Shenandoah Greenway Corporation	Shenandoah Limited Partnership	AIE LLC	Brown & Root Toll Road Investment Partners	MIG Investments 2 (US) LLC	Shenandoah I LLC	Partners' Deficit
Balance at December 31, 2003	$ (156,058)	$ (82,558,922)	$ (51,362,662)	$ (26,847,392)	$ -	$ (20,027,530)	$ (180,952,564)
Allocation of net loss	(21,997)	(10,274,997)	(6,452,505)	(2,932,916)	-	(2,315,011)	(21,997,426)
Balance at December 31, 2004	(178,055)	(92,833,919)	(57,815,167)	(29,780,308)	-	(22,342,541)	(202,949,990)
Capital distributions	(89,446)	(41,780,140)	(26,237,141)	(9,285,510)	(2,640,301)	(9,413,278)	(89,445,816)
Allocation of net loss	(41,079)	(19,188,116)	(12,049,776)	(4,450,439)	(1,026,657)	(4,323,180)	(41,079,247)
Transfer of limited party interest	-	-	-	43,516,257	(43,516,257)	-	-
Balance at December 31, 2005	$ (308,580)	$ (153,802,175)	$ (96,102,084)	$ -	$ (47,183,215)	$ (36,078,999)	$ (333,475,053)

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

Toll Road Investors Partnership II, L.P.
(A Virginia Limited Partnership)
Statements of Cash Flows
Years ended December 31, 2005 and 2004

	2005	2004
Cash flows from operating activities		
Net loss	$ (41,079,249)	$ (21,997,426)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Net premiums/discounts on held-to-maturity securities	-	315,205
Depreciation	8,320,520	10,889,867
Gain on disposal of fixed assets	(102)	(10,864)
Accretion of bond discount	48,062,873	28,587,271
Amortization of prepaid bond insurance and deferred bond issue costs	1,497,430	1,190,172
Write off of bond issue costs from early extinguishment of bonds	1,632,567	-
Changes in assets and liabilities:		
(Increase) decrease in accrued interest receivable	88,381	(522,885)
(Increase) decrease in prepaid expenses and other assets	(46,229)	8,018
Increase (decrease) in accounts payable and accrued expenses	1,894,019	1,259,203
Increase (decrease) in accrued interest payable	(53,441,406)	11,705,971
Net cash (used in) provided by operating activities	(33,071,196)	31,424,532
Cash flows from investing activities		
Net increase in interest bearing deposits	(102,320,083)	(9,185,211)
Proceeds from maturities of held-to-maturity securities	11,380,827	12,780,000
Purchases of held-to-maturity securities	-	(16,620,410)
Proceeds from the sale of fixed assets	3,750	10,865
Purchases of fixed assets	(71,341)	(117,765)
Payments for capital improvments to project investments	(24,131,764)	(6,419,210)
Net cash used in investing activities	(115,138,611)	(19,551,731)
Cash flows from financing activities		
Payment of bond issue costs	(10,298,805)	(1,231,043)
Payment of bond insurance costs	(57,090,885)	-
Repayment of borrowed funds	(83,317,026)	(10,600,000)
Proceeds from bonds issued	390,603,050	-
Return of partner capital	(89,445,816)	-
Net cash provided by financing activities:	150,450,518	(11,831,043)
Net increase in cash and cash equivalents	2,240,711	41,758
Cash and cash equivalents, beginning of year	1,401,690	1,359,932
Cash and cash equivalents, end of year	$ 3,642,401	$ 1,401,690
Supplemental cash flow information		
Cash paid for interest	$ 57,989,825	$ 2,493,750

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

1. Organization and Business

General

Toll Road Investors Partnership II, L.P. (the "Partnership") is a Virginia limited partnership that owns and operates a limited access toll road (the "Dulles Greenway" or the "Project") located within a 250 foot wide right-of-way extending approximately 14 miles from the terminus of the existing Dulles Toll Road to Leesburg, Virginia. The road opened for operations on September 29, 1995.

