NTE Mobility Partners Segments 3 LLC

PROJECT FINANCIAL PLAN 2013

March 31, 2014

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1. INTRODUCTION

1.1 NTE Mobility Partners Segments 3 LLC

NTE Mobility Partners Segments 3 LLC, has been organized as a limited liability company duly formed and existing in good standing under the laws of the State of Delaware. The Company is a direct, wholly-owned subsidiary of NTE Mobility Partners Segments 3 Holding LLC, a Delaware limited liability company, and an indirect subsidiary of (i) Cintra Infraestructuras, S.A. ("Cintra") with 51.10% of the shares, (ii) Meridiam Infrastructure North America Fund II AIV, LP ("MINAF II AIV"), Meridiam Infrastructure North America Fund II AIV II, LP ("MINAF II AIV II"), Meridiam Infrastructure North America Fund II (Domestic), LP ("MINAF II Domestic") and Meridiam Infrastructure North America Fund II, LP ("MINAF II" and, collectively with MINAF II AIV, MINAF II AIV II and MINAF II Domestic, "Meridiam") with 38.90%, (iii) Stichting Depositary APG Infrastructure Pool 2011 ("APG") with 1.00% and (iv) the Dallas Police and Fire Pension System with 10.00%. It is the sole purpose of the Company to carry out its obligations pursuant to the Comprehensive Development Agreement (CDA) signed between the Texas Department of Transportation (TxDOT) and the Company on June 23, 2009, and the financing and design and build agreements that are incidental to the CDA, and other functions incidental thereto. This financial plan is being submitted according to Section 21 (a) of the Loan Agreement executed on August 29, 2013.

1.2 PROJECT DESCRIPTION

Pursuant to a Comprehensive Development Agreement, dated as of June 23, 2013, between the Texas Department of Transportation and the NTE Mobility Partners Segments 3, the TxDOT, acting under state statutory authority to enter into public-private partnership arrangements, has granted NTE Mobility Partners Segments 3 the exclusive right to plan, develop, design and construct the IH 35W Managed Lanes Project located in Tarrant County in the State, including among other things (i) on IH-35W, construction of two managed lanes in each direction spanning approximately 6.2 miles from north IH 30 to north IH 820 including the IH 35 W/IH 820 Interchange (the "3A Facility Segment"), reconstruction of existing general purpose lanes and construction of access and frontage roads, (ii) the design, development and installation of the ITS and tolling systems on the 3A Facility Segment and on the 3B Facility Segment (as defined below) and (iii) implementation of certain utility adjustments (collectively, the "Construction Project"). The Texas Department of Transportation (the "Department") will undertake the design, development and construction of two managed lanes in each direction spanning approximately 4 miles on IH 35W from north of IH 820 to north of US 81/287 (the "3B Facility Segment"), other than the tolling system and ITS work for the 3B Facility Segment as noted above, including the related administrative, design, engineering, real property acquisition and occupant relocation, construction, utility adjustment, utility accommodation and support services (such work being, collectively, the "Department Works"), which Department Works are not part of the Construction Project and thus not obligations of the Company. The construction of the Construction Project will occur in three segments, as illustrated on the map appearing on the Exhibit I.

In addition to its construction obligations relating to the Construction Project, the Company has the exclusive right and obligation, pursuant to the Facility Agreement, to operate, maintain, repair and collect tolls from the Managed Lanes for both the 3A Facility Segment and the 3B Facility Segment and the obligation to operate, maintain and repair (including the 3B Facility Segment but excluding repairs for Department Works Defects during the three year warranty period following the Department Substantial Completion Date) the remainder of the facility, in accordance with and subject to the terms thereof (such operations, maintenance, repair and collection of tolls activities, together with the Construction Project, will be referred to herein as the "Facility"), subject to the terms and conditions thereunder.

The Company has the exclusive right, title, entitlement and interest in and to the toll revenues for Segments 3A & 3B (which include incidental charges and Video Transaction Toll Premiums), subject to the terms and conditions of the FA Documents (including the Department's rights to compensation in accordance with the Facility Agreement) and the security interests therein under the Security Documents. The Company is free to distribute the proceeds of the toll revenues provided the Company first pays all (i) current and delinquent amounts due to the Department under the Facility Agreement or the Lease, (ii) current and delinquent costs and expenses of O&M Work or of otherwise operating and maintaining the Facility, (iii) current and delinquent debt service, and other current and delinquent amounts, due under any funding agreement or security document, (iv) currently required or delinquent deposits to the Handback Requirements Reserve, (v) taxes currently due and payable or delinquent and (vi) current and delinquent costs of renewal work.

The term of the concession for the Project is 52 years from the date of the Comprehensive Development Agreement, upon the expiration or earlier termination of which the Company will be obligated to hand back to the Department, at no charge to the Department, the transportation facilities and all related structures and improvements for the Project, including an electronic toll collection system and communications systems, including any and all upgrade

Exhibits II & III include Lender Technical Advisor and Traffic Technical Advisor reports.

1. CURRENT COST ESTIMATE

1.1 THE DESIGN BUILD CONTRACT

The Company and the Design Build Contractor will enter into the Design Build Contract, pursuant to which substantially all of the construction work relating to the Project and constituting the Construction Project will be undertaken by the Design Build Contractor, on a lump sum, fixed price basis.

1.2 CURRENT COST ESTIMATE

The Company is responsible for the planning, development, design and construction of the Construction Project, which includes, among other things (i) on IH-35W, construction of two managed lanes in each direction spanning approximately 6.2 miles from north IH 30 to north IH 820 including the IH 35 W/IH 820 Interchange, reconstruction of existing general purpose lanes and construction of access and frontage roads, (ii) the design, development and installation of the ITS and tolling systems on the 3A Facility Segment and on the 3B Facility Segment and (iii) implementation of certain utility adjustments.

In connection with its construction obligations, the Company has executed the Design Build Contract, a fixed-price construction contract with North Tarrant Infrastructure, LLC, a subsidiary of Ferrovial Agromán S.A., Ferrovial Agroman US. Corp and W.W. Webber, LLC

Below are the Projected Costs estimated during the Construction Period:

