EXECUTIVE SUMMARY

IH 635 MANAGED LANES PROJECT

A PARTNERSHIP FOR DELIVERING A 21st CENTURY TRANSPORTATION SYSTEM

LBJ Development Partners*
7700 Chevy Chase Drive
Building One, Ste. 500C
Austin, Texas 78752

LBJ DEVELOPMENT PARTNERS

A PARTNERSHIP FOR DELIVERING A 21st CENTURY TRANSPORTATION SYSTEM

The Dallas-Fort Worth Metroplex is leading both the state and the nation in the development of a truly innovative and multi-modal transportation system. This innovation has in part been driven by an unprecedented convergence of challenges confronting the transportation industry. The construction cost index as measured by TxDOT increased 62 percent between 2002 and 2007, while the motor fuel tax has been frozen since the early 1990s, reducing its purchasing power each year. Further compounding concerns with current funding methods is the fact that vehicles are becoming more fuel efficient and there is an increasing shift to alternative fuels. The net effect is that TxDOT is paying more per mile to deliver a project while drivers are paying less per mile to use it – a perfect storm that shows no signs of abating.

At the same time, both the state of Texas and the Dallas area have been victims of their own success. Traffic on the LBJ Freeway is indicative of this success. When first opened more than 40 years ago, the LBJ Freeway was designed to carry 180,000 cars and trucks per day. This was considered visionary at the time. Today, the LBJ Freeway carries more than 270,000 vehicles daily with demand expected to exceed 450,000 vehicles by 2020. Without dramatic improvements to this critical roadway, the LBJ Freeway will be resigned to increasing gridlock, resulting in declines to air quality, safety and quality of life for the travelling public. The region as a whole is suffering from similar strains on its infrastructure as the Metroplex is now the fifth most congested major urban area in the country with trends having worsened significantly between 2000 and 2005.

Instead of allowing these challenges to undermine its success, dedicated leaders from the region have converted these challenges into opportunities. Today, the Metroplex is considered a national leader in deploying such progressive transportation concepts as implementing passenger rail and ensuring that transportation projects and surrounding land uses complement and enhance each other. Empowered by tools originally created in House Bill 3588 and TxDOT's delegation of planning to local communities through the Texas Metropolitan Mobility Plan, the region has employed some of the most innovative methods of delivering needed roadway projects in the country. Use of these tools has resulted in project completions years ahead of what traditional funding would allow. More importantly, these projects are no longer maintenance liabilities but are self-sustaining assets. Laudable in this respect has been the unprecedented cooperation of local transportation providers and planners including TxDOT, NCTCOG, the RTC, DART, the T, NTTA and important advocacy groups such as the Dallas Regional Mobility Coalition. More specifically, these same regional leaders, in conjunction with concerned citizens, developed a bold vision for a "New LBJ" - one that is faster, safer and cleaner.

There is a heightened sense of public scrutiny – as there should be - with all innovative concepts, particularly when applied to critical public infrastructure. LBJ Development Partners is acutely aware that IH 635 represents a number of firsts for both the Metroplex and Texas. Its implementation will begin when the Texas Legislature is in session and it will serve as a critical benchmark for both the concession model and the demand management approach to tolling. The eyes of Texas will truly be on the IH 635 Managed Lanes Project.

LBJ Development Partners stands uniquely qualified to develop, finance and deliver the critical IH 635 Managed

Lanes Project. In addition, its underlying participants have demonstrated an unparalleled commitment to partnering with the State of Texas and the region's transportation providers. As discussed in detail in the following proposal, these are hallmarks of Cintra, Meridiam, Ferrovial/W.W. Webber and our entire experienced team. In each of the areas critical to the project's success, LBJ Development Partners has unique qualifications for success:

Finance: In light of the current unprecedented disruption to global financial markets, it is imperative that the project owners have complete confidence that the selected project developers have the wherewithal, commitment, resources and expertise to take the project to financial close. LBJ Development Partners has unequivocal assurance in its ability to finance this project and a demonstrated history that justifies that confidence. In 1999 Cintra invested and guaranteed $975 million in Canada's Highway 407, at the time the largest private highway investment in the world. Recently, while investing more than $600 million of equity, Cintra raised $4 billion in debt to acquire the Chicago Skyway and the Indiana Toll Road with another equity investor. In 2004, the Chicago Skyway transaction was awarded the prestigious "North American Transportation Deal of the Year" by *Project Finance* magazine and in 2005 the refinancing of the Chicago Skyway was awarded the "North American Bond Deal of the Year" by the same magazine. In 2008, Cintra achieved financial close for SH 130 Segments 5&6. In the current challenging market conditions, Cintra has successfully refinanced all of its debt maturing in 2009 ($700 million for Radial 4 and $400 million for Highway 407) thus eliminating any further refinancing need in the near term. Among other sources of funds, Cintra presently has over $500 million of cash ready to invest in projects such as the IH 635 Managed Lanes.

Meridiam Infrastructure Finance is a wholly owned subsidiary of Meridiam Infrastructure (SCA) SICAR, an approximately $800 million private equity fund dedicated exclusively to investing in PPP infrastructure assets and has a 25-year time horizon for its investments. Although started in early 2006 with a funds raising completed at the end of 2007, Meridiam has already successfully invested in the development of several key transportation projects in Europe such as the Limerick Tunnel in Ireland, the A2 Motorway in Poland and the Vienna Ring Motorway in Austria. Meridiam is currently involved in the development of other major infrastructure projects in the U.S., Germany, France and the United Kingdom. Macquarie Capital (USA) Inc., the Proposer's financial advisor, has one of the largest dedicated private-sector PPP teams in the U.S. and brings unparalleled experience in structuring investments in public infrastructure.

Cintra operates the busiest and most technologically advanced urban free-flow facility in the world – Highway 407 in Toronto – and employs more than 25 individuals dedicated to the development, deployment and maintenance of advanced tolling technology, representing one of the largest toll technology R&D groups in the industry.