Management Structure

The Agreement of Limited Partnership (the "Original Partnership Agreement") was executed on September 29, 1993 by Shenandoah Greenway Corporation ("Shenandoah" or the "General Partner" and Autostrade International Equity, Inc. ("Autostrade") (collectively the "Original General Partners"). The limited partners were Shenandoah, Shenandoah Limited Partnership ("Shenandoah LP"), Autostrade, Brown and Root Toll Road Investment Partners, Inc. ("Brown & Root") and The Goldman Sachs Group, L.P. (collectively with the Original General Partners, the "Original Partners").

In connection with the 1999 debt refinancing discussed in Note 5, the Original Partnership Agreement was amended, restated and superseded in its entirety by the Amended and Restated Agreement of Limited Partnership (the "Amended Partnership Agreement") executed on April 29, 1999 by and among Shenandoah, Shenandoah LP, Shenandoah I LLC, Autostrade and Brown & Root. Shenandoah became the sole General Partner and the Limited Partners were Shenandoah I LLC, Shenandoah LP, Autostrade and Brown & Root. On December 20, 2000, all of the stock of Autostrade was sold to an unrelated third party. This transaction had no effect on the ownership structure of the Partnership at December 31, 2000. On January 29, 2001, Autostrade merged into AIE LLC, a newly formed Virginia limited liability company and AIE LLC became a limited partner of the Partnership.

On September 8, 2005 Macquarie Infrastructure Group (MIG) acquired 100% of Shenandoah. On September 29, 2005, MIG acquired all of Brown and Root's 13.3% limited partner interest in the Partnership.

The General Partner has the authority and discretion to manage the operations and affairs of the Partnership for the benefit of all Partners.

Operations and Maintenance

The Partnership is party to an agreement with Autostrade International of Virginia, O&M, Inc. ("AIV") for operation and maintenance of the project.

Under the terms of the operation and maintenance agreement, all permitted operation and maintenance expenses are to be reimbursed by the Partnership. Compensation paid to AIV is based upon a percentage of the excess of toll revenue collected over expenses incurred in connection with the operation and maintenance of the Project.

Regulatory Environment

Construction and operation of the Project requires compliance with the Virginia Highway Corporation Act of 1988, as amended (the "Act"), and various federal, state and local government statutes, regulations and other requirements. Management believes that the

Partnership is in compliance with the Act and all applicable federal, state and local government statutes, regulations and requirements.

The Act grants the Virginia State Corporation Commission ("SCC") various powers and duties with respect to the Project including the approval of the toll rates, which may be charged and collected for use of the roadway. The Act provides that such toll rates are to be set at a level which is reasonable to the user in relation to the benefit obtained, which will not materially discourage use of the roadway by the public and which will provide the project's investors no more than a reasonable return as determined by the SCC.

On July 6, 2004, the SCC approved an increase in the toll ceiling for two axle vehicles ("automobiles") from \$2.00 to \$3.00 and from \$4.00 to \$6.00 for vehicles with three or more axles ("trucks"). The SCC's order authorized the company to increase its automobile tolls in 3 stages, September 7, 2004 from \$2.00 to \$2.40, January 1, 2006 up to \$2.70, and July 1, 2007 up to \$3.00. The authorized toll for trucks is at all times twice the authorized automobile toll. The first two toll increases were implemented on the dates authorized.

The Act prohibits the Commonwealth of Virginia from obligating its full faith and credit on any financing of the Project. Also, assumption of operation of the Project would not obligate the Commonwealth of Virginia to pay any obligation of the Project, whether secured or otherwise, from sources other than toll revenue.

In accordance with the Act, the Partnership's authority to operate the Project pursuant to the Certificate of Authority issued to the Partnership by the SCC was originally scheduled to terminate on April 2, 2036. On November 19, 2004, the SCC approved a refinancing plan for the Partnership and extended the Certificate of Authority to February 15, 2056.