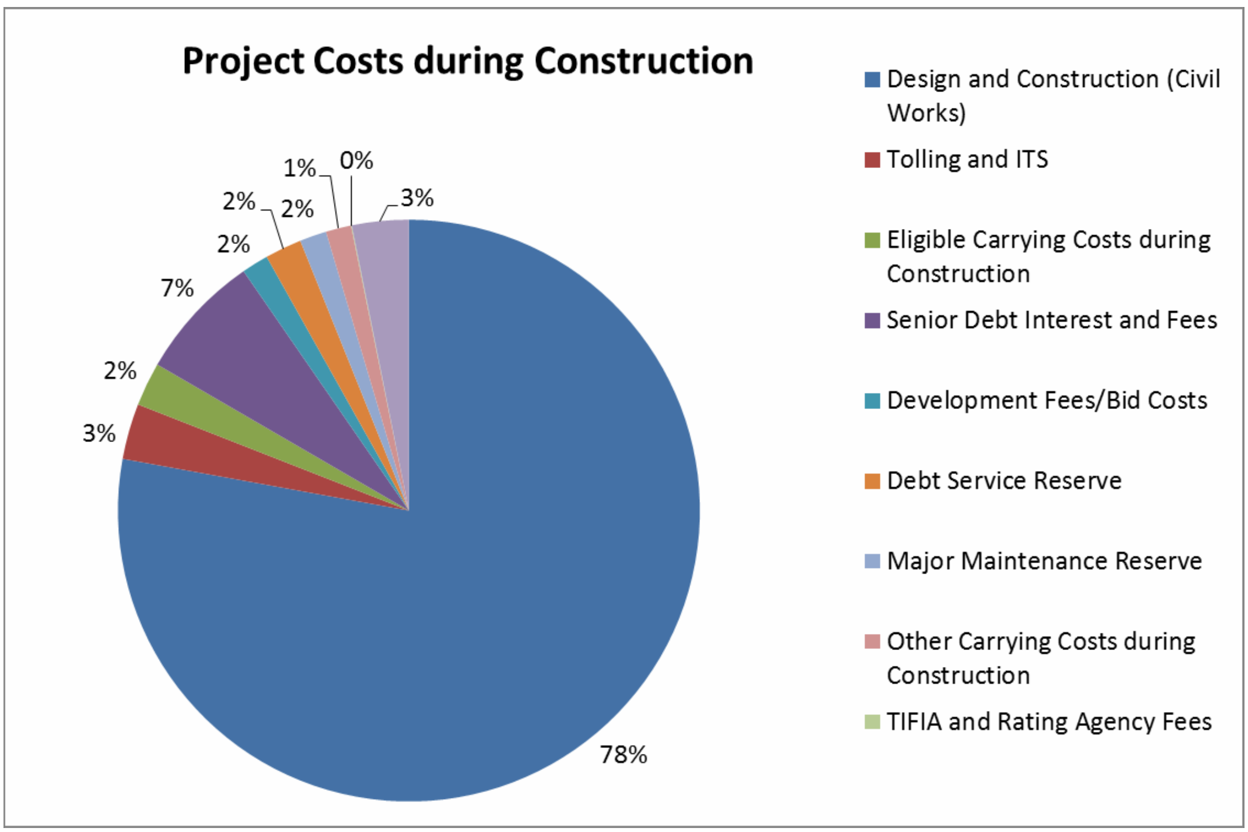
(USD in Thousands)

Project Costs During Construction	2013	2014	2015	2016	2017	2018	Total
Design and Construction (Civil Works)	94,783	223,527	218,427	204,299	204,276	99,862	**1,045,173**
Tolling and ITS	$ -	$ 7,731	$ 16,255	$ -	$ 5,337	$ 12,253	**$ 41,577**
Eligible Carrying Costs during Construction	$ 4,263	$ 5,547	$ 5,877	$ 6,092	$ 6,540	$ 4,241	**$ 32,560**
Senior Debt Interest and Fees	$ 5,332	$ 18,818	$ 18,818	$ 18,818	$ 18,818	$ 13,486	**$ 94,090**
Development Fees/Bid Costs	$ 19,988						**$ 19,988**
Debt Service Reserve						$ 27,403	**$ 27,403**
Major Maintenance Reserve						$ 20,000	**$ 20,000**
Other Carrying Costs during Construction	$ 1,673	$ 4,455	$ 6,127	$ 4,168	$ 2,170	$ 337	**$ 18,930**
TIFIA and Rating Agency Fees		$ 116	$ 119	$ 122	$ 125	$ 91	**$ 573**
TIFIA Capitalized Interest		$ 2,775	$ 6,052	$ 9,445	$ 14,412	$ 9,593	**$ 42,277**
TOTAL	**$ 126,039**	**$ 262,969**	**$ 271,675**	**$ 242,944**	**$ 251,678**	**$ 187,266**	**$ 1,342,570**

(USD in Millions)

Sources of Funds	2013 Financial Plan	
Senior Debt	$	274.03
TIFIA Loan Proceeds	$	531.00
Equity Contribution	$	430.29
Public Funds	$	61.70
TIFIA Capitalized Interest	$	42.28
Interest Income	$	3.27
Total Sources of Funds	**$**	**1,342.57**

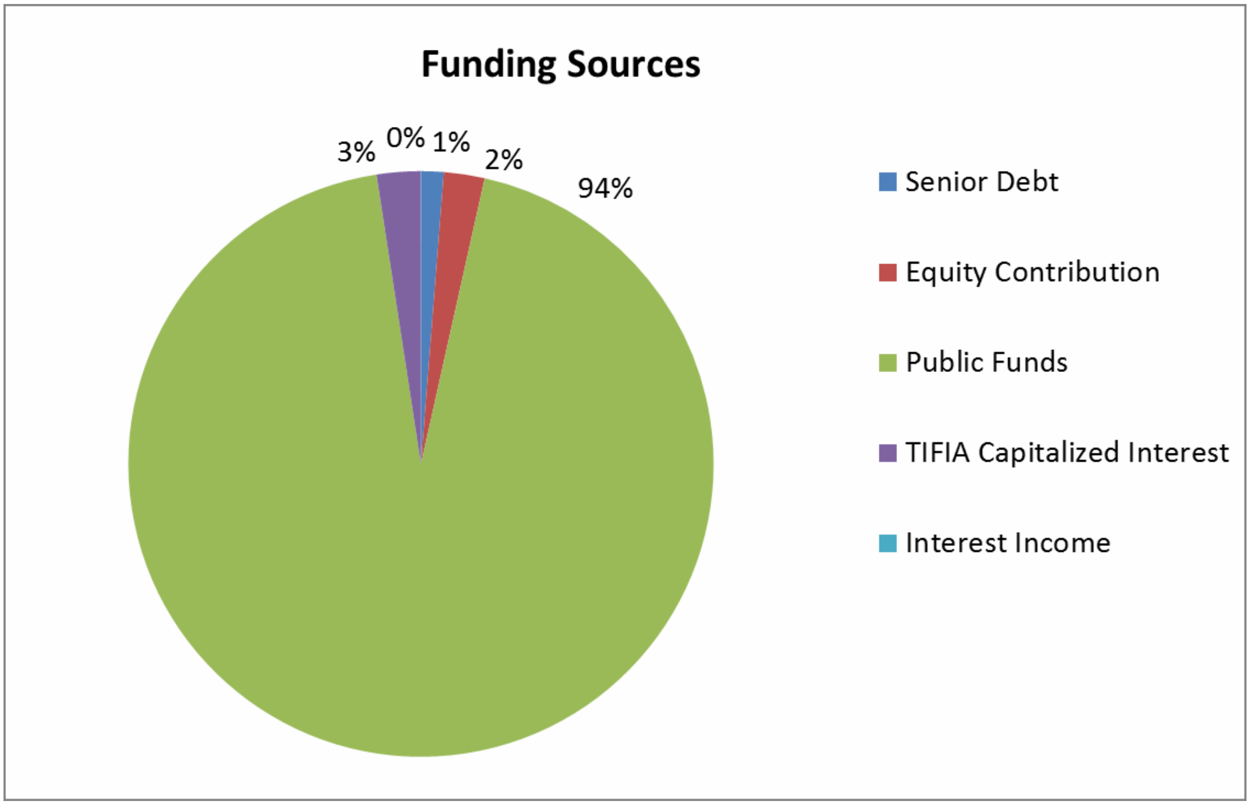
Uses of Funds	2013 Financial Plan	
Design and Construction (Civil Works)	$	1,045.17
Tolling and ITS	$	41.58
Eligible Carrying Costs during Construction	$	32.56
Senior Debt Interest and Fees	$	94.09
Development Fees/Bid Costs	$	19.99
Debt Service Reserve	$	27.40
Major Maintenance Reserve	$	20.00
Other Carrying Costs during Construction	$	18.93
TIFIA and Rating Agency Fees	$	0.57
TIFIA Capitalized Interest	$	42.28
Total Uses of Funds	**$**	**1,342.57**



Segment 3B

(USD in Millions)

Sources of Funds	2013 Financial Plan	
Senior Debt	$	3.24
Equity Contribution	$	5.86
Public Funds	$	244.73
TIFIA Capitalized Interest	$	6.28
Interest Income	$	0.04
Total Sources of Funds	**$**	**260.15**



2. IMPLEMENTATION PLAN

2.1 PROJECT SCHEDULE

The following are a project timeline showing major completion dates and anticipated milestones.