Tolling Technology Innovation and Variable Pricing: Because Cintra has been operating toll roads for more than 40 years and currently manages 23 concessions in seven countries, it is acutely aware of the critical role technology will play in properly building and operating managed lanes. Cintra has manages and operates its toll roads for decades, gaining unprecedented experience with technology development and deployment. Cintra operates the busiest and most technologically advanced urban free-flow facility in the world, Highway 407 in Toronto.

Cintra also has superior industry experience with variable pricing. In order to manage traffic, Highway 407 utilizes technology to charge higher tolls in peak periods. Furthermore, the Indiana Toll Road also employs Cintra's proprietary Intelligent Transportation Systems to detect and manage roadway congestion. In furthering its reputation as a leader in toll technology innovation, Cintra has partnered with the Massachusetts Institute of Technology to develop automatic detection of High Occupancy Vehicles – a potentially important aspect of the IH 635 Managed Lanes. Cintra also has more than 25 individuals within its organization dedicated to the development, deployment and maintenance of advanced toll technology, representing one of the largest toll technology R&D groups in the industry.

Maintaining Mobility During Construction: Ferrovial's track record of success includes projects that presented many of the same challenges that will be faced on the IH 635 Managed Lanes Project, including building projects in urban settings while accommodating significant existing traffic, complex interchange phasing with spatial constraints, maintaining access to adjacent businesses and multiple safety, communication and risk issues associated with this type of construction. The experience gained in the construction of Highway 407 is directly applicable to the IH 635 Managed Lanes. Highway 407 construction involved upgrading an existing facility and reconstructing interchanges while maintaining a high volume of existing traffic during construction. Another of Ferrovial's recent projects, the M30 Ring Road in Madrid, offers additional experience directly applicable to the IH 635 Managed Lanes. Like the LBJ Freeway, the M30 carries traffic volumes of more than 200,000 vehicles per day and the project involved reconstructing several tunnels, complex structures and subsurface elements, all while maintaining a steady traffic flow.

Design-Build Capability and Innovation: Another distinct advantage of LBJ Development Partners is the complete integration of the design-build team members. Cintra Concesiones de Infrastructuras de Transporte, S.A. and Ferrovial Agroman/W.W. Webber share a common majority ownership under Grupo Ferrovial. Not only does this mean that these two companies have partnered together on more than 20 design-build projects, it also means there has never been a dispute between the companies that has delayed a project or negatively affected its budget. On the contrary, Cintra and Ferrovial are proud to declare that on the more than twenty projects they have undertaken as a team, not only have all been completed on schedule and within budget, several significant projects have been completed well ahead of schedule. Demonstrative in this regard was the Highway 407 project completed four months ahead of an already compressed schedule and Ireland's Eurolink N4/N6 project completed an unprecedented 10 months ahead of schedule. Additionally, this complete team integration offers TxDOT a single point of contact for all issues concerning the Project, whether it be financing, design, construction, operation or maintenance.

LBJ Development Partners and its underlying team members employ more than 1,000 Texans, have well-established offices in the state and are currently working as a partner in the Metroplex and with TxDOT on multiple critically important infrastructure projects, such as SH 121, SH 161 and SH 130 Segments 5 and 6.

Through its relationship with the leading U.S. engineering group, AECOM Technology, Meridiam has the capability to tap into additional technical and project management capabilities and a successful track record in partnering with TxDOT, NTTA and other local entities.

Long-Term Commitment – To Texas and to Concessions: At a time when long-term commitments seem increasingly threatened by economic difficulties, Cintra's core philosophy of committing to its projects and serving the communities where it works for the long haul takes on dramatically greater significance. The significance of this commitment is much more than merely symbolic when a project has a 50-year time horizon. The people of Texas and the Metroplex have the right to demand a partner that shares their values, their long-term view of community, and their belief that projects such as the IH 635 Managed Lanes are more than a mere short-term financial investment - they are an investment in the future and a higher quality of life for all Texans. LBJ Development Partners and its underlying team members share this view not merely because it is their corporate culture; they share it because they already employ more than 1,000 Texans, they have well-established offices in the state and they are currently working as a partner in the Metroplex and with TxDOT on multiple critically important infrastructure projects, such as SH 121, SH 161 and SH 130 Segments 5 and 6.

In fact, Cintra is the only concessionaire worldwide to operate a concession for its full life, handing it back to the owner after 35 years of continuous operation. Notably, at a time when that project's revenues mirrored a stagnant Spanish economy from 1975 to 1983, Cintra not only maintained its investment in the project – it injected additional equity. No other concessionaire can claim this well-demonstrated corporate philosophy of long-

term commitment. It has served Cintra well and the LBJ Development Partners are in turn proud to bring this same philosophy to the IH 635 Managed Lanes Project, to Texas and to the entire Metroplex, where the Proposer hopes to continue providing innovative transportation solutions for decades to come. AECOM, as a shareholder in Meridiam, also has long and deep ties with the Dallas community. Cintra and Ferrovial have won the respect of communities, governments and business partners around the globe because of their steadfast corporate culture and commitment to the citizens they are fortunate to serve.

Proposal Contents and Organization

It is important at the outset to clarify terms applied to various team members. They are as follows:

Proposer: Cintra Concesiones de Infraestructuras de Transporte, S.A. (Cintra) and Meridiam Infrastructure Finance S.a.r.l. (Meridiam) as Equity Participants of an entity yet to be formed under the reserved name of LBJ Development Partners.

Developer: A yet-to-be formed special-purpose legal entity that will execute the contract and be responsible to TxDOT to fulfill the IH 635 Managed Lanes Project requirements under the terms of the CDA.

D&B Team (Design and Build Team): A joint venture of Ferrovial Agroman and its Texas-based subsidiary, W.W. Webber, which will serve as the General Contractor, carrying out all design and construction work under a turnkey design and build contract (the "Design & Build Agreement" or "D&B Agreement"). Ferrovial Agroman and W.W. Webber are Major Non-Equity Participants.