Reclassifications
Certain amounts in the 2004 financial statements have been reclassified to conform to the 2005 presentation with no effect on previously reported net loss or shareholders' deficit.

2. Summary of Significant Accounting Policies

Basis of Accounting
The Partnership prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Revenue Recognition
The Partnership recognizes revenue daily as it is earned.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, together with amounts disclosed in the related notes to the financial statements. Management believes that its estimates and assumptions are appropriate; however, future actual results could differ.

Project Investment
The Partnership capitalized all direct and indirect costs related to the acquisition, development and construction of the Project in accordance with Statement of Financial Accounting Standards ("SFAS") No. 67, *"Accounting for Costs and Initial Rental Operations of Real Estate Projects"* and SFAS No. 34, *"Capitalization of Interest Costs."*

Effective January 1, 2002, the Partnership adopted Statement of Financial Accounting Standard No. 144, *"Accounting for the Impairment or Disposal of Long-Lived Assets" ("FAS 144")*. FAS 144 requires the Partnership to (a) recognize an impairment loss of a long-lived asset to be held and used only if the carrying amount of a long-lived asset is not recoverable from its undiscounted cash flows and (b) measure an impairment loss as the difference between the carrying amount and fair value of the long-lived asset. FAS 144 prescribes the best estimate approach to determine the undiscounted cash inflows and outflows to be used when the impairment of a long-lived asset may exist.

In accordance with FAS 144, management of TRIP II performed a recoverability test of the Project Investment as of December 31, 2005 using cash flow techniques. Management's evaluation indicated that, under the provisions of FAS 144, no impairment exists as of December 31, 2005.

Cash and Cash Equivalents
The Partnership considers short-term, highly liquid investments that are readily convertible to known amounts of cash, with original maturities of 90 days or less, to be cash equivalents (excludes funds held in escrow).

Funds Held in Escrow
Certain funds are required to be held in escrow by the bond issuances discussed in Note 7. These funds are invested in short and long-term interest bearing deposits, commercial paper, and investment securities classified as held-to-maturity investments with original maturities between overnight and 10 years.

Deferred Bond Issue Costs and Prepaid Bond Insurance
Costs incurred to refinance the Partnership's long-term debt including bond issue costs and prepaid bond insurance are being amortized to interest expense over the terms of the respective financing agreements using the effective-yield method. Unamortized deferred bond issue costs and prepaid bond insurance are charged to interest expense if the related debt is retired before the maturity date.

Fixed Assets
Furniture and fixtures, office equipment and vehicles are carried at historical cost and depreciated over estimated useful lives of three to five years.

Income Taxes
The Partnership is not directly subject to Federal and state income taxes because its taxable income or loss is recognized in the income tax returns of the Partners. Therefore, no provision for income taxes has been made in the accompanying financial statements.

3. Project Investment

Project investment consists of the following:

	2005	2004
Road construction development and right-of-way	$303,163,504	$303,163,504
Surfacing and safety fixtures	10,687,115	10,687,115
Toll collection equipment	11,400,819	10,967,544
Project improvements	48,300,106	24,601,617
	373,551,544	349,419,780
Accumulated depreciation	(99,008,091)	(90,849,414)
Project investment, net	$ 274,543,453	$ 258,570,366

Project investments are carried at historical cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the components comprising the Project investment: 7 to 15 years for surfacing and safety fixtures; 8 years for toll collection equipment; and 5 years for toll collection computer software. Project improvements are depreciated over 10 years for signage and 7 years for paving. All other improvements as well as the original construction and development of right-of-ways are depreciated over the remaining life of the Certificate of Authority. In March of 2005, the Certificate of Authority was extended from April 2, 2036 to February 15, 2056.

