Infrastructure Investment Opportunity

50-year Financial Projection

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Project Cash Surplus</td>
<td>$23,312,080,297</td>
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<tr>
<td>Operating Reserves</td>
<td>$2,000,132,327</td>
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<tr>
<td>Station-area Improvements and Feeder Services</td>
<td>$21,116,691,148</td>
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<tr>
<td>Investor Interest Earnings</td>
<td>$23,359,337,310</td>
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<tr>
<td>User Cost Savings (Compared to Owning/Driving a Car)</td>
<td>$3,113,357,602</td>
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<tr>
<td>User Travel Delay Savings (Compared to Driving a Car)</td>
<td>$36,301,274,973</td>
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<tr>
<td>Total Project Benefits</td>
<td>$98,369,317,795</td>
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<tr>
<td>Project Cost (including vehicle replacement in year 25)</td>
<td>$22,693,799,040</td>
</tr>
</tbody>
</table>
Orangeline High Speed Maglev Corridor Development Project

A privately-funded transportation system
• Passenger fares and cargo fees would cover all construction and operating costs.

Station-area Development
• Higher-density, transit-oriented development around 18 maglev stations.

Creating a new industry and thousands of jobs
• $19 Billion, 108-mile Orangeline High Speed Maglev from Palmdale to Irvine in Southern California

An alternative to congested freeways
• 70 to 90 mph, every 5 minutes in peak periods, 6-mile station spacing
ORANGELINE HIGH SPEED MAGLEV

September 25, 2007

To: Investors and Infrastructure Development Firms

Subject: Orangeline High Speed Maglev Corridor Development Project

The Los Angeles-Orange County region of Southern California once again ranks as the most congested in the nation. Fifteen cities in the two-county area have formed a joint powers authority to pursue a solution – the Orangeline High Speed Maglev Corridor Development Project. The Orangeline Maglev, a high-speed transportation system for passengers and freight, coupled with station-area housing and related improvements, affords excellent public and private investment opportunities. The Project is uniquely positioned to service a tremendous market demand for new transportation, housing and public infrastructure development.

Over $13 million in feasibility studies and organizing efforts have been underway over the past eight years to determine if a high-speed maglev passenger and freight transport network could be built in Southern California, using primarily private funds. Positive results of these studies led to formation of a public private partnership of the Orangeline Development Authority and a private consortium led by ARCADIS.

Information on this project can be obtained at the project website: www.orangeline.calmaglev.org, or by contacting the Authority directly at the address or numbers listed below.

The Authority is seeking expressions of interest from firms and consortia that are interested in participating in the Project as investors and as part of the development team.

Sincerely,

Albert Perdon

Chair

Kirk Cartozian
Councilmember,
City of Downey

Vice Chair

Troy Edgar
Councilmember,
City of Los Alamitos

Secretary/Treasurer

W. Michael McCormick
Councilmember,
City of Vernon

General Counsel

Michael Colantuono
Colantuono & Levine, PC

Auditor

Scott A. Larsen
Mayor,
City of Bellflower

Executive Director

Albert Perdon, P.E.

Supporting Agencies

Gateway Cities Council of Governments

Southern California Association of Governments

City of Garden Grove

City of Huntington Beach

City of Long Beach

City of Stanton

*Membership pending

Orangeline Development Authority
16401 Paramount Boulevard • Paramount • California 90723 • USA • www.orangeline.calmaglev.org
info@calmaglev.org • Phone 310.871.1113 • Fax 562.924.0152
**PROJECT FEATURES**

**The Orangeline High Speed Maglev**
- Serves a two-county area projected to grow from 13 million to 17 million by 2050
- Provides an essential service
- Offers up to 10% return on investment
- Generates a positive cash flow linked to inflation
- Adds capacity to an existing, highly congested transportation corridor
- Creates a new asset that will serve a demonstrated demand at lower cost
- Provides new capacity where there are capacity and government funding constraints
- Enjoys strong local government support with 15 cities that have joined together to take the project from vision to reality