Other Major Non-Equity Participants:

- Bridgefarmer & Associates, Inc. – Lead Design Consultant
- Macquarie Capital (USA) Inc. – Financial Advisor

The attached Technical Proposal complies fully with the RFP and is structured per that document. The proposal contains several optional exhibits that exceed RFP requirements, including a preliminary Project Management Plan (PMP). This preliminary PMP demonstrates the Proposer's ability to deliver the RFP requirements with additional innovations and will allow TxDOT to more thoroughly assess the Proposer's plan for delivering the Project.

Each copy of the proposal also includes a "Technical Highlights" DVD that demonstrates certain important features of LBJ Development Partners' plan through 3-D video renderings of the Project.

Changes to Proposer's Qualifications Submittal

TxDOT's Request for Proposals changed the concept of the IH 635 Managed Lanes Project from the time Cintra submitted its Qualification Submittal (QS) in 2005. However, the goals presented in this proposal are still those that Cintra committed to upholding at the time. The Proposer commits to maximizing the value of the Project to TxDOT and the people of Texas by effectively employing private equity and debt financing while minimizing the use of public funds. There have otherwise been no material changes since Cintra's QS submittal other than a change of team members described below.

Major Participants & Organizational Changes

Major Participants

Cintra Concesiones de Infraestructuras de Transporte, S.A. is one of the world's largest private-sector developers of transportation infrastructure with committed equity investments of more than $2.37B. Cintra currently manages and self-performs O&M activities for its 23 tollways (more than 1,500 miles) in Spain, Portugal, Ireland, Greece, Chile, Canada (407 ETR) and the U.S. (Chicago Skyway and Indiana Toll Road). Cintra is headquartered in Madrid, Spain, and listed on Madrid's Stock Exchange. It has subsidiaries in three continents, including a U.S. headquarters in Austin, Texas. In 2005, Cintra, together with a U.S. construction firm, entered into a CDA to develop the TTC-35 High-Priority Trans-Texas Corridor. A Cintra-led consortium is constructing State Highway 130, Segments 5 and 6 in Central Texas, the first 100-percent privately financed greenfield project in the U.S. This project achieved financial close and included $430 million of TIFIA funds, $685 million of Senior Bank Debt and $197 million in equity.

Cintra commits to each concession it undertakes for the life of the project. Throughout its existence, Cintra has employed

a philosophy to manage, operate and hold a concession for its entire life.

Meridiam Infrastructure Finance (Meridiam) is a fully-owned investment subsidiary of Meridiam Infrastructure (S.C.A.) SICAR, an approximately $800 million private equity investment fund. Its exclusive focus is on PPP infrastructure investments with a 25-year time horizon. Meridiam achieved its first closing in 2006, with sponsorship from its shareholder AECOM Technology Corporation. Meridiam's relationship with AECOM provides the fund with strong community roots in the U.S. and Texas as well as a philosophy to remain with public concessions for the duration of the agreement.

Macquarie Capital (USA) Inc. (MCUSA) has acted as financial advisor to the Proposer throughout the development of this Proposal. MCUSA is an indirect, wholly owned subsidiary of the Macquarie Group Limited, a global infrastructure finance expert offering advisory services that include project financing, PPP structuring, and other corporate, strategic and financial advice. MCUSA has one of the largest dedicated private-sector PPP teams in the U.S. and has committed significant resources to undertaking its role as Financial Advisor for the Consortium.

The Proposer is currently in discussions with the Dallas Police & Fire Pension System (DPFPS) regarding potential participation in the Developer. Should DPFPS choose to invest in the Project, the Proposer believes it will immediately help strengthen its ties to the community, demonstrate a true belief by locals in this innovative approach to developing infrastructure and serve as a long-term and important guide for the Developer in staying connected to the region's people and values.

Ferrovial Agroman, S.A. (Ferrovial Agroman) is one of the world's leading construction companies with over 75 years of experience. The company has more than 12,000 employees in locations throughout the world, and has annual revenues in excess of US $6.7B. Ferrovial Agroman offers extensive international experience in performing similar design-build highway projects as well as a clear understanding of all risks involved in such challenging projects. Ferrovial Agroman has constructed over 1,500 miles of tollways, 7,500 miles of non-tolled highways, and 220 miles of tunnels. The company's multidisciplinary pool of experienced professionals as well as its Texas-based technical office will be fully available to meet TxDOT's needs during the Project and will work to ensure successful, on-time delivery.

It also merits mention that the Grupo Ferrovial (Ferrovial Agroman's and Cintra's parent company) strongly believes in the social responsibility that comes with being a large global employer. Its commitment to the environment, its employees and the communities where it works has been recognized multiple times, making it the only Spanish company and the only construction company listed in both the Dow Jones Sustainability Index and the FTSE4Good Index – the preeminent measures of corporate responsibility. Grupo Ferrovial was also recently named by Public Works Financing as one of the world's top infrastructure investors, with 40 concessions developed since 1985.

W.W. Webber, LLC (Webber), a subsidiary of Ferrovial Agroman and a leading Texas construction company, has more than 40 years of experience, including 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. Webber offers the D&B Team longstanding relationships with TxDOT, local suppliers and subcontractors, and a relationship with NTTA that goes back to its creation. Webber owns and operates a quarry, 12 high-capacity concrete plants and two hot mix asphalt plants as well as a precast concrete traffic barrier production facility already operating in the Dallas area. Webber also controls Texas Crushed Concrete, one of Texas' largest recyclers of construction aggregates. Webber has extensive experience in the Metroplex including work on SH 121, SH 161, and the reconstructions of IH 35E and IH 30.

Bridgefarmer & Associates (Bridgefarmer) is a statewide leader in the design, engineering and administration of major transportation facilities and civil engineering projects. Based in Dallas, Bridgefarmer focuses solely on surface transportation and heavy infrastructure. Bridgefarmer is experienced in engineering complex highways and bridges for

TxDOT. Significant Dallas-area projects include three along IH 35E , a section of the US 75 North Central Expressway, and sections of SH 121.

