

EXECUTIVE SUMMARY OF THE UNSOLICITED PROPOSAL FOR THE NEON PROJECT PHASES 1 & 3

Neon Mobility Group (“NMG”), a team led by ACS Infrastructure Development, Inc. (“ACS ID”), has been created to present to the Nevada Department of Transportation (“NDOT”) the attached Unsolicited Proposal to develop the Neon Project Phases 1&3 under a P3 contract for the Design, Build, Finance, Operate and Maintain (“DBFOM”).

The approach of this Proposal has been successfully implemented around the world including experiences in North America. **ACS ID aims to introduce NDOT to the P3 delivery solution, as an efficient and proven delivery method that will benefit the transportation network of Nevada.** In the NMG’s approach included in this Proposal, NDOT will benefit from construction and operations cost savings, an expedited delivery and an allocation and mitigation of risks for NDOT. On top of this, such benefits are obtained without NDOT accessing capital markets, and therefore not using its borrowing capacity. NDOT may then allocate further funds to other transportation projects and further improve the infrastructure network without increasing the burden to the State’s budget.

Description of the project

Project Neon consists of improving the capacity, operations, and safety of a 3.7-mile long section of Interstate 15 (I-15) and major street connections from south of the Sahara Avenue/I-15 interchange to the I-15/US 95/I-515 interchange known as the Spaghetti Bowl. The 3.7-mile-long project, for which the Record of Decision has already been released, includes adding additional capacity to accommodate forecasted traffic growth and separate regional traffic passing through the Las Vegas area from traffic destined for local interchanges. The Neon Project will serve the people and businesses of Nevada by improving the mobility of the area by

- i) separating freeway from arterial traffic,
- ii) Increasing I-15 capacity and reducing its traffic congestion.
- iii) Increased safety.

Objectives of NMG’s Proposal

The main objective of this Unsolicited Proposal is to provide value to the NDOT and offer the means to design, build, finance, operate and maintain the Neon Project to meet the objectives of the Project in the most cost efficient manner and optimizing the value to the people of Nevada.

- ✓ Infrastructure improvements earlier than contemplated by NDOT
- ✓ Significant job opportunities for local Nevadans during design, construction, and maintenance period
- ✓ Certainty of the Delivery of the Project
- ✓ Proven methods that optimize cost efficiency and maximize schedule quality provided during construction and operations;
- ✓ Operation and maintenance of completed roadway through the concession period
- ✓ The Optimal allocation of risks to NMG during construction and operations; and
- ✓ Optimize the resources from NDOT and expand transportation opportunities

Aiming to provide the State of Nevada with a solution to deliver the Project, NMG has concluded that the option which brings more value to the State of Nevada is an integrated approach including the development, construction, financing and operations of the Project with a global team, such as the NMG.

Neon Mobility Group

Neon Mobility Group is an unparalleled team of companies led by ACS Infrastructure Development, Inc. (“ACSID”) and Dragados USA, Inc. (“Dragados”) with the experience, financial strength and expertise, engineering and construction



skills, and operation and maintenance capabilities, as well as, the knowledge and expertise on the development of Public Private Partnership Projects (“P3” projects) to make this project both a reality and a success.

The approach of NMG for the development of projects includes the integration of local partners in the team’s composition. NMG intention is to increase further the participation of local companies in the team in the following months. All the construction companies that will participate in the project will be prequalified Nevada DOT contractors. The table below shows the current composition of the NMG.

Experience of the Team



ACS Infrastructure Development, Inc.

ACS Infrastructure Development, Inc. (ACSID) is the US subsidiary of Iridium Concesiones de Infraestructuras, S.A. - the concession arm of the ACS Group. The ACS Group has more than 40 years of experience developing, financing, operating and maintaining highways, bridges, toll roads, and railroads. To date, the ACS Group has completed 80 concessions; these include approximately 3,608 miles of highways, 973 miles of railways, 16 airports and 15 ports and terminals. In 2010, ACS Group led the ranking of the main concession groups in the world for the fourth year running, according to the table published annually by the journal Public Works Financing (PWF).

The ACS Group began operating in the North American P3 Market in 2006, and since then, has been awarded five unique and challenging P3 projects:

- ✓ The **I-595 project in Florida (\$1.7 B)**, awarded “Deal of the Year 2009” by Project Finance Magazine, and “Best Project 2009” by the American Road and Transportation Builders Association.
- ✓ The **A30 project in Canada (\$1.9 B)**, awarded “Deal of the Year 2008” by Project Finance Magazine, “Project Finance Gold Award 2008” by the Canadian Council for Public Private Partnerships, and “North American P3 Deal of the Year” for 2008 by Euromoney’s Project Finance Magazine;
- ✓ The **South Fraser Perimeter Road project in Canada (\$800 M)**, which received the “Award of Merit for Project Financing” from the Canadian Council for Public-Private Partnerships (CCP3); and
- ✓ The **Windsor Essex Parkway Project(Canada)**, a \$1.2-billion project, which achieved financial close in Dec 2010.
- ✓ The **Mid-Currituck Bridge Project** in North Carolina, a Pre-Development agreement which represents the first P3 experience in a transportation project in the State of North Carolina.