Depreciation of the Project began on September 29, 1995, the date the Project was substantially completed and open for traffic.

4. VDOT Processing Fees

The Partnership incurs processing fees for Automatic Vehicle Identification ("AVI") electronic toll collection transactions. These fees are assessed to the Partnership by the Virginia Department of Transportation ("VDOT"). From October 1, 2001 through August 31, 2005, the VDOT fee was $0.09 per transaction. The fee was lowered to $0.08 on September 1 2005, where it remains at present.

5. VIP Miles Program

In November 1999, the Partnership implemented the VIP Miles Program (the "Program"), which enables members of the Program to receive a cash back bonus on the amount of tolls paid for using the Dulles Greenway during a twelve-month period. The amount of the cash back bonus received by a participant of the Program is based upon the number of trips taken on the Greenway. Cash back bonuses range from 5% to 15% of tolls paid provided that the minimum number of trips has been met. Expenses incurred are recognized based on expected future cash payments to participants in the Program.

6. Held-to-maturity securities

During both 2005 and 2004, through its trustee, the Partnership purchased debt securities, which are included within funds held in escrow on the balance sheet. All of the debt securities were classified as held-to-maturity and carried at cost net of any unamortized premiums or discounts.

Held-to-maturity securities as of December 31, 2005 are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Corporate debt	$ 274,272	$ 15,523	$ -	$ 289,795
Other	222,048	12,746	-	234,794
Total	$ 496,320	$ 28,269	$ -	$ 524,589

The Partnership invests only in investment grade debt securities and considers the credit risk of the institutions with whom it has invested to be minimal. Three held-to-maturity investments were owned at December 31, 2005 and will mature before February 15, 2006. Management of the Partnership believes that the Partnership will receive the contractual cash flows associated with its held-to-maturity securities.

Held-to-maturity securities as of December 31, 2004 are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
US Treasury & Agency obligations	$ 7,593,134	$ 10,443	$ 45,448	$ 7,558,129
Corporate debt	3,957,324	1,990	15,548	3,943,766
Other	326,689	-	10,641	316,048
Total	$ 11,877,147	$ 12,433	$ 71,637	$ 11,817,943

Management of the Partnership had invested in thirteen securities as December 31, 2004, all of which had maturities of less than three years from the date of purchase, whose values were in unrealized loss positions. All of these securities matured on or before February 15, 2006 and the Partnership received the contractual cash flows associated with these held-to-maturity securities. The unrealized losses at December 31, 2004 stemmed from the differences between the December 31, 2004 market prices of the Partnership's portfolio of debt securities and the amortized costs of those securities.

7. Long-Term Debt and Financing Arrangements

Long-term debt at December 31, 2005 and 2004 consisted of the following:

	2005	2004
7.125% Series 1999A Senior Current Interest Bonds, $35,000,000 face amount, due 2035	$ 34,933,338	$ 34,931,052
Series 1999B Senior Zero Coupon Bonds, $1,302,900,000 face amount, due 2004-2035	438,756,680	420,109,243
9.33% Series 1999C First Tier Subordinated Compound Interest Project Revenue Bonds, due 2035	-	42,993,458
11% Series 1999D Second Tier Subordinated Compound Interest Project Revenue Bonds, due 2035	-	29,023,568
Series 2005A Senior Callable Zero Coupon Bonds, $1,378,700,000 face amount, due 2045	169,814,789	-
Series 2005B Senior Callable Zero Coupon Bonds, $453,800,000 face amount, due 2043	56,330,548	-
Series 2005C Senior Zero Coupon Bonds, $1,614,300,000 face amount, due 2036-2056	182,570,863	-
Total debt	$ 882,406,218	$ 527,057,321
Less current portion	26,800,000	11,300,000
Long-term debt	$ 855,606,218	$ 515,757,321

The Partnership funded the construction and development of the Dulles Greenway through equity contributions from the Original Partners and certain of their affiliates and from amounts loaned to the Partnership pursuant to certain financing agreements.