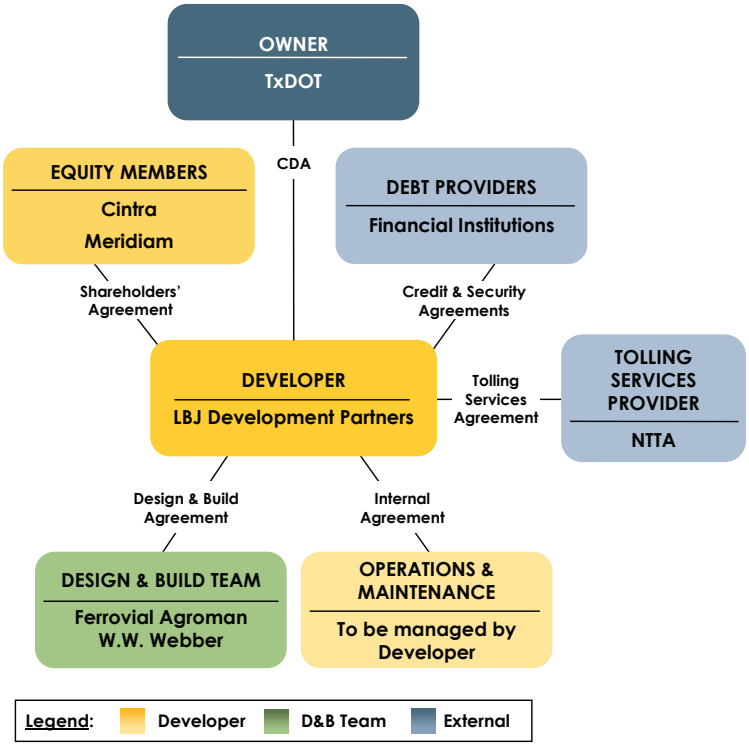
In addition to the current team members, and to further evidence its commitment to the State of Texas, its people and the region's long-term success, the Proposer is currently in discussions with the Dallas Police & Fire Pension System (DPFPS) regarding potential participation in the Developer. Should DPFPS choose to invest in the Project, the Proposer believes it will immediately help strengthen its ties to the community, demonstrate a true belief by locals in this innovative approach to developing infrastructure and serve as a long-term and important guide for the Developer in staying connected to the region's people and values.

Created by the City of Dallas in 1916, The Dallas Police and Fire Pension System provides benefits to more than 3,000 retired City of Dallas Police Officers and Firefighters and their spouses and dependents, covering some 4,500 active members. The System's assets are maintained for the exclusive benefit of the members and their qualified beneficiaries. The System's funding comes from three sources: member contributions, city contributions, and investment returns.

Though not a member of the Proposer's team, the North Texas Tollway Authority (NTTA) will provide tolling services on the project. As an experienced Texan Toll Road Developer and Operator, NTTA presently operates and maintains 74 miles of toll roads, bridges, and tunnels in the Dallas Area. Currently, the NTTA processes over one million transactions per day. Leveraging their facilities and know-how will deliver value to the project.

The organization chart at right illustrates LBJ Development Partners' planned structure, the main entities involved in this endeavor and the agreements that will govern the interaction between these entities.

IH 635 Managed Lanes Project Stakeholders' Structure



Organizational Changes

Team Members

The following changes have occurred in the Proposer's organization since submittal of the Qualifications Submittal in September 2005. TxDOT has approved all changes listed below:

- Addition of Meridiam Infrastructure Finance S.a.r.l. as an Equity Participant and Major Participant.
- Removal of Jenny Engineering, Obayashi Corporation and Archer Western Contractors, Ltd. from the organization.
- Change in lead contractor: W.W. Webber, Inc. became W.W. Webber, LLC, a wholly owned subsidiary of Ferrovial Agroman, S.A. The two companies formed a joint venture to serve as co-lead contractor for the Project.
- Addition of Macquarie Capital (USA) Inc. as a Major Participant (Financial Advisor)

Key Personnel

The Proposer has selected, and TxDOT has approved, the following highly experienced and qualified Key Personnel to fulfill the Developer's obligations under the CDA. The majority of these personnel are already based in Texas.

Name	Current Location	Title	Role as Described in ITP Exhibit B
Fernando Redondo	U.S. - Illinois	CEO (Developer)	Project Manager
Massimo Fiorentino	Europe	Chief Financial Officer (Developer)	Financial Manager
Patrick Rhode	Texas	Public Information Mgr. (Developer)	Public Information Manager
Fidel Saenz de Ormijana	Texas	Design Manager (D&B Team)	Design Manager
Jose Carlos Esteban Blein	U.S. - Indiana	Construction Mgr. (D&B Team)	Construction Manager
Esteban Trigueros Castaño	Texas	D&C Quality Manager (D&B Team)	Quality Manager
Jason Sipes	Texas	O&M Quality & Environmental Mgr. (Developer)	
William Proctor	Texas	Environmental Compliance Mgr. (D&B Team)	Environmental Compliance Mgr.
Javier Martinez Ordóñez	U.S. - Illinois	Roadway Operations Director (Developer)	Operations Manager
Belen Marcos	U.S. - Illinois	Maintenance Manager (Developer)	Maintenance Manager

Project Development Plan Summary

The primary development goals of the IH 635 Managed Lanes Project are to improve mobility, minimize impacts on stakeholders and the environment, maintain mobility during all phases of work, maximize cost-effectiveness of financing, ensure interoperability with other tolling systems and return a valuable asset to TxDOT at the end of the CDA term. To achieve these goals, the Developer will leverage its Texas-based resources and collective past experience to expedite the development process so that benefits from the Project can be achieved as quickly and efficiently as possible with a minimal impact on the environment and the traveling public.

The Proposer's approach to the Project Development Plan (PDP) is a unique blend of structuring our organization to ensure clear lines of authority and communication, using technology to capture the benefit of experience from 23 concessions around the world, leveraging the synergy of a longstanding relationship with our design-build partners (Ferrovial Agroman and W.W. Webber), ensuring that local skills are employed at every level of the organization, committing to the entire life cycle of each concession, and employing the most competent and dedicated workforce available.