Milestone	Deadline
Commercial Close Date (Contract Signature Date)	March 1, 2013
NTP1	March 1, 2013
Financial Close	September 19, 2013
NTP2	September 25, 2013
Commencement of Construction Work	September 25, 2013
Substantial Completion Segment 3B	November 1, 2017
Service Commencement Deadline	September 13, 2018
Final Acceptance Deadline for each Project Segment	December 14, 2018
Long Stop Date	March 13, 2020

The table reflects the latest schedule submitted to TxDOT. The variance in dates is a matter of 10-12 days.

TxDOT Segment 3B Schedule

TxDOT's timeline for construction can be found in Exhibit 9 to the FA. TxDOT has contractually agreed to abide by the Exhibit 9 Milestones in Section 25.6 of the FA. Furthermore, TxDOT's failure to achieve TxDOT Substantial Completion by the Original Expected TxDOT Substantial Completion Date is a Compensation Event under the FA, which would entitle Developer to compensation from TxDOT.

3. PROJECT FINANCING AND REVENUES

This section provides an overview of the proposed finance plan during the construction period by source of financing. A description of the project cash flows is provided in Section 4.

3.1 OVERALL FINANCE PLAN

The finance plan for the NTE 35W project is described in detail in this section and consists of a combination of funding sources including NTE Mobility Partners Segments 3 Holding Shareholders' Equity Contributions, TIFIA Loan, Private Activity Bonds (PABs), Public Funds and Financial Income.

- Funding sources

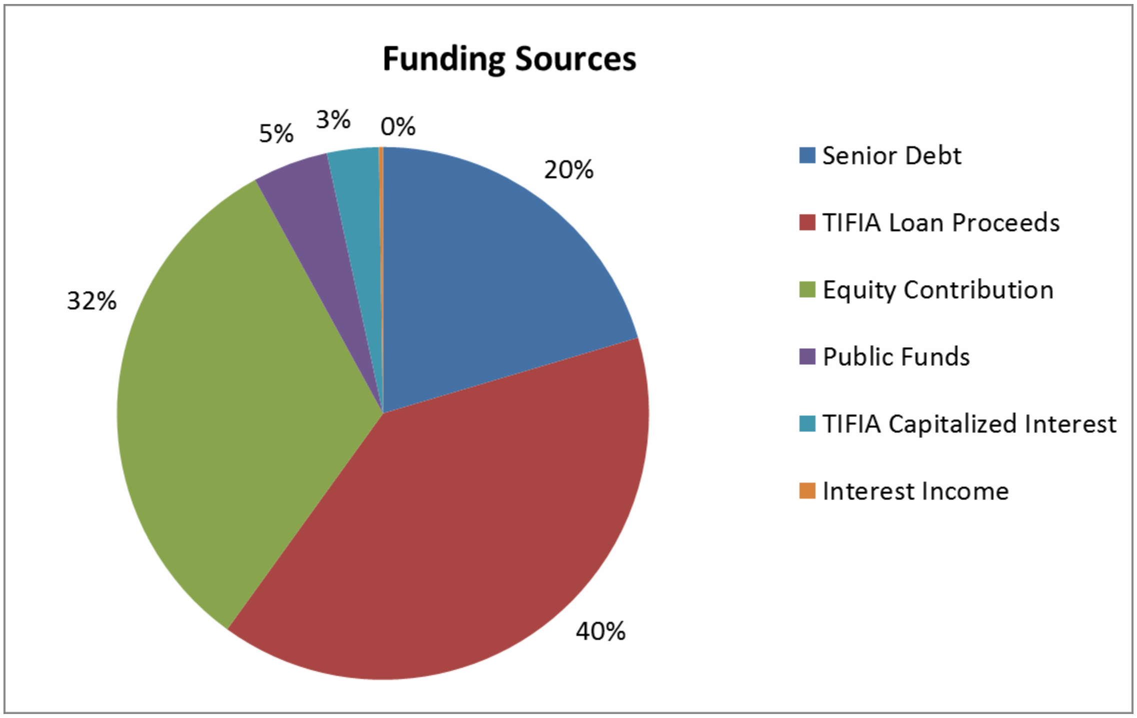
(USD in Thousands)

Sources of Funds	Amount	Percentage
Sharholders' Equity Contributions	$ 430,294	32%
TIFIA Loan (Including Capitalized Int.)	$ 573,277	43%
PABs	$ 274,030	20%
Financial Income	$ 3,269	0%
Public Funds	$ 61,700	5%
Total Sources of Funds	**$ 1,342,570**	**100%**

- Funding Sources – Annual View

(USD in Thousands)

Sources of Funds	2013	2014	2015	2016	2017	2018	TOTAL
Sharholders' Equity Contributions	$ 33,799	$ 85,657	$ 89,793	$ 79,069	$ 80,597	$ 61,379	$ 430,294
TIFIA Loan (Including Capitalized Int.)	$ -	$ 113,776	$ 90,539	$ 89,107	$ 166,080	$ 113,775	$ 573,277
PABs	$ 274,030	$ -	$ -	$ -	$ -	$ -	$ 274,030
Financial Income	$ -	$ 240	$ 1,490	$ 1,024	$ 287	$ 228	$ 3,269
Public Funds	$ 39,356	$ 5,164	$ 5,319	$ 4,577	$ 4,718	$ 2,567	$ 61,700
Total Sources of Funds	**$ 347,185**	**$ 204,837**	**$ 187,141**	**$ 173,777**	**$ 251,682**	**$ 177,949**	**$ 1,342,570**



Estimated sources and uses of funds for the NTE 35W project.

(USD in Millions)

Sources of Funds	2013 Financial Plan
Senior Debt	$ 274.03
TIFIA Loan Proceeds	$ 531.00
Equity Contribution	$ 430.29
Public Funds	$ 61.70
TIFIA Capitalized Interest	$ 42.28
Interest Income	$ 3.27
Total Sources of Funds	**$ 1,342.57**

Uses of Funds	2013 Financial Plan
Design and Construction (Civil Works)	$ 1,045.17
Tolling and ITS	$ 41.58
Eligible Carrying Costs during Construction	$ 32.56
Senior Debt Interest and Fees	$ 94.09
Development Fees/Bid Costs	$ 19.99
Debt Service Reserve	$ 27.40
Major Maintenance Reserve	$ 20.00
Other Carrying Costs during Construction	$ 18.93
TIFIA and Rating Agency Fees	$ 0.57
TIFIA Capitalized Interest	$ 42.28
Total Uses of Funds	**$ 1,342.57**

3.2 COMPONENTS OF FACILITY PLAN OF FINANCE

A summary of each component of the plan of finance is outlined below:

3.2.1 Shareholder funding

Shareholder funding will comprise 31% of the external funding requirements, totaling $430,293,571 in the form of common shares. The timing of the investments will be on a pro-rata basis during the funding period.

NTE Mobility Partners Segments 3 is a blend of Cintra's world-class international expertise in developing and managing road concessions with Meridiam Infrastructure (S.C.A.) SICAR, APG Infrastructure Pool 2011 and the Dallas Police and Fire Pension System(DPFPS).

• Cintra According to the October 2012 issue of Public Works Financing, an industry journal, Cintra and its parent company Ferrovial, S.A. ranked seventh in the world in terms of number of infrastructure concessions. In addition, the same issue of Public Works Financing ranked Cintra and Ferrovial, S.A., on a combined basis, as the number one infrastructure concession development and management company in the world in terms of capital investment. As of December 31, 2012, Cintra had interests in 23 concessions and 1 managed highway (Vialivre) in 6 countries, the total assets of which equaled approximately $28,033,000,000 and in which Cintra had committed equity investments equal to approximately $2,976,000,000. In Spain in particular, Cintra is one of the largest highway concession companies in terms of the number of concessions, managing seven concessions as of the date of this Official Statement. Outside of Spain, Cintra is active in Portugal, Ireland, Greece, Canada (407 Express Toll Route) and the United States.