On April 29, 1999, the Partnership refinanced its original debt and entered into the Master Indenture of Trust (the "Indenture") with State Street Bank and Trust Company of Connecticut, National Association, (the "Original Trustee"), as supplemented by the First Supplemental Indenture of Trust (the "First Supplemental"), dated April 1, 1999 and the Second Supplemental Indenture of Trust (the "Second Supplemental"), also dated April 1, 1999. As of July 1, 2003, Wachovia Bank, N.A, replaced the Original Trustee. The Indenture requires the Partnership to maintain and operate the Dulles Greenway in compliance with the Partnership's comprehensive agreement with VDOT and the Act, as amended. The Indenture also requires the Partnership to use its best efforts to charge toll rates sufficient to meet certain minimum coverage ratios, as defined by the Indenture, subject to SCC approval. If the Partnership does not meet the minimum coverage ratios in any fiscal year, the Partnership will not be permitted to make any distributions to the Partners. The

Indenture also contains limitations on, among other things, the Partnership's ability to incur additional indebtedness.

In connection with the First Supplemental, the Partnership issued an aggregate of $35 million of 7.125% Senior Current Interest Bonds, Series 1999A, due 2035 (the "1999A Bonds") and an aggregate original principal amount of $297,782,516 of Senior Zero Coupon Bonds, Series 1999B, due each February 15 from 2003 through 2035 (the "1999B Bonds") and together with the 1999A Bonds, the ("1999 Senior Bonds").

Interest accrues on the 1999A Bonds at a rate of 7.125% per annum. Interest is payable semi-annually on each February 15 and August 15. The 1999A Bonds are subject to early redemption at the option of the Partnership, in whole or in part at any time, at a redemption price equal to the sum of (i) the principal amount of the 1999A Bonds to be redeemed, (ii) interest accrued thereon to the redemption date, and (iii) the make whole premium, if any, determined in accordance with the First Supplemental.

Interest accrues on the 1999B Bonds and compounds semi-annually on each February 15 and August 15, at rates ranging from 6.1% to 7.3%, such interest to be paid only at maturity or redemption. Scheduled maturities of the 1999B Bonds are $15.8 million in 2006, $17.4 million in 2007, $19.1 million in 2008, $23.5 million in 2009, $25.1 million in 2010 and $1.1907 billion maturing in years 2011 through 2035. The 1999B Bonds are subject to early redemption at the option of the Partnership, in whole or in part at any time, at a redemption price equal to the sum of (i) an amount equal to the accreted value of the 1999B Bonds to be redeemed (calculated through the redemption date in accordance with the First Supplemental) plus (ii) the make whole premium with respect to such accreted value, if any, determined in accordance with the First Supplemental.

Unamortized original issue discounts of $81,900 and $1,025,517,484 on the 1999A and 1999B Bonds, respectively, are being amortized over the life of the issues at 7.125% and 7.142%, respectively. Accretion of these discounts totaling $29,949,723 and $28,587,271 is added to the amount of long-term debt outstanding and is included in interest expense at December 31, 2005 and 2004, respectively.

The 1999 Senior Bonds are insured by two financial guaranty insurance policies (collectively, the "MBIA Policy") issued by MBIA Insurance Corporation ("MBIA"). The MBIA Policy covers the payment of scheduled principal and interest payments on the 1999 Senior Bonds. The MBIA Policy does not cover any make whole premium as defined by the Indenture or optional redemption payments. The 1999 Senior Bonds are further secured by a lien on and security interest in all of the assets of the Partnership.

The Partnership also issued an aggregate original principal amount of $42,993,458 Series 1999C Dulles Greenway First Tier Subordinated Compound Interest Project Revenue Bonds, (the "1999C Bonds") and an aggregate original principal amount of $29,023,568 1999D Dulles Greenway Second Tier Subordinated Compound Interest Project Revenue Bonds (the "1999D Bonds"). The 1999C Bonds and the 1999D Bonds (together the "1999 Subordinated Bonds") were retired in full using proceeds from the 2005 Senior Bonds.