Leveraging experience working with TxDOT and its advisors on the development of the SH 130 Segments 5 and 6 project, will expedite the Developer's work on the first milestones of project development.

Cintra's recent experience in developing a TxDOT-approved Project Management Plan and Quality Management Plan for design and construction of SH 130, Segments 5 and 6, will expedite the Developer's work on the first milestones of project development. Using this document as a base reference, the Proposer has developed a preliminary PMP, included as Appendix D.5. The PMP is the overarching plan the team employs to ensure effective coordination, communication and quality assurance throughout the delivery of the Project, from design through to operation and maintenance. This previous work allows the Developer and D&B Team to reduce the time needed to finalize the PMP and optimize the schedule, transferring those benefits directly to TxDOT and the Dallas community.

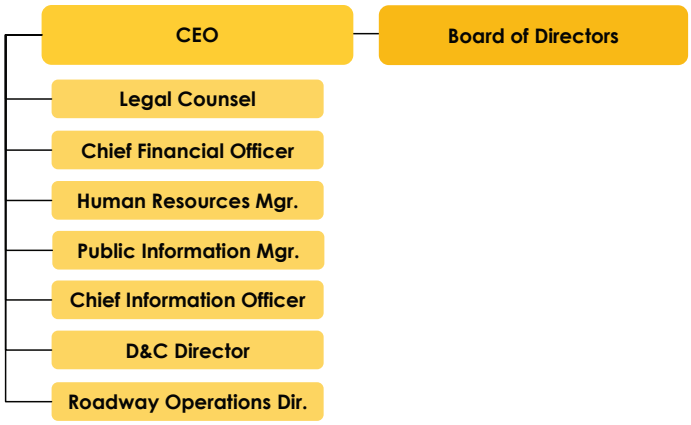
Other critical components of the Proposer's ability to deliver value over the full life cycle of the Project are Proposer's proprietary "Thors" and "Knowledge Management" systems. These programs document and disseminate Cintra's worldwide experience and bring it to bear on each project it undertakes.

Management, Decision-Making and Operational Structure

Teamwork is a critical element in the Developer's success on projects such as the IH 635 Managed Lanes Project. The Developer's organizational structure, developed over the course of several decades and multiple projects, is specifically designed to ensure teamwork, clear lines of authority and responsibility and clear channels of communication for each critical element of project development.

Major policy decisions regarding the project are formulated by the Board of Directors, including the CEO. The CEO conveys those major policy decisions to the operational directors leading each of the seven areas of responsibility shown in the chart below. Each operational director has the complete responsibility, authority and resources to execute decisions relating to his or her functional area.

An Organizational Structure Designed to Enhance Communication

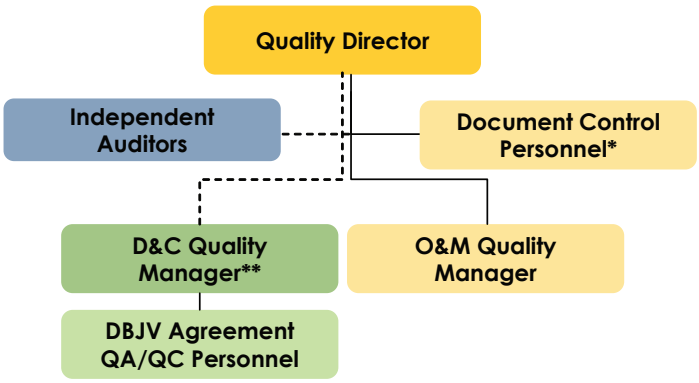


Approach to Quality Management

Delivering unparalleled quality products and services is at the heart of the Developer's and the D&B Team's corporate philosophies. This philosophy is set at the top of each organization and forms a critical part of their corporate culture. Their commitment to quality is manifested in continuous improvement in design, construction, operations and maintenance practices developed over decades on hundreds of projects and taking advantage of the best practices around the globe. Although ISO certification is not required in the RFP, both Cintra and Ferrovial are ISO 9000-certified and have implemented ISO-compliant quality management systems in recent similar projects. Proposer's final Quality Management System for the IH 635 Managed Lanes Project will, at a minimum, comply with the requirements of BS EN ISO 9001:2000 and BS EN ISO 14001:2004, as specified in the CDA.

As shown in the chart below, the Quality Director will operate independently from the sub-organizations responsible for design, construction, operations and maintenance and will oversee two different Quality Managers during their respective phases of the Project – the Design and Construction Quality Manager (D&B Team) and the Operations and Maintenance Quality Manager (Developer). These managers will each oversee the teams and processes involved in ensuring quality for their respective phases of work. The Quality Director will also oversee the Safety Manager and Document Control personnel and will interface with external auditors (TxDOT, IE and others), internal quality and safety auditors and the Environmental Compliance Manager.

Developer's Sub-Organization Chart – Quality



**Two Document Control Personnel - one for construction only*

*** The D&C Quality Manager reports directly to the Construction Manager, with indirect reporting to the Quality Director*

Legend: Developer | D&B Team | External

Working with TxDOT, Third Parties and Resolving Conflicts

From the moment that TxDOT instructs the Developer to proceed with construction, the Developer will take over the operations and maintenance of the road. Given the importance of the LBJ Freeway to the region and its high traffic volumes, it will be critically important to work cooperatively with TxDOT and Third Parties according to clearly established procedures.

Maintaining open and clear communications between the Developer, TxDOT, NTTA and interested third parties for the life of the project is imperative for the Project's success. The Developer will work collaboratively with TxDOT during preparation of the final Project Management Plan, in much the same manner as with the recent SH 130, Segments 5 and 6 project.

The Developer will prepare and agree to a task-specific Consultation and Liaison Strategy with the TxDOT Project Manager and develop an audience and stakeholder database to ensure that effective communication is carried out consistently and at the appropriate time. The Proposer commits to working as TxDOT's strategic partner to help garner support for the project. The Project Intranet will serve as one of the critical communication tools in this regard.

