

THE TURNPIKE AUTHORITY OF KENTUCKY

December 6, 2007

10:00 A.M.

Room 386, Capitol Annex

The Authority met on Thursday, December 06, 2007 at 10:00 a.m. in Room 386 of the Capitol Annex.

Members present were David E. Fleenor, Governor's Office, in the chair presiding, proxy for the Honorable Ernie Fletcher, Governor of the Commonwealth; Ken Robinson, proxy for John E. Hindman, Secretary, Cabinet for Economic Development; Bonnie Howell, proxy for Greg Stumbo, Attorney General; Stuart Weatherford, proxy for Mike Burnside, Secretary, Finance and Administration Cabinet; Ron Rigney, proxy for Marcelyn Mathews, State Highway Engineer; Alice Wilson, proxy for Bill Nighbert, Secretary, Transportation Cabinet.

Others present at the meeting were Linda Masters, Authority staff; Marcia Collins, Authority staff, Terri Fugate, Office of Financial Management and Treasurer of the Authority, F. Thomas Howard, Executive Director of the Office of Financial Management and Secretary of the Authority; Doris Howe, Office of Financial Management; Brett Antle, Office of Financial Management and Ed Ross, Office of the Controller and Executive Director of the Authority.

Chairman Fleenor verified that a quorum was present and that notice of the meeting was properly posted in accordance with KRS 61.800-61.850. Before the first item on the agenda was brought to attention, Chairman Fleenor, on behalf of Governor Fletcher expressed thanks to all members and staff of the Authority for their dedication and hard work during his administration.

The first item on the agenda was approval of the minutes of the September 7, 2007 meeting. A motion was made by Bonnie Howell and seconded by Alice Wilson to approve the minutes as written. The motion carried unanimously.

The next item on the agenda for consideration was the approval of the semi-annual transfer of funds. Linda Masters reviewed documents from the meeting materials that supported the funding request of \$120,000 to meet projected operating expenses for the period of January 1, 2008 to June 30, 2008. Ms. Masters also provided the members with various expenditure and budget reports that reflect expenditures through November 15, 2007, a list of checks written and an outline of the Authority's six-month budget beginning January 1, 2008. A motion was made by Bonnie Howell and seconded by Alice Wilson. The motion carried unanimously.

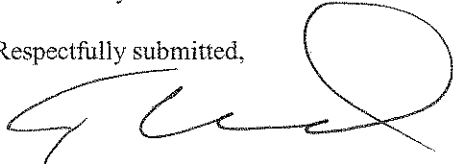
The next item on the agenda was an informational update on the interim financing. Terri Fugate stated to the board that a resolution was passed at the previous Turnpike Authority meeting allowing the Kentucky Asset/Liability Commission (ALCo) to enter into interim financing for an Economic Development Road Bond project that was authorized by the 2006 General Assembly in the amount of \$350 million. Ms. Fugate reported that ALCo had already issued \$150 million of this authorization in a commercial rate mode. She further stated that Transportation is spending against the \$150 million and it is probable by spring, they will be ready to draw again. The program is not to exceed the \$350 million. Ms. Fugate noted that it is expected at some future time the Turnpike Authority will come back and issue permanent bonds and retire these notes. Tom Howard gave the board further insight as to the interest rates and the advantage points of being in commercial paper mode.

The next item on the agenda was an overview of the annual audit of the Authority's financial statements including special-purpose financial statements performed by McElroy, Mitchell and Associates, LLP. Mr. Ross noted that the Authority received clean opinions on the audits for the Toll Road, Resource Recovery and Economic Development Trust Indentures. He further stated that the management letter did note one suggestion which was a deficiency within internal control. The person signing the check(s) should initial

the invoice to indicate review of the invoice. A motion was made to accept the audit and the motion carried unanimously.

The Chairman asked if there was further business or announcements to be addressed. Terri Fugate announced to the board that Linda Masters would be retiring from the Turnpike Authority effective December 31, 2007. She extended thanks to Ms. Masters for her dedication and years of service with the Authority and presented her with a gift and refreshments in honor of her retirement. Chairman then noted that if no other business was to be addressed he called for motion of adjournment and the motion carried unanimously.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'F. Thomas Howard'. The signature is fluid and cursive, with a large, prominent loop at the end.

F. Thomas Howard, Secretary  
Turnpike Authority of Kentucky