**Station-area Development**
- Cities are revising land use plans to higher-density, transit-oriented development
- Incentives for transit use are being provided
- Pre-entitlement to facilitate development
- Expedited environmental reviews
- Lower parking requirements, lower costs

**Environment friendly**

**Passenger comfort**

**Station-area Development**

**Proven technology**
As of September 2007, fifteen cities have joined the Orangeline Development Authority, a joint powers agency with legal authority to implement the Orangeline High Speed Maglev project. Additional cities along the 108-mile corridor are currently considering joining the Authority.
The first operational maglev system in an urban setting, shown in the left photos, went into revenue service in Shanghai, China on December 29, 2003.

Connecting Shanghai with Pudong Airport at top speeds of over 260 mph, the 30 km system was built in record time. To date, the Shanghai Maglev has carried over 11 million passengers.

Under development for more than 25 years, the Transrapid maglev has been operational at the Emsland, Germany test facility, shown below, since 1984, and has carried over 500,000 passengers.
Magnets on-board Maglev vehicles interact with guideway magnets to lift and propel the vehicle along the track.

An electric current generates a traveling electromagnetic field in the windings, which pulls the vehicle along by way of its levitation magnets.

The Maglev vehicle wraps around the elevated monorail guideway, adding an extra measure of safety by precluding derailments.

Maglev can also carry freight on modified standard vehicles, or sea-borne cargo containers on specially designed cargo vehicles.

www.orangeline.calmaglev.org
## Orangeline Development Partners

### The ARCADIS Team

<table>
<thead>
<tr>
<th>Corporate Headquarters</th>
<th>Company Name</th>
<th>Principle Business</th>
<th>Company Offices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maryland</td>
<td>Lockheed Martin</td>
<td>Technology Systems and Science</td>
<td>World-wide</td>
</tr>
<tr>
<td>Washington, D.C.</td>
<td>Hutt-Zollars</td>
<td>Maglev Technology Supplier</td>
<td>United States</td>
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<tr>
<td>Colorado</td>
<td>Hensel Phelps Construction Co</td>
<td>Infrastructure Construction</td>
<td>United States</td>
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<tr>
<td>Virginia</td>
<td>paco GROUP</td>
<td>Program/Construction Management</td>
<td>United States</td>
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<tr>
<td>Los Angeles</td>
<td>Brown Winfield &amp; Janzoneri</td>
<td>Legal Counsel-Public/Private Partnerships</td>
<td>California</td>
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<td>Georgia</td>
<td>MACTEC</td>
<td>Engineering</td>
<td>World-wide</td>
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<tr>
<td>Walnut Creek</td>
<td>First Piers</td>
<td>Land Use Transportation Planning</td>
<td>United States</td>
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<tr>
<td>Germany</td>
<td>IABG</td>
<td>Technology and Science</td>
<td>Europe</td>
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<tr>
<td>Los Angeles</td>
<td>GRUEN</td>
<td>Architecture, Planning, Interior Design</td>
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<tr>
<td>Illinois</td>
<td>Aon</td>
<td>Risk Management - Insurance</td>
<td>World-wide</td>
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<td>Siemens</td>
<td>Technology</td>
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<td>AZTEC</td>
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<td>Germany</td>
<td>MAX BÖGL</td>
<td>Infrastructure Development</td>
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<tr>
<td>Dallas</td>
<td>Meyer, Mohaddes Associates, Inc</td>
<td>Transportation Planning</td>
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<td>Shapley Enterprises</td>
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<td>CB Richard Ellis</td>
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<td>Los Angeles</td>
<td>Wedbush Morgan Securities</td>
<td>Investments, Securities, Financings</td>
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<tr>
<td>Diamond Bar</td>
<td>thyssenKrupp</td>
<td>Public Outreach, Media Relations</td>
<td>California</td>
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<td>Technology</td>
<td>World-wide</td>
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