Prior to the transition to operations, the Developer will hold a series of partnering session with TxDOT to exchange technical information, develop communication escalation ladders, and identify potential maintenance problems and solutions. During operations, the Roadway Operations Director and his staff will also be the single point of contact with police and fire departments. The Developer's ITS system allows for real-time assessments of traffic and weather conditions. This data can be provided to local authorities to assist in emergency situations such as ice storms, evacuations or other unforeseen contingencies.

The Proposer and its public relations partners have already identified and are familiar with many of the key stakeholders in the region and have a specific strategies for effective engagement.

Equally critical to the success of the Project is the ability to work collaboratively with NTTA, particularly in coordinating the interface with the Dallas North Tollway and with respect to NTTA's operation of the electronic toll collection system. The Proposer has already identified numerous team members to oversee this interface who are familiar with NTTA's technology and its personnel. The Developer will have a team specifically dedicated to handling this critically important interface with NTTA.

The Developer will resolve all conflicts through the teams it has in place to interact with specific constituent groups, and as it has experienced on virtually every other project it has undertaken, it anticipates resolution of even the most difficult issues through collaboration and constructive dialogue.

Maintaining Strong Community Relations and Proactively Communicating with the Public

The Developer's communication strategy is as important as its construction strategy. This is particularly the case in Dallas which by any measure has a well-informed and engaged group of transportation and community leaders. The Developer will be representing not only TxDOT, but also the concession model and the future of innovative approaches to congestion relief such as managed lanes. The significance of keeping the public and civic leaders well informed cannot be overstated as the future direction of the region's transportation system hangs in the balance. As stated earlier, the Proposer is fully aware of this important dynamic and its implications to the region's and state's future transportation programs.

With respect to positive community relations on a large construction project, the Proposer's approach is as it always has been, both straightforward and comprehensive. The essence of fostering positive community relations lies in ensuring the project is well-run, understanding the critical role of outside stakeholders and always approaching the community with honesty, integrity and an acknowledgement that the Project, both during and after construction, will significantly impact the lives of individual citizens. The Proposer and its designated community relations team, the Texas-based public relations firms,

ROSS Communications and the Margulies Communications Group, understand these simple truths and will support the Developer's Public Information Manager in carrying out the Developer's public outreach initiatives.

The Proposer recognizes that soliciting continued feedback and input from community leaders, first responders and the public is paramount to our collective success. The Proposer also recognizes that it is not enough just listen to the public, but must act quickly on their behalf.

The Proposer will continue its worldwide approach to serving as steward of the environment and draw upon global best practices that, at a minimum, comply with all local, state and federal environmental regulations and demonstrate a commitment to zero tolerance for environmental violations.

Project construction brings temporary impacts to work traffic, school zones, hospital corridors and recreational areas. It also places temporary burdens on ambulances, firefighters and police officers that are responsible for timely first response. The Proposer believes there is no higher calling than that of service to the community and we will integrate such first responder representatives into executive outreach and operation functions immediately to ensure that any impacts to these critical services are mitigated.

The Developer will also foster community involvement and solicit input through a Community Advisory Panel (CAP) comprised of individuals from across the entire corridor of service. Each member will serve to develop public engagement opportunities and methods that ensure the greatest communication tools and messages for efficient interfacing with the public throughout the life of the project. The CAP will also assist in developing a comprehensive communications plan that will serve as the template for community-based and general public outreach initiatives and procedures.

The Proposer and its public relations partners have already identified and are familiar with many of the key stakeholders in the region and have a specific strategy for engagement. For example, the traveling public and nearby neighborhoods will be notified in advance of certain construction activities, alerted to traffic impacts and offered alternative travel routes. This will be accomplished through the use of community briefings, a powerful project website, media advisories, a project hotline, e-mail alerts and a state-of-the-art and easily accessible public information office.

Special attention will also be paid to keeping the region's elected officials informed during and after construction. In conjunction with TxDOT, the Developer will conduct special briefings and prepare regular written updates.

Meeting Safety, Environmental and DBE Requirements

Ensuring Safe Construction and Operations

The comprehensive safety plan developed for this project will be governed by the fundamental goal of **Zero Accidents**. The Developer and D&B Team will carry out all design, planning, construction, operation and maintenance tasks with this achievable goal in mind. Major participants, subcontractors and suppliers will be informed of the safety plan prior to arriving on site and their performance incentives will be tied to safety performance. Additionally, the Developer will hire a sufficient number of health and safety compliance officers to perform regular safety audits and provide proper health and safety training, under the direction of the Safety Manager.

The Developer will consult with TxDOT's established Fire, Security and Life Safety Committee, and other participating agencies as necessary, to devise ways to optimize safety on the Project, including fire and life safety and security measures, emergency access provisions, emergency preparedness drills, incident reporting and emergency communications protocols, roles and responsibilities.

To further ensure the safety of the Project, the Proposer has carried out Computational Fluid Dynamics (CFD) modeling for certain depressed sections of the Managed Lanes in excess of the RFP requirements. The purpose of the CFD analyses is to evaluate and confirm that, in case of fire, the evacuation routes are protected from smoke

and that structural integrity is not compromised by material temperatures.

Protecting the Environment

The Developer views care of the environment as not only an important business practice, but fundamental to its role as a responsible corporate citizen. The Proposer is committed to making sure that the IH 635 Managed Lanes Project is developed in an environmentally safe manner and in accordance with all applicable laws and regulations. This involves minimizing adverse impacts, integrating environmental protection into the development of all project activities, using material and energy resources rationally and managing waste responsibly.

More specifically, the D&B Team will incorporate efforts to minimize short-term construction noise through abatement measures such as work-hour controls and proper maintenance of muffler systems. Noise mitigation measures such as noise walls will be implemented early in the construction process for the benefit of the surrounding communities.

The D&B will also mitigate temporary effects on air quality during the construction phase such as dust generated from construction activities by, among other things, minimizing or eliminating unnecessary idling of construction vehicles and employing a combination of watering, chemical stabilization, and vehicle speed reduction techniques. The D&B Team will also implement design measures to prevent light from impacting adjacent properties.