• Meridiam is made up of MINAF II, MINAF II AIV, MINAF II AIV II and MINAF II Domestic. Meridiam is providing the majority of the funding for Meridiam's investment in the Company. Meridiam, managed by MINA Corp, is an unlisted, close-ended infrastructure fund whose investors are committed to providing capital as required by Meridiam up to their initial commitment; this is drawn as needed by Meridiam for project funding. As of June 30, 2013, approximately $492,000,000 of the capital committed to the fund by investors is uncommitted to projects and available for future investments. All of Meridiam's investments are currently valued using Level 3 inputs which are defined as "prices or valuations that require inputs that are both significant to the fair value measurement and are unobservable." Unobservable inputs are inputs that reflect Meridiam's expectations about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. Many factors, circumstances and events may affect the estimated fair value of Meridiam's investments, including but not limited to changes in operational and contractual risks and/or the legal and regulatory environment and fluctuations in foreign exchange rates.

• The Dallas Police and Fire Pension System provide retirement, disability and survivor benefits to the police officers and firefighters of the City of Dallas, as well as to pensioners and their beneficiaries. The general terms "police officers" and "firefighters" also include fire and rescue operators, fire alarm operators, fire inspectors, apprentice police officers and apprentice firefighters. All active police officers and firefighters employed by the City of Dallas are required to participate in the Dallas Police and Fire Pension Plan. The Dallas Police and Fire Pension System is a defined benefit plan qualified under section 401(a) of the Code. It is administered by a 12-member board of trustees composed of three trustees elected from the active membership of the police department, three trustees elected from the active membership of the fire-rescue department, one trustee elected by retired police officers, one trustee elected by retired firefighters and four trustees appointed by the City Council of the City of Dallas from among its membership. The Dallas Police and Fire Pension System has had a steady growth in both its membership and its assets since it was founded in 1916. The Dallas Police and Fire Pension System's funding comes from three sources: member contributions, city contributions and investment returns. As of December 31, 2012, the Dallas Police and Fire Pension System's assets were valued at approximately $3,287,626,879.
Under current State law, the Dallas Police and Fire Pension System has governmental immunity from suit, the waiver of which is generally unenforceable. The other parties to the 170 Equity Contribution Agreement are prevented by operation of the Dallas Police and Fire Pension System's governmental immunity from bringing suit against the Dallas Police and Fire Pension System in a court of law in the State to adjudicate a claim to enforce the Equity Contribution Agreement or for damages for breach of the Equity Contribution Agreement.

• APG Infrastructure Pool 2011 is an investment fund formed in The Netherlands for the purposes of making investments in infrastructure on a long term basis, through Stichting Depositary APG Infrastructure Pool 2011 ("APG"), will commit to make certain equity investments in the Company pursuant to the Equity Contribution Agreement, subject to the terms of such agreement. The fund consists of a contractual arrangement between APG Algemene Pensioen Groep N.V. ("Pensioen") in its capacity as manager of the fund, APG Infrastructure Pool 2011, APG, a foundation set up with the specific purpose of acting as custodian of the investments made by the fund and the recipient of the committed funds of the fund's investors, and each of the Pensioen clients that participate in the fund. Pensioen has a general power of attorney from APG to represent it for all matters. The following structure chart summarizes the relationships between the key entities of the "APG Fund."

The manager of the APG Fund is Pensioen, a pension fund asset manager, providing pension solutions and opportunities in various employment sectors in the Netherlands. In total, Pensioen manages pension assets of approximately €324,000,000,000 (as of December 2012), which included 30,000 different employers in The Netherlands. As of the date hereof, Pensioen administers over 30% of all collective pension schemes in The Netherlands.

Shareholders' funding requirements will be contributed in the following proportions:

(USD in Thousands)

Funding Sources	Amount		Percentage
Cintra	$	215,577	50.10%
Meridiam	$	59,983	13.94%
Dallas Police and Fire Pension System	$	43,029	10.00%
APG	$	111,704	25.96%
Total Sources of Funds	**$**	**430,294**	**100%**

3.2.2 Private Activity Bonds

The SAFETEA-LU federal transportation funding reauthorization bill provided authorization for up to $15 billion of tax exempt (AMT) Private Activity Bonds to finance qualified surface transportation facilities and freight transfers facilities. Compared to traditional financing mean, PABs have much lower borrowing costs than taxable bonds, allow for a long tenor (40 years), and offer security to a large potential investor base. This program provides an excellent toll for private sector participants to ramp up their various infrastructure projects and leverage attractive financing costs. The Sponsors anticipate that they will seek provisional allocations of at least $273 million from USDOT with the understanding that such amount may be subject to change prior to execution of the Agreement.

NTE Mobility Partners Segments 3 believes that PABs would contribute to providing the project with sound medium-term and long-term funding through more stable resources, in order to flexibly sustain the progressive development of the facility and the build-up of traffic revenues.

Instrument	Senior Long Term Tax-Exempt (ATM) Bond Issue
Purpose	Provide funds for project costs
Bonds Issuance Proceeds	$274.03 million
Drawndown Schedule	Pro-rata with TIFIA; Pro-rata to Equity (following Financial Close)
Security Required	Senior pledge of net project operating revenues
Interests	Fixed rate bonds with semi-annual interest
Up-front Fees	0.65%
Ratings	Moody's Baa3 S&P BBB-
Restricted Payments	No distribution to Equity Participants while historical ADSCR below below 1.15x

The maturity schedule of the bonds is as follows:

Bonds	Maturity	Principal Amount	Interest Rate	Price	Cusip Number
Term Bond due 2038	December 31, 2038	$128,300,000	7.00%	101.785	882667AG3
Term Bond due 2043	June 30, 2043	$145,730,000	6.75%	98.410	882667AH1

The Bonds maturing on December 31, 2038 and June 30, 2043 will be subject to mandatory redemption prior to maturity in the aggregate principal amounts and on the dates set forth in the following amortization table at a Redemption Price of par plus accrued interest to, but not including, the redemption date.

Bonds	Mandatory Redemption Date	Amount
Term Bond due December 31, 2038	12/31/2033	$10,200,000
	6/30/2034	$10,240,000
	12/31/2034	$10,245,000
	6/30/2035	$10,970,000
	12/31/2035	$10,975,000
	6/30/2036	$11,755,000
	12/31/2036	$11,755,000
	6/30/2037	$12,595,000
	12/31/2037	$12,590,000
	6/30/2038	$13,485,000
	12/31/2038	$13,490,000
Term Bond due June 30, 2043	6/30/2039	$14,440,000
	12/31/2039	$14,440,000
	6/30/2040	$15,435,000
	12/31/2040	$15,430,000
	6/30/2041	$16,495,000
	12/31/2041	$16,490,000
	6/30/2042	$17,625,000
	12/31/2042	$17,625,000
	6/30/2043	$17,750,000

3.2.3 TIFIA Loan

The Transportation Infrastructure Financing and Innovation Act of 1998 ("TIFIA") established a federal credit program under which the US Department of Transportation (USDOT) may provide credit assistance to major transportation investment of critical or national significance, such as: inter-modal facilities, border crossing infrastructure, highway trade corridors, and transit and passenger rail facilities with regional and national benefit. The TIFIA program is designed to fill market gaps and leverage substantial private co-investment by providing supplemental and subordinate capital and credit rather than grants.

The TIFIA debt bears interest at a fixed rate, calculated by adding one basis point (0.01%) to the rate of securities of a similar maturity as published on the execution date of the TIFIA debt in the United States Treasury Bureau of Public Debt's daily rate table for the State and Local Government Series (SLGS) securities.

