



APPENDIX A PARTIES - Detailed



*Texas Department of Transportation
North Tarrant Express Segments 3A and 3B Project*

*U.S. Department of Transportation
TIGER Discretionary Grant Application*

Following is a description of TxDOT (and the Texas Transportation Commission as TxDOT's governing body) as the applicant.

The Commission

The Commission is the governing body of the Texas Department of Transportation (TxDOT) and is composed of five commissioners appointed by the Governor of the State of Texas with the advice and consent of the State Senate. Commissioners serve staggered six-year terms. One member is designated by the Governor as the Chair and serves as the chief executive officer of the Commission.

TxDOT

TxDOT is a state agency created in 1917 as the "Texas Highway Department" by act of the Texas Legislature to administer federal funds for highway construction and maintenance. In 1991, the Legislature combined the State Department of Highways and Public Transportation, the Department of Aviation, and the Texas Motor Vehicle Commission to create TxDOT. TxDOT is headquartered in Austin, Texas, with 25 district offices and 27 divisions/offices located throughout Texas. Each district is responsible for the planning, design, construction, maintenance, and operation of its area's transportation systems. TxDOT is managed by an Executive Director, who is subject to and under the direction of the Commission.

Authority and Duties

The general enabling law for the Commission and TxDOT is found in Chapter 201, Texas Transportation Code. The Commission is responsible for planning and making policies for the location, construction, and maintenance of a comprehensive system of state highways and public roads (Sec. 201.103). Among other varied duties, TxDOT is charged with developing and maintaining a statewide multimodal transportation network (Sec. 201.601).

TxDOT and the Commission have broad statutory authority relating to the planning and development of toll projects (Subchapter E, Chapter 223, and Chapter 228, Transportation Code), including the issuance of toll revenue bonds (Sec. 228.102), holding the proceeds of toll revenue bonds and revenue pledged to the payment of toll revenue bonds in trust outside the state treasury (Sec. 228.113), imposition of tolls (Sec. 228.053), enforcement of the payment of tolls (Sec. 228.054- 228.058), and receiving and pledging revenues from other sources (Secs. 201.206, 228.0055, 228.006, 228.104, 228.105, and 228.113). TxDOT has statutory authorization to enter into innovative agreements for the development of toll projects with public entities (Sec. 228.002) and private entities (Subchapter E, Chapter 223). Subchapter E of Chapter 223 (Secs. 223.201-223.209) grants TxDOT wide latitude in negotiating and entering into comprehensive development agreements ("CDA" – the Texas equivalent to a public-private partnership) to design, develop, finance, construct, maintain, repair, operate, extend, or expand various types of highway projects, including toll projects.



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Sec. 49-k, Article 3, of the Texas Constitution and Subchapter M, Chapter 201, Transportation Code, provide that money in the Texas Mobility Fund, a revolving fund constitutionally created to provide a method of financing the construction, reconstruction, acquisition, and expansion of state highways, may be used to provide participation by the state in the payment of part of the costs of constructing and providing publicly owned toll roads.

Organizational Structure: The Project will be developed through a public-private partnership memorialized by a Facility Agreement between TxDOT and a private entity, as detailed below. In June 2009, TxDOT entered into a CDA with the private entity, NTE Mobility Partners (NTEMP), to plan, finance, design, construct, operate and maintain Segments 1 and 2 of the NTE project over a 52-year concession term. At the same time, TxDOT and affiliates of NTEMP entered into a separate CDA (the CDA for Segments 1 and 2) under which NTEMP is providing financial and development plans for the balance of the NTE project (Segments 2E, 3A, 3B, 3C and 4). The CDA for Segments 2-4 contemplates the possibility of TxDOT entering into a Facility Agreement with NTEMP when both parties agree that a project is "ready for development" - meaning, the preliminary design and financial analysis established the corridor as feasible for construction and operation.