On March 2, 2005, the Partnership issued an aggregate original principal amount of $162,438,434 of Senior Callable Zero Coupon Insured Dulles Greenway Project Revenue Bonds, Series 2005A, due 2045 (the "2005A Bonds"), $53,761,686 of Senior Callable Zero

Coupon Insured Dulles Greenway Project Revenue Bonds, Series 2005B, due 2043 (the "2005B Bonds") and $174,402,930 of Senior Zero Coupon Insured Dulles Greenway Project Revenue Bonds, Series 2005C, due each February 15 from 2036 through 2056 (the "2005C Bonds") collectively the "2005 Senior Bonds".

The 2005 Senior Bonds were issued pursuant to the Indenture, as supplemented by the First Supplemental, the Second Supplemental, the Third Supplemental and a Fourth Supplemental Indenture (the "Fourth Supplemental").

Interest accrues on the 2005A Bonds and compounds semi-annually on each February 15 and August 15 at rates that will produce yields to maturity of approximately 5.425%, such interest to be paid only at maturity or prior redemption. For any year from 2006 through 2021 in which the Partnership has sufficient cash available in the Early Redemption Fund, the 2005A Bonds are subject to mandatory early redemption in part by the Partnership on February 15 in each year, beginning February 15, 2006 and ending February 15, 2021, in accordance with and as described in the Fourth Supplemental.

Interest accrues on the 2005B Bonds and compounds semi-annually on each February 15 and August 15 at 5.7%, such interest to be paid only at maturity or prior redemption. For any year from 2022 through 2036 in which the Partnership has sufficient cash available in the Early Redemption Fund, the 2005B Bonds are subject to mandatory early redemption in part by the Partnership on February 15 in each year, beginning February 15, 2022 and ending February 15, 2035, as described in the Fourth Supplemental.

Interest accrues on the 2005C Bonds and compounds semi-annually on each February 15 and August 15 at rates ranging from 5.55% to 5.65%, such interest to be paid only at maturity or prior redemption.

Unamortized original issue discounts of $1,216,261,566, $315,768,637, and $1,439,897,070 on the 2005A, 2005B and 2005C Bonds, respectively, are being amortized over the life of the issues at 5.425%, 5.7% and 5.568%, respectively. Accretion of the discounts on the 2005A, 2005B and 2005C Bonds totaling $7,376,355, $2,568,862 and $8,167,933, respectively, is added to the amount of long-term debt outstanding and is included in interest expense at December 31, 2005.

The regularly scheduled payment of principal (either at the stated maturity or by an advancement of maturity pursuant to a mandatory sinking fund payment) and interest when due on the 2005 Senior Bonds are insured by separate financial guaranty insurance policies issued by MBIA (collectively, the "2005 MBIA Policy"). The 2005 MBIA Policy does not cover redemption payments under the Fourth Supplemental other than mandatory sinking fund payments. Further, each series of the 2005 Senior Bonds is secured ratably with the other 2005 Senior Bonds and other senior secured indebtedness of the Partnership by a lien on and security interest in the Partnership's property and by a pledge of all partnership interests.

Bond issue costs of $10,298,805 and $1,231,043 related to the 2005 bond issuance were incurred and capitalized as deferred bond issue costs during 2005 and 2004, respectively. Prepaid bond insurance costs of $57,090,885 related to the 2005 Senior Bonds were incurred and capitalized as prepaid bond insurance costs during 2005

Amortization of deferred bond issue costs on the 1999 Senior Bonds and 2005 Senior Bonds totaled $327,825 and $321,576 for the years ended December 31, 2005 and 2004, respectively. Unamortized deferred bond issue costs of $1,632,565 were charged to interest expense upon retirement of the 1999 Series C and Series D Subordinated Bonds. Amortization of prepaid bond insurance on the 1999 Senior Bonds and 2005 Senior Bonds totaled $1,169,605 and $868,596 for the years ended December 31, 2005 and 2004, respectively.