TIFIA Credit Assistance	Terms
Purpose	Provide funds to cover up to 33% of Eligible Project Costs under TIFIA rules
Amount	Up to $531 million
Capitalized Interest Period	From financial close up to the fifth year of Operations
Availability Period	From financial close up to the end of the construction period
Maturity	June 30, 2053
Base Rate	3.84%
Margin	0.01% per annum
Conditions Precedent to Drawdown	Customary Conditions Precedent apply to drawing of the TIFIA Loan, as well as the following: - The Borrower shall have demonstrated to the TIFIA Lender's satisfaction that the funds forecasted to be available under the Base Case Projections will be sufficient to complete the Project - The Borrower shall have delivered to the TIFIA Lender a certified schedule acceptable to the TIFIA Lender demonstrating (i) that the projected Project Revenues shall be sufficient to meet the Loan Amortization Schedule and (ii) a Total Debt Service Coverage Ratio at least equal to 1.30x in each year beginning with the Substantial Completion Date through the Final Maturity Date of the TIFIA Loan - The Borrower shall have demonstrated to the TIFIA Lender's satisfaction that the funds forecasted to be available under the Base Case Projections will be sufficient to complete the Project
Default Provisions	Customary Events of Default, in addition to which the following constitute Events of Default: - A Bankruptcy Related Events (*) occurs; - Acceleration occurs with respect to any senior debt any Project senior debt to or on a parity with the TIFIA credit instrument; or - There is a failure to make a Mandatory Debt Service Payment, or any portion thereof, when due under the TIFIA Credit Agreements
Security Required	- A second priority interest in project revenues and liens and security interests in other project - A first priority security interest in Pledged revenues (but no other projects assets) on parity with the lien of the Senior Debt Obligations (including hedge Obligations) upon the occurrence of a Bankruptcy Related Events (*)
Covenant	Customary Covenants are required, as well as the following; - no release to equity of any kind until TIFIA debt service (mandatory and scheduled) is current when capitalized interest period has ended - The balance in the Debt Service Reserve Account equals the Debt Service reserve Required Balance; and - A 1.20x Combined Debt Service Ratio is achieved for both the year preceding the distribution date and the year of distribution - There is a failure to make a Mandatory Debt Service Payment, or any portion thereof, when due under the TIFIA Credit Agreements

(*) The TIFIA Debt will elevate from subordinated status to pari passu with Senior Debt upon the occurrence of a "Bankruptcy Related Event." However, it is important to note that non-payment of the TIFIA Debt will not be considered in itself to be a bankruptcy related event. Per the definition of a "Bankruptcy Related Event" in the TIFIA Loan Agreement, (b)(ii) not paying debts would be be considered trigger a bankruptcy related event unless such debts are the subject of a bona fide dispute. However, the Intercreditor Agreement establishes a series of restrictions on the actions to be taken by USDOT (or the "TIFIA Lender") with respect to collateral and other matters, prior to, and following a bankruptcy related event. It is also important to note that if the TIFIA Lender sells, assigns or transfers any TIFIA obligation, the assignee loses this pari passu entitlement. The Conceptual Financial Plan does assume that the TIFIA funding is available and that the Act will be continually renewed throughout the term of the Project.

TIFIA Repayment Profile

No payment of principal of or interest on the TIFIA Loan is required to be made during the first five years following the Substantial Completion Date of the 3A Facility Segment. On each June 30 and December 31 during this period, interest will be capitalized and added to the principal amount of the TIFIA Loan. Thereafter, and until the end of the twentieth year following the Substantial Completion Date of the 3A Facility Segment, the debt service payable by the Company will fall into two categories: the mandatory portion of the scheduled debt service, which the Company must pay, and the non-mandatory portion of the scheduled debt service, which is payable by the Company to the extent funds are available for such payment in accordance with the terms of the Collateral Agency Agreement. During this period, any unpaid portion of TIFIA Scheduled Debt Service (net of TIFIA Mandatory Debt Service) will be capitalized and added to the principal amount of the TIFIA Loan. The expected TIFIA payment date & Debt Service Commencement date is June 30, 2013.

During the Payment Period, The Borrower shall make payments of TIFIA Mandatory Debt Service and TIFIA Scheduled Debt Service on each Payment Date commencing with the Debt Service Payment Commencement Date. Specifically, such mandatory portion of the scheduled debt service will consist of (i) in the six-month period ending on the Debt Service Payment Commencement Date through the eighth (8th) Payment Period, the Borrower shall make payments on each Payment Date of (x) TIFIA Mandatory Debt Service equal to 10% of the interest due and payable on the Outstanding TIFIA Loan Balance on such date and (y) TIFIA Scheduled Debt Service equal to 90% of the interest due and payable on the Outstanding TIFIA Loan Balance on such date;, (ii) From the ninth (9th) Payment Period through the twenty-fourth (24th) Payment Period, the Borrower shall make payments on each Payment Date of (x) TIFIA Mandatory Debt Service equal to 35% of the interest due and payable on the Outstanding TIFIA Loan Balance on such date and (y) TIFIA Scheduled Debt Service equal to 65% of the interest due and payable on the Outstanding TIFIA Loan Balance on such date, (iii) From the twenty-fifth (25th) Payment Period through the thirty-first (31st) Payment Period, the Borrower shall make payments on each Payment Date of (x) TIFIA Mandatory Debt Service equal to 50% of the interest due and payable on the Outstanding TIFIA Loan Balance on such date and (y) TIFIA Scheduled Debt Service equal to 50% of the interest due and payable on the Outstanding TIFIA Loan Balance on such date, (iv) From the thirty-second (32nd) Payment Period through the forty-first (41st) Payment Period, the Borrower shall make payments on each Payment Date of (x) TIFIA Mandatory Debt Service equal to 50% of the interest due and payable on the Outstanding TIFIA Loan Balance on such date and (y) TIFIA Scheduled Debt Service equal to 50% of the interest due and payable on the Outstanding TIFIA Loan Balance on such date plus $16.8 million of principal.

Beginning in year 26 following the Service Commencement Date of the last Project Segment, level interest and principal payments will be payable in amounts such that the outstanding TIFIA Loan (together with the capitalized amounts) will be reduced to $0 on the final maturity date of the TIFIA Loan. The final maturity date of the TIFIA Loan will be June 30, 2053, the last Payment Date occurring no later than thirty-five years from the Substantial Completion Date of the 3A Facility Segment (or if not a business day, the immediately succeeding day).

TIFIA disbursements table:

(USD in Thousands)

TIFIA Disbursement	2013 Financial Plan
2013	-
2014	111,001
2015	84,487
2016	79,661
2017	151,668
2018	104,183
TOTAL	$ 531,000

3.2.4 Public Funds

NTE Mobility Partners Segments 3 has available in nominal value $ 27.3M of public funds provided by TxDOT for the benefit of the project. The timing of the receipt of the Public Funds is specified as illustrated in the table below (per the CDA)

(USD in Thousands)

End of Quarter	Public Funds Request	Public Funds Request (Cumulative)
6/30/2014	$5,784	$5,784
12/31/2014	$2,359	$8,143
6/30/2015	$2,670	$10,813
12/31/2015	$3,209	$14,022
6/30/2016	$2,560	$16,582
12/31/2016	$2,585	$19,167
6/30/2017	$2,560	$21,727
12/31/2017	$2,726	$24,453
6/30/2018	$2,696	$27,149
12/31/2018	$151	$27,300

In addition to the $27.3M of public funds subsidy, TxDOT paid the Company a Recalibration Adjustment Amount totaling $27.3M. TxDOT will pay the Company $7.1M for additional right of way acquisition costs on the Closing Date.

