

MEASURE A SALES TAX REVENUE IS THE PRIMARY SOURCE OF FINANCING

- 7.71% average growth in Measure A annual receipts since 1991
- Measure A revenues reflect stable, diversified local economy and population growth

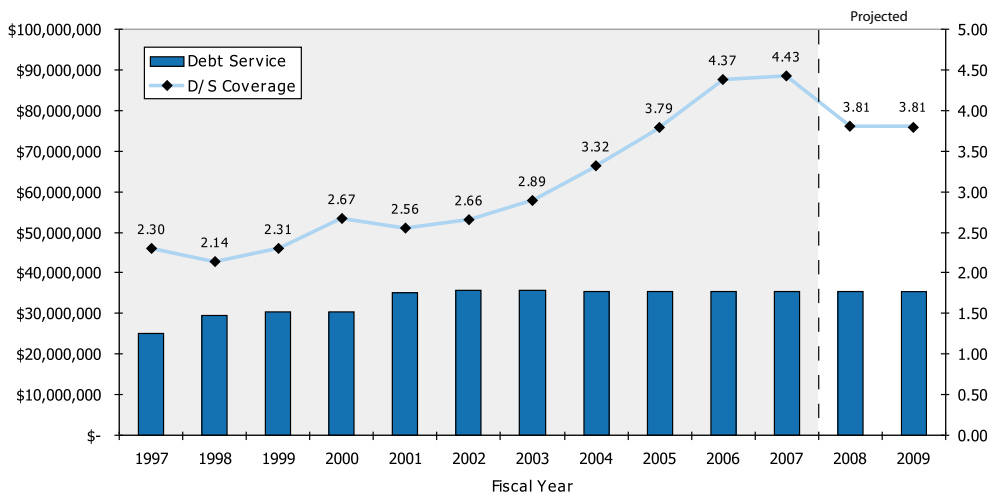
FINANCING PROGRAM OVERVIEW

- 1989 Measure A bonds are performing well with coverage in excess of 3x debt service
 - All bonds mature in 2009
- 2009 Measure A interim financing program performing as planned
 - \$185 million commercial paper program started in 2005
 - Forward starting swaps executed in 2006, hedging \$185 million long-term financing in 2009
 - New \$130 million Series 2008 Bonds pricing in May 2008
- RCTC has no exposure to auction rate securities and, therefore, no impact from market fallout

1989 MEASURE A DEBT SERVICE COVERAGE

- Outstanding bonds of \$65,495,000 on June 30, 2007
 - Maturing in June 2009 with annual debt service payments of approximately \$35.5 million
 - No plans for additional bond issuance under 1989 Measure A
- Additional Bonds Test
 - 1.50x Maximum Annual Debt Service
 - 1.15x on Junior Debt
- Commission Policy
 - Maintain 2.0x debt service coverage
- Projected Debt Service Coverage of at least 3.0x through 2009
 - Includes all senior and subordinate debt
 - Assumes revenue projections provided by RCTC

HISTORICAL AND PROJECTED DEBT SERVICE COVERAGE



PRESENTATION PARTICIPANTS

RCTC – Board Leadership
Jeff Stone, *Chair*

RCTC – Executive Staff
Anne Mayer, *Executive Director*
Theresia Trevino,
Chief Financial Officer

**Fieldman, Rolapp & Associates –
Financial Advisor**
Daniel Wiles, *Principal
& General Counsel*
Anna Racheva, *Vice President*

**Lehman Brothers –
Senior Managing Underwriter
and Commercial Paper Dealer**
John McCray-Goldsmith,
Senior Vice President
Matthew Koch, *Vice President*

**Banc of America Securities –
Managing Underwriter
and Commercial Paper Dealer**
Scott Nagelson, *Principal*
Kim Paparello Vaccari, *Principal*

**FINANCIAL
UPDATE &
SERIES 2008
SALES TAX
REVENUE BONDS**

2009 MEASURE A COMMERCIAL PAPER PROGRAM

- \$185 million commercial paper authorization
 - Secured by letter of credit from Bank of America which expires March 2010
- \$110 million of commercial paper issued as of April 2008
 - Significant land mitigation acquisitions
 - Strategic partnership efforts
 - Local jurisdiction projects
 - Preliminary engineering on highway projects
- FY 2008/09 project requirements exceed remaining capacity of the program