The Indenture provides that the company establish and maintain funds to be held in escrow with the Trustee. These funds, detailed below, totaled $177,451,670 and $86,512,414 at December 31, 2005 and 2004, respectively.

	2005	**2004**
Revenue Fund	$ 668,317	$ 656,626
Operating Reserve Fund	6,356,305	5,978,210
Improvement Fund	9,000,000	7,510,470
Senior Debt Service Fund	17,046,875	12,546,875
Senior Debt Service Reserve Fund	39,958,043	59,773,527
2005 Bond Proceeds Improvement Acct	51,025,424	-
Early Redemption Fund	11,000,000	-
Early Redemption Reserve Fund	42,350,000	-
Insurance Escrow	46,706	46,706
	$ 177,451,670	$ 86,512,414

Concurrently with the closing of the 2005 Senior Bonds, the Partnership exercised an existing right under the Indenture to release $45 million in cash that was previously held in escrow by substituting a surety bond (the "Surety Bond") in an equal amount insuring that the released cash will be available as and when needed. The Surety Bond was issued by MBIA.

8. Partners' Deficit

Under the Amended Partnership Agreement, income and losses are allocated among the Partners according to their percentage interest in the Partnership. Distributions will be made in accordance with each Partner's interest. The General Partner may declare distributions when permitted by the Indenture.

9. Related Party Transactions

The Partnership had a consulting contract with Magalen Bryant, an officer of Shenandoah (until September 8, 2005), Shenandoah LP and Shenandoah I LLC. Mrs. Bryant provided consulting services to the Partnership for a fee of $10,000 per month until March 2005. In March of 2005 the Partnership entered into a new consulting agreement with Mrs. Bryant for a fee of $15,000 per month. The Partnership also employed Michael Crane as CEO under an employment agreement which was terminated on September 8, 2005. Mr. Crane was also an officer and sole director of Shenandoah until such date. Mr. Crane and certain other consultants and employees of the Partnership continue to have positions and ownership interests in Shenandoah LP and Shenandoah I LLC which individually or collectively do not have control over the Partnership. Approximately $20,000 is due to Mrs. Bryant and the other consultants/employees at December 31, 2005.

Certain Partners and their affiliates incurred costs in connection with the extension of the Certificate of Authority and the offering and issuance of the 2005 Senior Bonds. $11 million of the proceeds from the issuance of the 2005 Senior Bonds was paid to such parties as partial reimbursement for these costs.

10. Commitments and Contingent Liabilities

The Partnership is party to an agreement with the Metropolitan Washington Airports Authority for easements over Washington Dulles International Airport property necessary for the Partnership to construct, operate and maintain the Project. The Partnership incurred costs of $1,461,885 in 2005 and $477,273 in 2004 related to the easements. Future minimum annual cash payments due under the agreement are $500,000 for 2006-2010, $600,000 for 2011-2036, and $2,000,000 thereafter through 2066. Additional payments may be due under the agreement should the Project exceed certain specified traffic volumes. The minimum annual payments are recorded using the straight-line method based upon the total minimum payments to be made over the term of the agreement.

The Partnership is obligated to construct a roadway connector at a future date, dependent upon the development of specified land parcels through which the Project extends. Because there has been no development activity to date by the property owner, the amount and timing of the Partnership's obligation is uncertain at this time.

The Partnership leases office space in Sterling, Virginia. Future minimum payments under this operating lease are $116,984 in 2006, $120,494 in 2007, $124,109 in 2008, $127,832 in 2009, $131,667 in 2010 and $930,145 thereafter. Rental expense was $148,289 and $148,251 for the periods ended December 31, 2005 and 2004, respectively.