3.3 TOLL REVENUES

The Company has the exclusive right, title, entitlement and interest in and to the toll revenues (which include incidental charges and Video Transaction Toll Premiums), subject to the terms and conditions of the Facility Agreement Documents (including the Department's rights to compensation in accordance with the Facility Agreement) and the security interests therein under the Security Documents. The Company is free to distribute the proceeds of the toll revenues provided the Company first pays all (i) current and delinquent amounts due to the Department under the Facility Agreement or the Lease, (ii) current and delinquent costs and expenses of O&M Work or of otherwise operating and maintaining the Facility, (iii) current and delinquent debt service, and other current and delinquent amounts, due under any funding agreement or security document, (iv) currently required or delinquent deposits to the Handback Requirements Reserve, (v) taxes currently due and payable or delinquent and (vi) current and delinquent costs of renewal work. Toll revenues must first be used to pay all due and payable operations and maintenance costs before they may be used and applied for any other purpose. The Company has no right to use toll revenues to pay any debt, obligation or liability unrelated to the Facility Agreement, the Lease, the Facility, the Work or the Company's services under the Facility Agreement. The Company will not receive any compensation for providing the services contemplated by the Facility Agreement and the Lease except from cost savings, toll revenues, capital contributions to the Company, proceeds of Facility Debt, proceeds of capital asset dispositions, interest earned by the Company on toll revenues, insurance proceeds, judgments, awards, and payments from the Department, to the extent they do not replace, reimburse, compensate or substitute for any of the items otherwise contemplated by the definition of "Toll Revenues" in the Facility Agreement. For an initial period of 180 days following the commencement of operations on the Managed Lanes, the Company will operate the Managed Lanes in Schedule Mode (as described below). After such period, the Company will operate the Managed Lanes in Dynamic Mode (as described below).

During the initial 180 days after the Service Commencement Date for a Facility Segment, the Company will operate the Managed Lanes in each toll segment in Schedule Mode. After the initial 180 days after the Service Commencement Date for a Facility Segment, the Company will operate the Managed Lanes in each toll segment in Dynamic Mode. Under no circumstances B-17 will a user be charged more than the lowest of the following: (a) a toll based on the latest published base toll schedule (when in Schedule Mode); (b) a toll based on the latest published temporary discounts (if any); (c) a toll based on the latest published schedule of toll factors; (d) a toll based on the latest published toll segment lengths; or (e) what is displayed to the user in any toll information sign.

During the initial 180 days after the Service Commencement Date for a Facility Segment, the toll rate may not exceed the $0.75 per mile traveled, regardless of traffic conditions, except with the Department's prior written approval in the Department's sole discretion. After the initial 180 days after the Service Commencement Date for a Facility Segment, the base toll rates may exceed the base toll rate cap and be increased by up to 25% of such cap every five minutes and only if necessary to comply with certain average volume and speed requirements set forth in Exhibit 4 to the Facility Agreement.

Commencing 270 days after the Service Commencement Date for a Facility Segment and commencing 60 days after each subsequent Service Commencement Date (if later), the Company must ensure average speeds in the Managed Lanes of the Facility Segment at or above 50 miles per hour; however, it will be excused from its obligation only if such failure is caused by events that are beyond the Company's control and are not due to any act, omission, negligence, recklessness, willful misconduct, breach of contract or law or violation of a governmental approval of any of the Company-Related Entities, upon providing to the Department adequate written evidence thereof. This obligation will be adjusted if at any time the posted speed limit on any portion of the Managed Lanes is less than 60 miles per hour.

Under normal circumstances of traffic under 3,300 passenger car equivalents per hour in two lane facilities and speeds over 50 miles per hour, Exhibit 4 to the Facility Agreement provides the Company with complete discretion (subject to certain specified parameters for each five-minute interval) for toll rate escalation under the cap. During periods of congestion, however, the key factor that will be considered by the Company when setting toll rates will be its obligation to maintain a minimum average speed of 50 miles per hour or more, and traffic volumes under 3,300 passenger car equivalents per hour in two lane facilities. By way of illustration, this means that if the traffic conditions for a given toll price result in a 40 mile per hour average speed, the Company is obligated to increase tolls over the cap as necessary every five minutes until a 50 mile per hour average speed is achieved, the only condition being that if the toll rates needed to do so are over the $0.75 per mile cap, the five minute increases are subject to a maximum increase of 25% of the then existing base toll rate every five minutes. The same procedure will also be followed if volumes on the Managed Lanes exceed 3,300 passenger car equivalents per hour (whichever occurs first (as between the speed threshold and the demand threshold)) so that both demand and speeds are always within the thresholds established by Exhibit 4 to the Facility Agreement. The opposite mechanism is also applicable so that when speeds over 50 miles per hour are regained (and passenger car equivalents no longer exceed 3,300 per hour), toll rates will be gradually lowered to $0.75 per mile or such lesser amount as applicable (but not less than 75% of the then existing base toll rate).

The Company's expectation is that after an initial period of monitoring traffic flows and behavior and testing the revenue impact of increasing or decreasing tolls for a given set of traffic conditions (subject to the speed and demand thresholds), the toll setting regime will require less frequent toll rate changes in order to maximize revenue.

The Company intends to acquire and use the relevant technology and operating resources necessary to maximize revenue within the toll rate setting regime and meet or exceed the speed and demand thresholds included in the Comprehensive Development Agreement and described above

See Exhibits II and III.

4. PROJECT CASH FLOW

Attached as Exhibit V are comprehensive pro forma cash flow tables for the project. The tables are presented in two parts to reflect cash flows during construction (Part A) and after construction (Part B).

4.1 PART A: PRO FORMA CASH FLOW DURING CONSTRUCTION

Part A of the Pro Forma Cash Flow shows the sources and uses of funds during construction of the project. The sources considered are the equity contributions, the TIFIA loan and the PABs. Main payments show the estimated cash flows for the project by major elements, i.e. construction, right of way, professional services, financing costs, etc.

Construction payments commencing in 2013 within the maximum of a five-year construction period. Main construction payments are expected by 2014 and 2015.

Financing costs include all costs of issuance, commitment fees, underwriting, upfront payments, monitoring fees, and the bond interest payments.

4.2 PART B: PRO FORMA CASH FLOW POST CONSTRUCTION

Part B of the Pro Forma Cash Flow shows the anticipated revenues and expenditures after the project is complete. Expenditures include debt service and loan payments, funding of reserves, operation and maintenance expenses, and major maintenance expenses.

Sources of funds are mainly the toll revenues.

The Company will retain responsibility for operation and maintenance (O&M) activities. Routine maintenance costs include personnel, equipment, materials and subcontracts to perform road maintenance and traffic management. Road control (patrolling) and traffic management costs. In addition, annual maintenance costs of Toll Collection and Traffic Management Systems. O&M in 2019 is estimated at $5.1 million excluding Insurance and Overhead.

Overhead during operations includes administration personnel, advisors, and office operating costs. Overhead is estimated at $2.1 million in 2019.

Insurance is estimated at $1.2 million in 2019.

Four relevant categories of major maintenance have been identified: Structures, pavement and road widening, and Tolling and IT systems, and road asset replacements.