Design Build Joint Venture. As described above, Dragados USA Inc. / Pulice Construction, Inc. (“Pulice”) & Granite Construction Company (“Granite”) will create a Design-Build Joint Venture that will assume the construction of the facility as well as the management of the work to be undertaken by the Lead Engineering Firm. Dragados USA will undertake the work related with the Project through its affiliate Pulice Construction, Inc. a well known construction company based in the Southwest of the U.S. Through Pulice’s extensive experience in the construction of projects in the Southwest Region of the United States, Dragados will bring the necessary local experience needed for the construction of the project.

Dragados USA, Inc. Dragados USA, Inc. is the U.S. subsidiary of the Spanish firm Dragados, S.A. (“Dragados”), the construction-arm of the ACS Group with over 65 years of international experience in the construction, rehabilitation and maintenance of roads, bridges, tunnels and highways around the world. The ACS Group is listed in the 2009 ENR Global Construction Source Book as the 8th Top Global Contractor. Dragados had total annual revenue of \$4.8 Billion in 2009 with approximately 16,000 employees.

Dragados was founded in 1941 and has built over 5,300 miles of highways, 3,100 miles of roads, 1,500 miles of bridges, 120 miles of breakwaters and wharfs, 810 miles of tunnels, 130 dams, 840 acres of runways, 523 miles of railways, rail

MEMBER	NAME	ROLE
	ACS Infrastructure Development, Inc. (“ACSID”)	Lead of the Project & Equity Provider & Lead Operations and Maintenance Firm
	Dragados USA Inc. / Pulice Construction, Inc. & Granite Construction Company	Lead Contractor / Lead of the Design-Build Joint Venture
	Aztec Engineering, Inc., Stantec, Inc., Kleinfelder, Lee Engineering and CA Group, Inc.	Design Team

transit and numerous rail facilities, ports, and airports. Dragados is also the largest P3 contractor in the world, having delivered over 80 concession projects worldwide. Established in the United States in 2005, Dragados USA has grown steadily over the last five years providing exemplary service to a variety of clients in transportation, mass transit, dams, buildings and water projects. Dragados USA currently has a backlog of over \$2.07 Billion and forecast revenues for 2010 of \$412 Million. Dragados USA's current work includes the I-595 Express Lane Project, Florida (\$1.2 Billion), East Side Access Extension, New York City, NY (\$1.2 Billion), I-287 Bridge and Highway Reconstruction, White Plains, NY (\$141 Million) and Portuguese Dam, Ponce, Puerto Rico (\$180 Million).

Pulice Construction, Inc. Pulice Construction, Inc., a subsidiary of Dragados S.A., is a heavy highway general contractor and construction manager focusing on civil infrastructure projects in the Southwest. For the past 55 years, Pulice has successfully delivered projects through traditional Design-Bid-Build, Design-Build, and Construction Manager at Risk (CMAR). Pulice is currently working on the "Santan Freeway (SR 202L)- HOV Construction, Gilbert Rd. to I-10" in Phoenix, Arizona, a Design-Build project for the addition of 10 miles of High Occupancy Vehicle (HOV) lanes, with four freeway-to-freeway HOV ramp bridge structures with the other member of the proposed JV Granite Construction Company Pulice also has been selected for the largest CMAR contract to date for Arizona Department of Transportation (ADOT), which involves the construction of 5 miles of new urban freeway alignment. Pulice's extensive self-performance capabilities include mass excavation and grading, major underground wet and dry utilities, traffic interchanges, structural concrete (bridges, box culverts, and retaining walls), and PCCP/AC paving.

Granite Construction Company Granite Construction Company is one of the nation's largest heavy civil contractors and leading producers of construction materials was founded in 1922 in Watsonville CA. Granite is best known for successfully delivering large infrastructure projects and it is consistently rated among the Top 5 in all heavy-civil construction rankings from ENR Magazine. Granite has completed more than 35 design-build contracts, including the Design-Build P3 Las Vegas Monorail, with cumulative project values in excess of \$8 billion. Granite has enjoyed working in Nevada for over 30 years. Granite is proud to have built some of the largest and most successful projects in the state's history like Las Vegas Monorail (a \$354 Million Design-Build/P3 project), Reno Transportation Access Corridor (ReTRAC) (\$194 million, Design-Build project), the U.S. 395 Moana to I-80, highway (\$31.8 million), the U.S. 395 Reno Freeway (\$56 million). In addition to infrastructure, Granite has built relationships with local officials and subcontractors that will aid in the smooth execution of Project Neon Phases 1&3.