Certain of the proceeds from the 2005 offering were designated for use in capital improvements to the Dulles Greenway. The amount designated for these improvements was $71,636,328. Through December 31, 2005, $22,953,343 had been incurred towards the completion of these projects. These improvements include the following:

- completion of the widening of the entire Dulles Greenway from four to six lanes;
- construction of interchanges at Exit 2 (Route 654) and Exit 3 (Route 653);
- construction of a dedicated ramp, Ramp E, for access to Dulles International Airport;
- expansion of the mainline plaza to 18 lanes; and
- improvements to the interchange at Exit 8.

11. Employee Benefit Plan

The Partnership has a fully funded, defined contribution Simplified Employee Pension Plan (the "Plan") for its permanent, full-time employees. Under the Plan, the Partnership contributes 8% of employees' salaries and employees may contribute up to an additional 7% of their salaries; employees vest immediately. The Partnership incurred $97,771 and $104,509 in expenses related to the Plan for the years ended December 31, 2005 and 2004, respectively.

12. Estimated Fair Values

Cash and cash equivalents – The estimated fair value approximates the recorded carrying value.

Funds held in escrow – The estimated fair value is determined based on quoted prices, excluding accrued interest, as of the last business day of the year.

Accrued interest receivable and payable – The estimated fair value approximates the recorded carrying value.

Bonds payable:
Series 1999A and 1999B bonds: The estimated fair value of the Series A and B bonds is based on quoted prices, excluding accrued interest, as of the last business day of the year.

Series 2005A, 2005B and 2005C bonds: The estimated fair value of the Series A and B bonds is based on quoted prices, excluding accrued interest, as of the last business day of the year.

The fair values of financial instruments of the Partnership as of December 31, 2005 are as follows:

	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Assets:				
Cash	$ 3,642,401	-	-	$ 3,642,401
Held-to-maturity securities	$ 496,320	$ 28,269	-	$ 524,590
Funds held in escrow	$ 176,955,350	-	-	$ 176,955,350
Accrued interest receivable	$ 921,309	-	-	$ 921,309
Liabilities:				
Accrued interest	$ 935,156	-	-	$ 935,156
Series 1999A bonds	$ 34,933,338	$ -	$ 5,879,112	$ 40,812,450
Series 1999B bonds	438,756,680	-	105,703,107	544,459,787
Series 2005A bonds	169,814,789	7,376,355		162,438,434
Series 2005B bonds	56,330,548	2,568,862		53,761,686
Series 2005C bonds	182,570,863	8,167,933		174,402,930
Total bonds payable	$ 882,406,218	$ 18,113,150	$ 111,582,219	$ 975,875,287

The fair values of financial instruments of the Partnership as of December 31, 2004 are as follows:

	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Assets:				
Cash	$ 1,401,690	-	-	$ 1,401,690
Held-to-maturity securities	$ 11,877,147	$ 12,433	$ 71,637	$ 11,817,943
Funds held in escrow	$ 74,635,267	-	-	$ 74,635,267
Accrued interest receivable	$ 1,009,690	-	-	$ 1,009,690
Liabilities:				
Accrued interest payable	$ 54,376,562	-	-	$ 54,376,562
Series A bond	$ 34,931,052	-	$ 4,719,048	$ 39,650,100
Series B bonds	420,109,243	-	84,107,637	504,216,880
Series C bonds	42,993,458	-	-	42,993,458
Series D bonds	29,023,568	-	-	29,023,568
Total bonds payable	$ 527,057,321	$ -	$ 88,826,685	$ 615,884,006

13. Subsequent Events

On February 15, 2006, the Partnership redeemed $11,000,000 of the 2005A Bonds in accordance with the mandatory early redemption clause contained in the Fourth Supplemental. The amount is included in the current portion of long-term debt on the balance sheet as of December 31, 2005.