The Proposer will continue its worldwide approach to serving as steward of the environment and draw upon global best practices that, at a minimum, comply with all local, state and federal environmental regulations and demonstrate a commitment to zero tolerance for environmental violations.

Creating Opportunities for Texas' Disadvantaged Business Enterprises (DBEs)

The Proposer and the D&B Team are thoroughly committed to fulfilling and exceeding the DBE requirements for the IH 635 Managed Lanes Project. Their labor and materials sourcing strategy already embodies preferences in offering subcontractor-designated work to qualified DBEs.

Throughout the Project, the Developer will establish specific targets for DBE participation and monitor its progress as well as the progress of primary partners.

The Proposer and D&B Team already have in place significant DBE outreach and mentoring programs described in detail in the Proposal. This is the foundation of their commitment to securing qualified DBEs to work on the Project. The Developer goes beyond mere recruitment by also offering extensive training and mentoring programs to qualified DBEs. This Protégé Program facilitates the Developer's commitment to expanding the pool of qualified DBEs for future TxDOT projects.

Project Baseline Schedule and Milestones

The Developer's approach to the preliminary baseline schedule for all segments is to achieve service commencement in each segment at the earliest possible date. This approach maximizes the financial value to TxDOT while minimizing the time that the traveling public is exposed to construction work.

As a reflection of the Developer's commitment to the earliest possible service commencement, the Developer anticipates the IH 635 segment from Preston Avenue to Greenville Avenue opening three years after TxDOT authorizes the start of construction (NTP2) and the IH 35 segment of the project opening four years and four months after the issuance of NTP2. Financial close and total service commencement will occur in full compliance with all TxDOT requirements.

A performance-based approach to maintenance will dictate the timing of maintenance and renewal activities throughout the CDA term. The Developer's maintenance sub-organization will address the CDA performance requirements regarding annual updates and a comprehensive inspection plan will provide the Developer with the necessary asset information to define and update the Renewal Work Schedule annually.

Designing and Constructing the IH 635 Managed Lanes Project

The Developer, through the D&B Agreement, will engage the D&B Team to carry out the design and construction work,

under the management of the Developer's D&C Director. The D&B Team will be responsible for all CDA requirements relating to management of design and construction work. This also extends to the design consultants, suppliers and subcontractors that will form an integral part of the D&B Team. A Registered Professional Engineer reporting to the D&C Director will perform final QA/QC checks and sign off on designs prior to submittal to TxDOT and the IE.

The Design Team will report to the D&C Director, and will include several D&B Team discipline managers overseeing a Design Consultant Organization responsible for carrying out detailed design activities.

During construction, Ferrovial Agroman and W.W. Webber will serve as co-General Contractors, under the supervision of the Developer's D&C Director and the D&B Team's General Manager. To achieve the proposed schedule, construction will overlap with design, which is one of the key advantages of the CDA approach. The D&C Director will facilitate this overlap through awareness and communication of the status of design and construction activities.

The D&B Team's Construction Manager will oversee Segment Construction Managers for each Project Segment under construction. These managers will manage their respective Segment Construction Teams, which may include subcontracted personnel. Meetings between the Segment Managers will be the primary means of disseminating information and controlling their efforts.

Proposer's Schematic & Innovative Concepts

The Proposer has thoroughly analyzed all available Project data and developed enhancements to original design schematics. The Proposer has also submitted innovative solutions to TxDOT for consideration in the form of Alternative Technical Concepts (ATC). TxDOT has acknowledged the innovation of several of these ATCs by officially approving them for inclusion in the project design and construction.

Maintaining mobility during construction is a key issue for LBJ Development Partners. The Proposer is firmly committed to staging construction and managing traffic to provide for safe and expeditious flow of traffic through the Project area, minimizing impact on local stakeholders, and guaranteeing access to neighborhoods and businesses, all while maximizing the safety of construction and inspection personnel.

Conceptual Rendering of IH 635 Managed Lanes

The Proposer has agreed to implement the following Alternative Technical Concepts submitted to TxDOT.

- ATC 5 proposes the use of PVC pressure pipe for the buried portion of the standpipe system instead of galvanized steel.
- ATC 6 allows for an expedited opening of a portion of the managed lanes, thus improving the Project's mobility and financial performance.

Other ATC´s that were approved, but could not be included in this Proposal are:

- ATC 2. This ATC is associated with the IH 635/DNT interchange. A wraparound managed lane concept is proposed at this interchange in place of the original depressed lane concept along the IH 635 centerline. This alternative design offers the benefit of minimizing impacts to traffic, avoiding reconstruction of the existing IH 635 bridges over DNT, and generally reduces the

time required to build all the improvements required at this intersection.

- ATCs 8 and 9 propose the construction of additional ramps to enhance connectivity between the IH 635 Managed Lanes and IH35E and US 75, respectively.

The innovative solutions proposed in ATCs 2, 8 and 9 enhance the use and connectivity of the managed lanes while simultaneously reducing congestion in the general purpose lanes. The Developer is committed to finding a negotiated means of incorporating these ATCs into the Project after conditional award.

Construction Sequencing, Traffic Management and Mobility During Construction

The Developer is firmly committed to staging construction and managing traffic to provide for the safe and expeditious flow of traffic through the Project area, all while maximizing the safety of construction and inspection personnel. Proposed traffic control plans are designed to route traffic safely at a controlled speed, with geometrics and traffic control devices as similar as possible to those used during normal operating situations. Safety will be assured by always maintaining separation between the main travel lanes and the construction areas through the use of clear zones and concrete traffic barriers.

The construction sequencing developed by the D& B Team follows the basic approach of constructing the improvements simultaneously from the outside-in (Frontage Roads, then General Purpose Lanes, then Managed Lanes), and from the top-down (Cross street overpasses, then General Purpose Lanes, then Depressed Managed Lanes). The major construction phases can be summarized as follows:

Phases 1&2: Construct noise walls, utility relocations, drainage trunk lines and new/reconstructed frontage roads along the new right-of-way lines. Construct cross road overpass bridges and permanent/temporary widening to the outside of the existing General Purpose Lanes (GPL) of IH 635.