Aztec Engineering, Inc., Stantec, Inc., Kleinfelder, Lee Engineering and CA Group, Inc. will create the design team that will assume all the design responsibilities of the project. **Aztec**, with headquarters in Phoenix (AZ), has a staff of over 150 professional, technical and support personnel in Nevada, California, Arizona, Texas, and Florida. In 2006, AZTEC became a subsidiary of the TYPSA Group which has a staff of more than 2,000 people located in 50 offices world-wide. **Stantec**, provides professional consulting services in planning and engineering for infrastructure and facilities projects through approximately 10,500 employees operating out of more than 160 locations in North America. Among other experiences, Stantec was the prime consultant on the South Fraser Perimeter Road (a \$650M P3 developed with ACS ID and Dragados). **Kleinfelder** is an employee-owned engineering consulting firm with offices in Nevada that specializes in geotechnical, environmental, engineering geology, materials engineering and testing, and construction management. Lee Engineering is specialized on providing ITS (Intelligent Transportation Systems) and traffic engineering services. Founded in 2008, **CA Group, Inc.** has quickly grown to become one of the premier transportation engineering firms in the State of Nevada. With expertise in transportation engineering and construction management, CA Group provides the full array of consulting services to assist its clients in developing innovative solutions to the growing transportation challenges facing Nevada.

The NMG P3 Proposal for the Project Neon Phases 1&3

The Neon Mobility Group ("NMG") proposes a Public Private Partnership ("P3") solution to Design, Build, Finance, Operate and Maintain the Project Neon Phase 1&3. Upon execution of the DBFOM contract NMG will create a special purpose vehicle company, which will be wholly owned by ACS Infrastructure Development, and which will serve as the Concessionaire on the project. This company will execute the DBFOM contract with the NDOT and will in turn enter into a Design-Build Contract with the Lead Contractor Design-Build Joint Venture formed by Dragados USA, Pulice and

Granite. The design team formed by Aztec Engineering, Inc., Stantec, Inc., Kleinfelder, Lee Engineering and CA Group, Inc., will serve as a subcontractor to the DBJV, providing all design and engineering for the project.

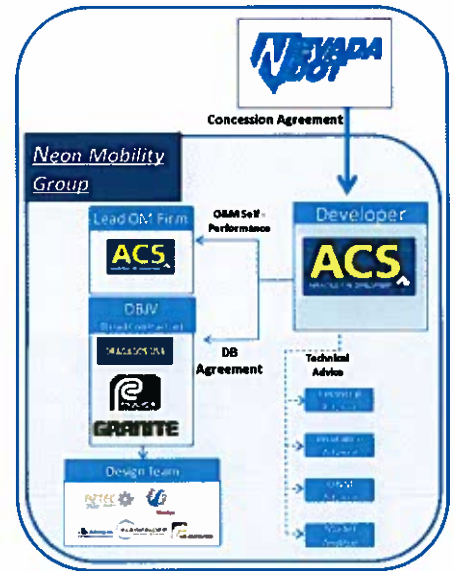
The proposed approach and concession term is consistent with other P3 implemented by ACS Group in North America including the I-595, the NA-30, the Windsor-Essex Parkway or the South Fraser Perimeter Road projects.

The activities and responsibilities that would be assumed by NMG are described below.

Finance. As the potential developer of the project, NMG will be **responsible for financing the entire cost of the facility** upon the execution of the concession agreement with a commitment for starting the design-construction works before a specific period of time to be defined in the concession agreement. ACS ID has an unparalleled track record for the achievement of financial close in a short period of time; for example, ACS ID reached the financial close of the South Fraser Perimeter Road in Vancouver and the Windsor Essex Parkway in Canada in less than 60 days after the award.

Design Build. NMG, as the potential developer of the project, will be responsible for the design and construction of the project assuming a fixed price and a fixed date for the completion of the construction.

Operate and Maintain. The developer will also be responsible for carrying out the operations and maintenance of the Project Neon Phases 1&3 during the operation period. The concession agreement will include the concessionaire's fixed O&M price for the entire concession period, thus passing on the risk of cost-overruns in operations and maintenance to the concessionaire. All operations and maintenance obligations for the Project will be self-performed at the concessionaire level. The maintenance of all physical elements of the project will include all routine and major maintenance activities needed to ensure compliance with the NDOT requirements. The concessionaire will also be responsible for operations activities in the facility such as incident response and incident management, service patrol, police/fire interface, incident coordination, and coordination with NDOT, local agencies and stake holders including public involvement.