NTEMP's work under the CDA for Segments 2 – 4 identified Segments 3A, 3B and the IH 35W / IH 820 Interchange as "ready for development". TxDOT's assessment of the work done by the private sector confirmed this designation and TxDOT thus issued NTEMP a "notice to proceed" on June 16, 2010, allowing efforts to begin on development of a facility implementation plan for the NTE Project. Pursuant to the facility implementation plan, which was approved by TxDOT on July 6, 2011, TxDOT will enter into a Facility Agreement with a special-purpose vehicle (the "Developer") composed of NTEMP affiliates for the design, construction, financing, operation and maintenance of the NTE Project. This Facility Agreement will be similar to the CDA already in effect for Segments 1 and 2 and will not only provide the critical financial and technical support to construct the facility, it will also relieve the region of having to fund its operation and maintenance for nearly 50 years.

Developer's Team

Prior to execution of the Facility Agreement, a new entity, a Special Purpose Vehicle ("SPV") tentatively named NTE Mobility Partners Segments 3 ("NTEMP-3" or "Developer") will be formed to enter into a Facility Agreement with TxDOT to (1) design, construct, and finance the Segment 3A of the Project and the IH 35W/IH 820 interchange, (2) design, develop, construct, install and test the ITS and tolling infrastructure equipment including but not limited to the gantries, associated tolling equipment and cabling for the Segment 3B of the Project, and (3) upon substantial completion, to operate and maintain the 3A and 3B segments of the Project over the term.

The equity members of this SPV are Cintra Infraestructuras S.A. (Cintra) and Meridiam Infraestructure (Meridiam). The Dallas Police and Fire Pension System (DFPPS) has also confirmed its interest in this new



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project by issuing a letter of intent to become an equity member at financial close (please see exhibit included herein).

Cintra is one of the world's largest private developers of transportation infrastructure, with four decades of experience and 4,000 employees worldwide. Cintra has developed and is operating 24 concessions in seven countries, including five in the U.S. Cintra is responsible for the operation and maintenance of over 1,900 miles of highways. Cintra is a subsidiary of Ferrovial S.A., a Spanish corporation with business lines related only to infrastructure. Headquartered in Spain, Cintra has subsidiaries in three continents, including a US Headquarters in Austin, Texas, and a project finance office in New York, showing its strong commitment to the North American market. In fact, Cintra has participated in most of the transportation P3 procurements in North America since the introduction of the concept in the early 2000s.

Meridiam was founded in 2006 as an infrastructure fund designed for investing equity, subordinated debt, mezzanine debt and hybrid instruments in PPP projects in the transportation, health, education, public accommodations and environmental sectors. In addition to the Texas projects on which it has partnered with Cintra, Meridiam's investments include the Port of Miami Tunnel, Limerick Tunnel (Ireland), A5 Ypsilon Motorway (Poland) and A5 Motorway (Germany).

The DPFPS provides benefits to more than 3,000 pensioners, spouses, and their dependents, and covers some 4,500 active members. The System's assets are maintained for the exclusive benefit of the members and their qualified beneficiaries. The potential inclusion of the DPFPS exemplifies the team's commitment to ensuring that the local community reaps financial rewards from the region's growth.

Cintra, Meridiam and the DPFPS have recently partnered on the NTE Segments 1 and 2W project and the LBJ Express (IH 635 Managed Lanes) project in Dallas. The \$2.1 billion NTE Segments 1 and 2W achieved financial close in December 2009 and was the only revenue-risk toll road financed in the U.S. during 2009. The \$2.7 billion LBJ Express project reached financial close in June 2010 and was the only revenue-risk toll road project financed in the U.S. during 2010. The teams' experience, position, ingenuity and structure allowed them to complete these transactions during one of the most challenging periods in the financial markets in recent memory.

The Developer will subcontract design and construction work to an entity yet to be formed composed of Ferrovial Agromán, S.A. (Ferrovial Agromán), or an affiliate thereof, and W.W. Webber, LLC (Webber) (hereinafter referred to as the "Design-Build Joint Venture" or "DBJV").

Ferrovial Agromán is a world-leading construction company with a presence in more than 50 countries, 15,000 employees and annual revenues in excess of \$4 billion. Ferrovial has over 40 years and approximately 1,500 miles of experience in design-build highway construction, often teamed with its affiliate company, Cintra.