5. OTHER FINANCIAL REQUIREMENTS

a. Base Case Model

See an electronic copy of the Updated Base Case Model with the Financial Plan sent along with this Plan.

b. Projected Total Debt Service Coverage Ratio

See ratios through final maturity attached as Exhibit VI.

c. Comparison to Base Case

Sources of Funds	2014 Financial Plan	Base Case
Senior Debt	$ 274.03	$ 274.03
TIFIA Loan Proceeds	$ 531.00	$ 531.00
Equity Contribution	$ 430.29	$ 430.29
Public Funds	$ 61.70	$ 61.70
TIFIA Capitalized Interest	$ 42.28	$ 46.32
Interest Income	$ 3.27	$ 5.71
Total Sources of Funds	**$ 1,342.57**	**$ 1,349.05**

Uses of Funds	2014 Financial Plan	Base Case
Design and Construction (Civil Works)	$ 1,045.17	$ 1,045.17
Tolling and ITS	$ 41.58	$ 41.58
Eligible Carrying Costs during Construction	$ 32.56	$ 32.56
Senior Debt Interest and Fees	$ 94.09	$ 94.09
Development Fees/Bid Costs	$ 19.99	$ 20.00
Debt Service Reserve	$ 27.40	$ 27.40
Major Maintenance Reserve	$ 20.00	$ 20.00
Other Carrying Costs during Construction	$ 18.93	$ 21.32
TIFIA and Rating Agency Fees	$ 0.57	$ 0.61
TIFIA Capitalized Interest	$ 42.28	$ 46.32
Total Uses of Funds	**$ 1,342.57**	**$ 1,349.05**

When compared to the Base Case Model:

a) The Other Carry Costs during Construction are lower as the result of lower upfront fees and reduced Letter of Credit costs projected during the Construction phase. The reduction is due to the a short construction time frame.
b) TIFIA Capitalized Interest are lowered due to the delay of drawing funds from the TIFIA sources until 2014.

6. THE OTHER FACTORS

The NTE Mobility Partners Segments 3 has carefully and exhaustively analyzed major risks and developed methods to mitigate such risk. Set forth below is a summary of issues addressed. The following list of risks does not supersede any allocation of risks agreed to in the CDA.

RISK DESCRIPTION	POTENTIAL CONSEQUENCES	RISK ALLOCATION	RISK MITIGATION STRATEGY
DESIGN RISKS			
Failure/Inadequate design and/or non, Commencing 270 days after the Service Commencement Date for a Facility Segment and commencing 60 days after each subsequent Service Commencement Date (if later), the Company must ensure average speeds in the Managed Lanes of the Facility Segment at or above 50 miles per hour; however, it will be excused from its obligation only if such failure is caused by events that are beyond the Company's control and are not due to any act, omission, negligence, recklessness, willful misconduct, breach of contract or law or violation of a governmental approval of any of the Company-Related Entities, upon providing to the Department adequate written evidence thereof. This obligation will be adjusted if at any time the posted speed limit on any portion of the Managed Lanes is less than 60 miles per hour. compliance with Design Standards & Criteria	Damage to works, delays, design, construction and/or O&M additional costs; penalties	Developer	Back-to-back contract with contractor; Design audit by an independent consultant; Professional indemnity cover
Overfloated design & engineering market capacity	Delays, additional costs.	Developer/ TxDOT	Rational sequencing and phasing of the facilities
Ability to meet established design milestones; Performance/efficiency shortfalls	Delay; increased costs; penalties; cancellation and costs	Developer	Back-to back contract with contractor; Adequate quality management plan
Owner directed changes and design views	Delays, additional costs.	Developer/ TxDOT	Adequate analysis prior to Facility Agreement
Changes in Design Standards & Criteria	Delays, additional costs.	Developer/ TxDOT	Compensations if changes occur after Execution of Facility Agreement
Non compliance with Design Standards & Criteria due to the use of inadequate Technology	Delays, additional costs.	Developer	Back-to-back contract with contractor; Audit by an independent consultation.
Geotechnical and other data inaccuracies (input/output)	Damage to works, delays, additional costs.	Developer	Back-to-back contract with contractor; Adequate quality management plan; Audit by an independent consultant
Design defects affecting constructability	Delays, additional costs	Developer	Back-to-back contract with contractor; Audit by an independent consultant
Latent defects in property following hand back - transfer of title	Damage and costs of reinstatement/repair Delay; penalties; inability to accept traffic; loss of revenue.	Developer	Back-to-back contract with contractor; Adequate quality management plan; Audit by an independent consultant
Failures; Non conforming work and defects discovered prior and post-Acceptance	Delays; additional costs; Total/partial Interruption in infrastructure service	Developer	Back-to-back contract with contractor; Construction oversight by an independent consultant; Insurance
Loss, destruction or damage to existing property, project facilities or construction plant and equipment; Theft	Debris removal, construction delay, additional costs, penalties	Developer	Back-to-back contract with contractor; Insurance, time extension
Differing Subsurface (Ground water level and contamination, geologic formations, etc. and Surface Conditions	Construction delay; additional costs	Developer	Back-to back contract with contractor; Adequate quality control during design stage

RISK DESCRIPTION	POTENTIAL CONSEQUENCES	RISK ALLOCATION	RISK MITIGATION STRATEGY
DESIGN RISKS			
Incorrect control survey data	Delays, additional costs	Developer	Back-to-back contract with contractor; Contractor's adequate quality control
Adequacy of construction access	Construction delay; additional costs	Developer	Back-to-back contract with contractor; Contractor's adequate construction planning and schedule
Early construction/Design changes affecting construction already underway	Construction delay; additional costs	Developer	Back-to-back contract with contractor; Contractor's adequate construction planning and schedule
Coordination with other projects and with adjacent property owners	Construction delay; additional costs	Developer	Back-to-back contract with contractor; Contractor's adequate management, construction planning and schedule
Lack of general maintenance during construction; maintenance of traffic requirements	Construction delay; additional costs	Developer	Back-to-back contract with contractor; Contractor adequate management, construction planning
Adverse weather	Construction delay; additional costs	Developer	Back-to-back contract with contractor
Identification, requirements, agreements and relocation of utilities	Construction delay; additional costs	Developer	Back-to-back contract with contractor
Contractual non-performance	Construction delay; additional costs	Developer	Back-to-back contract with contractor
Breach of site - Health & Safety	Injuries of workers; increased costs; delays	Developer	Back-to-back contract with contractor; Insurance
Breach of site - Security	Increased costs and delays	Developer	Back-to-back contract with contractor, Insurance
Quality and availability of Equipment, Materials and Labor	Construction delay; additional costs	Developer	Back-to-back contract with contractor
Change in law (including taxes)	Additional cost	Tx/DOT/ Developer	General changes in law are borne by NTE Mobility Partners. Discriminatory changes in law are likely borne by TxDOT. Compensation may be in the form of temporary relief from various obligations, time extension or compensation.
Change sales tax	Increased costs	TxDOT	Compensation
Breach of existing legislation	Penalties, delay, consequential losses, additional costs, loss of revenue	Developer	Adequate legal advice; experienced management
Breach of obligations/agreements by private sector	Penalties, suspension of payment, suspension of performance, application of sums to credit of retention account, termination and costs	Developer	Back-to-back contract with contractor; experienced management
Breach of obligations by public sector	Penalties/suspension/termination and costs	TxDOT	Compensation; rights to termination
Breach of third party intellectual property rights	Penalties, damages	Developer	Adequate legal advice
Force majeure (natural catastrophes, war, sabotage, terrorism	Delay additional costs; Parties relived from liabilities to the extent they are not able to perform their obligations under the agreement; termination; Cancellation; costs to date; damage/reinstatement/ rectification costs	TxDOT	Typically borne by the public sector, NTE Mobility Partners is provided with adequate compensation; relief with respect to certain contractual obligations; time extension; rights to termination
Protestor action, Strikes/Labor disputes	Delay, additional costs, damage	TxDOT/ Developer	Compensation; time extension; rights to termination
Requisition/seizure of project facilities by TxDOT	Termination; cost incurred	TxDOT	Compensation; time extension; rights to termination