Payment structure. NMG acknowledges the current legislation that forbids the implementation of toll roads in the State of Nevada. Therefore, NMG proposes a P3 approach based on availability payments according to the following guidelines:

- ✓ The availability payments to be received by the concessionaire will be annual payments subject to the compliance with the minimum operating and maintenance ("O&M") performance and availability requirements to be set forth in the concession agreement.
- ✓ In case of non-compliance with the O&M requirements, there will be formulas defined in the concession agreement to reduce the payment.
- ✓ An indexation rate, to be defined in the concession agreement, will be applied every year to the availability payments.

The attached proposal includes a plan for the development, financing and operation of the transportation facility for NDOT analysis. Additionally, NMG has identified some potential opportunities to optimize the value of the Project Neon Phase 1&3 which could be discussed and defined in the following months. The potential improvements to the value for money that could be obtained by the NDOT are, among others, the inclusion of assets located out of the boundaries of the Neon Project to the O&M scope (the potential increase of the geographic limits of the O&M and Renewal activities could increase the value of the O&M fixed contract provided by the P3) or the inclusion of additional phases of the Neon Project if new sources of finance are identified. The approval of a legislation which allows the implementation of toll roads in the State of Nevada would allow the operation as managed lanes of the HOV lanes identified in the Project.

Benefits of the NMG Proposal

The approach proposed by NMG for the development of the Project will bring to the NDOT all the value and benefits of a partnership between the public and the private sector. This Proposal has been defined by maximizing the value for money for NDOT. The points below summarize the main benefits:

- ✓ **Optimizes resources of the NDOT.** ACS ID, considers the Project Neon Phases 1&3 as an investment opportunity in Nevada. NMG, as the potential private partner with NDOT for the development of the project, will provide the financing for the project which will allow NDOT to defer the payments needed for the construction of the project until completion. NDOT will not need to use its borrowing capacity to finance the project. This would allow NDOT to allocate further funds to other transportation projects and further improve the network without increasing the burden to the State's budget.
- ✓ **Acceleration of project delivery through one unique contract.** The delivery of the project under one unique contract will optimize the time needed for making the Project a reality. For example, the I-595 project in Florida accelerated its procurement and award period by two years (estimated).
- ✓ **Transference of risks to private sector.** The key of a P3 contract is the transference of risks from the public to the private sector. The risk transference included in the approach proposed by NMG for the development of the project maximizes the value of the money that NDOT will invest. Among other risks, NMG will assume the following risks for the implementation of the project:
 - Design and Construction risk: NMG will assume a fixed price and a fixed term to complete the construction of the project. Considering the complexity of the construction, located in a high-traffic urban area, the acceptance of this risk by the NMG brings a considerable value to NDOT.
 - Operation risks: under the proposed P3 approach, NMG provides a fixed cost for the O&M of the facility for a long period of time.
 - NMG will assume several Finance risks to obtain the financing for this project according to what will be stated in the concession agreement: financing market conditions, interest rates risk considered to define the financial base case before signing the concession agreement, etc.
- ✓ **Long term partners.** The P3 approach proposed by NMG includes a long term relationship between NDOT and the developer which ensures the alignment of objectives between both parties. Among other advantages, the P3 approach will ensure life cycle cost efficiencies to be achieved by the developer due to the fact that the private partner will assume the O&M and renewal responsibilities after the completion of the construction

Benefits of the NMG Proposal

- According to the Value for Money analysis undertaken, the proposal provides important savings to the NDOT
- Expedited delivery
- Certainty of execution: Mitigate execution risk and perform a full due diligence for the benefit of the lenders
- Improvement of safety and quality in the network
- Improvement of economic activity and creation of jobs
- Improvement of transportation and communications in the area
- Optimization of NDOT resources to permit expanded future transportation opportunities
- Cost savings from integrated approach
- Whole lifecycle view of the asset
- Allocation of risks to Proposer during construction and operations

It is worth noting that, an increasing numbers of infrastructure projects and facilities are being implemented today through a P3 model in North America. Some examples of the implementation of a transportation project under a P3 based on availability payments are: I-595 Express Lanes, a FDOT project located in Fort Lauderdale, the Windsor Essex Parkway (a project developed by Ministry of Transportation and Infrastructure of Ontario, Canada), Nouvelle Autoroute 30 in Canada (a project promoted by the Ministère des Transports du Québec (MTQ)), South Fraser Perimeter Road in Vancouver (a project developed by Ministry of Transportation and Infrastructure of British Columbia, Canada).

ACS ID is proud to be given the opportunity to bring its knowledge and expertise in P3 projects to the Neon Project.