2006 FORWARD STARTING SWAPS

- \$185 million notional amount
 - \$100 million – Banc of America Securities
 - \$85 million – Lehman Brothers
- 3.679% for 20 years vs. 67% of 1-month LIBOR
- Effective date: October 1, 2009

SWAP-RELATED FINANCING ALTERNATIVES

- In 2009 RCTC will have the following financing alternatives with respect to the outstanding swaps:
 - Issue \$185 million of variable rate bonds matching the swaps
 - Issue \$185 million under the existing commercial paper program to match the swaps
 - Terminate the swaps

NEW FINANCING: 2008 BONDS

- Commercial paper program has met interim financing needs for 2009 Measure A program since March 2005
- Success with Perris Valley Line and other projects has expanded interim financing demand beyond the \$185 million commercial paper program
- Short-term fixed rate bond financing with 2009 maturity is most cost-effective way to expand interim funding capacity through start of new Measure A sales tax collections in 2009

SECURITY AND STRUCTURE FOR 2008 BONDS

- Series 2008 bonds are secured by a gross pledge of 2009 Measure A sales tax revenues
- Series 2008 bonds will be uninsured
- \$130 million* par amount of bonds
 - Refinance outstanding commercial paper of \$110 million
 - Capitalized interest fund for interest payments through 12/1/2009 (2009 Measure A sales tax receipts begin in late 2009)
 - Debt service reserve fund to be established
- Conventional 1.5x ABT for Senior Lien parity bonds
 - No parity bonds are expected to be issued before 2009 financing/refinancing
 - 2009 Measure A Ordinance currently has a \$500 million debt limit
- Bonds will carry a fixed interest rate through December 2009
- On or before the maturity of the bonds (likely October 2009) RCTC will refinance these bonds and use the proceeds to repay bond holders
- If RCTC does not have market access in 2009 as planned, bond holders keep the bonds and RCTC will pay a higher interest rate until bonds can be refinanced
 - Bondholders receive a failed tender rate of 11% until RCTC can refinance

*preliminary, subject to change

FINANCIAL UPDATE & SERIES 2008 SALES TAX REVENUE BONDS

2009 MEASURE A COVERAGE & STRESS SCENARIOS

- Ordinance limits outstanding debt to \$500 million
- Estimated 2008 revenues are \$145 million
- Expected debt service coverage for 2009 bonds is well over 6.0x
- Stress Scenario 1: Refund 2008 bonds and all CP: \$315 million 2009 senior lien refunding
 - \$185 million of VRDBs at the 3.679% swap rate
 - \$130 million of fixed rate bonds at 6%
 - 20 year level debt service amortization
- Stress Scenario 2: Refund 2008 bonds and all CP + new money to hit debt limit: \$500 million senior lien issue in 2009
 - \$185 million of VRDBs at the 3.679% swap rate
 - \$315 million of fixed rate bonds at 6%
 - 20 year level debt service amortization
- More modest utilization of debt and the ability to amortize debt up to 30 years add cushions that make these stress case coverage scenarios very conservative



STRESS CASES		
	\$315M	\$500M
MADS	\$24,562,511	\$40,691,654
2008 DS Coverage	5.90x	3.56x
Revenue Cushion (2.0x)	66.1%	43.9%
Revenue Cushion (1.5x)	74.6%	57.9%

SUMMARY OF CREDIT STRENGTHS

- Strong historical sales tax growth
- Strong economic foundation for continued sales tax receipts
- Proactive organization and leadership
- \$500 million debt limit ensures strong debt service coverage under any scenario
- Both sales tax measures achieved more than 2/3 voter support

TIMELINE

Date	Description
Wednesday, April 9, 2008	Commission Approves Plan of Finance
Monday, April 14, 2008	Documents Sent to Rating Agencies
Monday, April 21, 2008	Meetings with Rating Agencies in New York
Wednesday, April 30, 2008	Meeting with Rating Agency in San Francisco
Wednesday, May 7, 2008	Bond Ratings Received
Wednesday, May 14, 2008	Commission Approves Financing Documents
Thursday, May 29, 2008	Bond Sale
Tuesday, June 10, 2008	Bond Closing