Phase 3: Shift GPL traffic to the outside of the existing pavement, construct the Managed Lanes and overhang structures in the center.

Phase 4: Shift GPL into final configuration and complete all ramps between the GPL and Frontage Roads

Several significant benefits and efficiencies result from this approach:

- Frontage roads and cross street overpasses will be completed during the first two phases, which will minimize the impact on local stakeholders, relieve some congestion early in the project, and provide improved and unimpeded access to neighborhoods, pedestrians and businesses for the remaining duration of construction.
- At least two frontage road lanes will remain open during peak hours of all phases of construction, which exceeds

the CDA requirements of maintaining only one lane access on frontage roads.

- Four main General Purpose Lanes on IH 635 will remain in operation throughout the construction period including through the DNT interchange. This exceeds the CDA requirements, which allow three GPL through the DNT Interchange during construction.
- No major crossovers are proposed, meaning the traffic flow pattern for the eastbound and westbound GPL will remain in the existing configuration throughout construction. This will minimize the impact to motorists and improve safety.

Utilities and drainage are key issues that have been considered in construction staging and sequencing. Potential conflicts with existing utilities throughout the project limits have been identified. Where conflicts cannot be avoided, utility relocation plans will be developed.

Toll Operations, Enforcement & Interoperability

Toll Operations

The Managed Lanes will be operated with state-of-the-art technology to ensure pricing is set according to traffic conditions at any given moment and compliant with CDA requirements. Detectors on the roadway will monitor traffic conditions and congestion on the Managed Lanes throughout the day and will send the traffic data to the Toll Facility System (TFS) in charge of setting toll rates. The TFS will coordinate with Dynamic Toll Rate Signs designed to notify drivers of the current toll rate allowing them to easily and safely choose if they wish to enter the Managed Lanes.

Maintenance Building Concept

At the entrances to the managed lanes, all vehicles will self-declare as either a High-Occupancy Vehicle (HOV) or a Single-Occupancy Vehicle (SOV) by driving through a tolling lane designated for either HOVs potentially entitled to a discount, or SOVs.

The Developer will deploy Automatic Vehicle Identification (AVI) technology capable of reading the transponders of passing vehicles. For vehicles without a valid transponder, license plate recognition cameras will capture images of the license plates for use in identifying and billing the registered owner. Automatic Vehicle Classification (AVC) will determine each vehicle's size or number of axles and the system will adjust the toll amount accordingly.

The TFS will process video and transponder transactions and pass them to NTTA for posting to customer accounts.

Enforcement

TxDOT may elect to offer discounts to HOV users of the Managed Lanes. To be eligible for the discount HOV users will need to have a valid transponder and self declare at declaration lanes provided at entry ramps.

Enforcement signals installed on the gantry at each HOV lane, will be triggered to turn on when a valid transponder is detected. The signal provides a visual flag to a law enforcement officer as to whether the passing vehicle obtained the HOV discount. A visual inspection of the number of vehicle occupants will serve to check if the vehicle either qualified for the HOV discount or is a violator.

This visual method will be complemented by the transmission of the license plates and/or transponder numbers of HOV declared patrons to officers who are downstream of the tolling point via Personal Data Assistant (PDA – such as a Palm-Pilot or Blackberry) or through the officer's in-vehicle computer. The Proposer is actively exploring the market for a solution that enables automatic detection of vehicle occupancy. Once a reliable technology is available, the Developer will test it and, eventually, implement it for conducting automatic enforcement.

Interoperability

The Proposer is committed to achieving the goals TxDOT has set for interoperability on the IH 635 Managed Lanes Project. Specifically, the Developer will ensure interoperability with any other Texas tolling authority for which TxDOT has an interoperability agreement (i.e. HCTRA, NTTA and TxDOT) and will demonstrate this interoperability prior to tolling commencement.

Developer will also ensure interoperability with all Intelligent Transportation Systems (ITS), including provision of secondary access and control via a center-to-center interface to TxDOT for Dynamic Message Signs (DMS), Closed Circuit Television (CCTV) and vehicle detection systems. The Developer will provide data, video and status information collected from these devices to TxDOT. Additionally, the Developer will achieve interoperability with other Traffic Management Centers in the region, including DalTrans.

Operating, Maintaining and Improving the IH 635 Managed Lanes Project

As the Proposer does with all its concessions, the Developer will retain primary control of O&M for the life of the concession and will not subcontract it as a whole to any other party. This approach ensures the greatest degree of operational efficiency and full compliance with the requirements to deliver a well-maintained and valuable roadway back to the State at the concession's termination. The Developer will employ a state-of-the-art performance-based approach to maintenance supported by a well-established, comprehensive facility inspections plan.

Through this approach, the Developer will guarantee the effective application of its team members' technical expertise and experience, direct communication regarding O&M issues between the Developer, TxDOT and the Independent Engineer, significant operational cost reductions,close control of the risks associated with the O&M of the Project, and direct alignment of TxDOT and Developer's interests to maintain a safe and reliable transportation system at all times.

With the objective of minimizing disruption to the traveling public and extending the useful life of the Project, key maintenance initiatives will include practicing pavement preservation rather than reactive maintenance, conducting general inspections during routine patrols, monitoring work completed by subcontractors to ensure conformance with the CDA, monitoring facility effectiveness with respect to performance measures and maintaining a Maintenance Management Inventory System.

The foundation of the Developer's maintenance strategy will ensure the delivery of a facility to the State at the end of the concession period that had not only retained its values as a result of the Developer's operations, but has seen that value significantly enhanced. TxDOT will receive back a state-of-the-art, well-maintained facility perfectly designed to accomplish TxDOT's objective of "increasing the value of the State's transportation assets".

Administration Building Concept

*Cintra Concesiones de Infraestructuras de Transporte, S.A. and Meridiam Infrastructure Finance. S.a.r.l. as Equity Participants of the Proposer, an entity yet to be formed under the reserved name of LBJ Development Partners.