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Webber is a leading Texas construction company with over 40 years of experience that includes some of TxDOT's largest projects. The firm has constructed 35 miles of toll roads, 750 miles of new highways and has participated in the construction of more than 1,600 TxDOT projects.

AECOM will serve as lead design engineer for the DBJV. AECOM is a global provider of technical and management support services to the transportation, facilities, environmental and energy markets. AECOM has provided planning and engineering services for more than 20 transportation design-build and public-private partnership projects, and has worked with Cintra and Ferrovial on three of them: Trans-Texas Corridor, NTE managed lanes and Texas SH 130 Segments 5 and 6.

TxDOT Oversight Team

TxDOT will oversee the Developer's work through a diverse and capable project team that includes advisors with high-level expertise with tolling, innovative finance, procurement, and Comprehensive Development Agreements project management, including:

- Policy Advisory Group.
- Technical Steering Committee.
- Project Manager – Matthew MacGregor, P.E., TxDOT.
- Independent Engineer – HNTB
- Financial Advisor – KPMG.
- Legal Advisors – Nossaman, LLP.
- Traffic and Revenue Advisor– Wilbur Smith Associates.
- Procurement and Technical Advisor– Jacobs Inc / Halcrow Inc.
- Traffic and Revenue Advisor– Wilbur Smith Associates.

Exhibit A: Letter of Interest from the DPFPS



DALLAS
POLICE & FIRE
PENSION SYSTEM



Richard L. Tettamant
Administrator

Brian F. Blake
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Donald C. Rohan
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Private & Confidential

Mr. Carlos Ugarte
NTE Mobility Partners Segment 2-4 LLC
c/o Cintra Developments
7700 Chevy Chase Drive.
Chase Park One Suite 500C
Austin, Texas 78752

May 18, 2010

Dear Sir:

NTE Segments 3A and 3B Procurement Process – Letter of Interest

Reference is made to the North Tarrant Express Segments 3A and 3B project where Cintra Infraestructuras, S.A. and Meridiam Infrastructure Managers S.a.r.L. (the “Sponsors”) are cooperating closely and in good faith together NTE Mobility Partners Segments 2-4 LLC with the intention of submitting to the Texas Department of Transportation a detailed proposal to develop, design, construct, finance, operate and maintain the North Tarrant Express Segments 3A, 3B, and the Interchange between I-35W an IH-820 project (the “Project”).

The Sponsors have manifested their interest in pursuing the Project together with the Dallas Police and Fire Pension System (the “System”) as a potential investor in the Project.

The Project, in the event it is finally awarded to the Sponsors and after successful negotiations with providers of finance have taken place, will be financed on the basis of equity and debt and on a non-recourse basis against the equity holders and, the extent of credit support provided by each party shall be strictly limited to its equity commitment together with such bonds and/or guarantees as may be required and as specified at the time of execution of the financing documents.

The Sponsors have offered the System the opportunity to invest in the Project as an equity holder of up to a 10% participation, and understand that any equity commitment or underwriting obligation by the System will be subject to an individual due diligence review of the Project documents, a specific economic evaluation and an acceptable risk/return profile. Any equity commitment or any underwriting obligation by the System, if any, is further and without limitation, subject to the prior approval and authorization of the Board of Trustees of the Dallas Police and Fire Pension System.

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The System recognizes that the Sponsors may submit (or not submit) the proposal at their own discretion.

Under the foregoing conditions, the System is interested in further analyzing the opportunity to potentially become an equity holder in the Project company. By means of this letter, the System notifies its willingness to perform a due diligence of the Project and requests the Sponsors to allow the System's nominated personnel and advisors to be granted access to all pertinent materials and information immediately after the bid is submitted in order to be able to make a decision and receive all internal approvals ideally prior to December 31, 2010, the day NTE Mobility Partners Segments 2-4 LLC intends to enter into a concession agreement for the Project with the Texas Department of Transportation.

The System confirms that the review of any such materials and information will be made subject to the confidentiality undertakings agreed to under a Confidentiality and Exclusivity Agreement to be signed between the Sponsors and the System.

Sincerely,

DALLAS POLICE AND FIRE PENSION SYSTEM

By: 
Name: Richard L. Tettamant
Title: Administrator