RISK DESCRIPTION	POTENTIAL CONSEQUENCES	RISK ALLOCATION	RISK MITIGATION STRATEGY
FINANCIAL RISKS			
Traffic projections are not realized	Loss of revenues	Developer	Investment grade traffic studies are prepared and audited by an independent specialist consultant to provide enough comfort to lenders
Toll evasion	Loss of revenues	TxDOT/ Developer	Prosecution of the vehicles that don't pay the toll fees. Enforcement by the State and its police force as well as barriers and ETC systems can also help mitigate these risks
Competing Facilities built	Loss of revenues	TxDOT/ Developer	Clarity in concession agreements regarding what constitutes a competing Facility and measures to address in one is developed
RISK DESCRIPTION	POTENTIAL CONSEQUENCES	RISK ALLOCATION	RISK MITIGATION STRATEGY
FINANCIAL RISKS			
Connecting Facilities not built	Loss of revenues	Tx/DOT/ Developer	Coordination with local entities and realistic traffic and revenue forecasts considering competing facilities scenarios
Inflation	Increased costs	Developer	Fixed lump sum is part of back-to-back contract with contractor. Operational costs are indexed being mostly covered through indexation of toll rates
Interest rates (post financial close)	Increased costs	Developer	Hedging plan will be established in accordance with lenders' request. NTE Mobility Partners will conclude a fixed interest rate swap for all/part of the loan term. Alternatively NTE Mobility Partners can borrow the funds using fixed rate instruments
Insufficient TIFIA Funds available	Increased costs of financing	Developer	Confirm and maintain interest on Capitol Hill for TIFIA funds needed for the project
Capital Markets Appetite insufficient for issues	Increased costs of financing	Developer	During Facility analysis assessments of capital markets appetite for issues to be considered. Underwriter to share risk of full subscription.
Refinancing	Additional (or lower) cost of financing	Developer	For concessions under 40 years, sufficiently long term financing can be put in place to eliminate this risk although refinancing gains can also occur as project risks typically decrease after construction, the project may outperform expectations and there may be a general decrease in rates. For longer concession period, the private sector takes a view on long-term rates and the level of refinancing risk

RISK DESCRIPTION	POTENTIAL CONSEQUENCES	RISK ALLOCATION	RISK MITIGATION STRATEGY
PLANNING AND APPROVALS RISKS			
Procurement and performance of Federal, State Agencies and Local Agencies permits and approvals (environmental and others)	Delay, increase costs; penalties; Cancellation; costs to date	Developer	Back-to-back contract with contractor
Planning and approval overturned	Delay, increase costs, penalties cancellation; costs to date	Developer	Back-to-back contract with contractor
Planning approval not covering all works	Delay, increase costs, penalties cancellation; costs to date	Developer	Back-to-back contract with contractor
OPERATION AND MAINTENANCE			

Operating performance	Penalties, additional costs	Developer	Operations manual that will describe the operating procedures to maintain the standard levels
Liability to users	User's claims	Developer	Adequate customer service
Collisions	Decreasing in level of service	Developer	Establishment of an emergency service operation procedure
RISK DESCRIPTION	POTENTIAL CONSEQUENCES	RISK ALLOCATION	RISK MITIGATION STRATEGY
OPERATION AND MAINTENANCE			
Inadequate infrastructure maintenance	Decreasing in level of service. Close of infrastructure	Developer	Developer will establish an adequate maintenance procedure plan.
Identification and establishment of Right of Way limits (utility easements, temporary construction easements)	Delays, increased costs	Developer	Adequate control during the design process
Injury, damage or financial loss caused by or arising from the project (other than injury to own employees)	Legal liability to pay claimants costs and expenses and own costs and expenses	Developer	Insurance should include legal liability/contractual liability
Unavoidable loss, destruction or damage to third party property	Legal liability to pay claimant's costs and expenses	TxDOT/ Developer	Insurance should include legal liability/contractual liability; time extension
Employees' injury, death, etc. sustained by other project participants/staff	Legal liability to pay claimants costs and expenses and own costs and expenses	TxDOT/ Developer	Insurance
Employees' liabilities relating to breach of contract / wrongful dismissal / loss of earnings	Legal liability to pay claimant costs and expenses and own costs and expenses	Developer	Adequate management of human resources
Cost of procuring sub-contractors	Increased costs	Developer	Back-to-back contract with contractor; Quality Procedures

Performance Bond and Insurance

As per the CDA, a $250 million payment and LoC is required. This LoC is provided by the D-B Contractor (CTxHC) in the terms and conditions established in the D-B Contract.

Insurance requirements, also included in the CDA are as follows:

- Builder's risk insurance during construction
    - The policy shall provide coverage per occurrence up to the full replacement cost of the covered property loss, plus an allowance for professional fees, demolition and debris removal, without risk of co-insurance; provided, however, that the policy may include a sublimit for earth movement and flood of not less than $5,000,000 per occurrence and $10,000,000 aggregate.
    - The policy shall provide a deductible or self-insured retention not exceeding $1,000,000 per occurrence, except terrorism.

- Property Insurance
    - The policy shall provide a deductible or self-insured retention not exceeding $1,000,000 per occurrence.

- Business Interruption Insurance
    - Insures against interruption or loss of Toll Revenues for up to one full year with a deductible or self'-insured retention per occurrence not exceeding the first 15 days of loss following the date of interruption.

- Commercial General Liability Insurance
    - The policy shall have limits of $50,000,000 per occurrence and in the aggregate per policy period. Such limits shall be shared by all insured and additional insured parties and shall reinstate annually.

- Builder's Third Party Liability Insurance
  - The policy shall insure against liability to third parties for accidental death, bodily injury or illness, property damage, personal injury and advertising injury, arising out of the Construction Work.

- Auto Liability Insurance
  - Developer's policy shall have a combined single limit per policy period of not less than $50,000,000.
  - Each policy shall provide a deductible or self-insured retention not exceeding $50,000 per occurrence.

- Pollution Liability Insurance
  - The policy shall have a limit of not less than $10,000,000 per occurrence and in the aggregate per policy period.
  - The policy shall provide a deductible or self-insured retention not exceeding $250,000 per occurrence.

- Professional Liability Insurance
  - The policy shall have a limit of not less than $10,000,000 per claim and in the aggregate. The aggregate limit need not reinstate annually.
  - Each policy shall provide a deductible or self-insured retention not exceeding $1,000,000 per occurrence.

- Worker's Compensation/Employer's Liability Insurance
  - At all times during the Term, Developer shall procure and keep in force, or cause to be procured and kept in force, employer's liability insurance.

- Employer's Liability Insurance
  - The policy shall have a limit of not less than $50,000,000 per accident and in the aggregate per policy period.

- Railroad Protective Liability Insurance
  - Developer shall procure and keep in force, or cause to be procured and kept in force, a policy of railroad protective liability insurance as may be required by any railroad in connection with construction work or other construction work in the operating period across, under or adjacent to such railroad's railroad tracks or railroad right-of-way.

- Contractor's Insurance
  - Each policy shall have a combined single limit per policy period of not less than $1,000,000. Each policy shall include each of the Indemnified Parties as additional insured.

The insurance policies are currently being reviewed in conjunction with TxDOT to ensure all insurance coverage are compliant with the CDA. The process is ongoing. However, NTE Partners Segments 3 can confirm the dollar values adhere to the insurance requirements of the CDA.

Appendix A
Initial Financial Plan

Texas Department of Transportation

North Tarrant Express Segment 3
IH 35W Managed Lanes Project
Initial Financial Plan

December 2013

Letter of Certification

The Strategic Projects Division of the Texas Department of Transportation (TxDOT) has developed a Initial Financial Plan submitted by NTE Mobility Partners 3, LLC for the North Tarrant Express Segment 3 Project. The Initial Financial Plan provides information during the period from January 1, 2013 to December 31, 2013, concerning TxDOT's public funding commitment for the Project.

This Initial Financial Plan provides a description of funding sources available to cover future public funding commitments for the Project.

To the best of our knowledge and belief, the Initial Financial Plan submitted herewith fairly and accurately presents TxDOT's current public funding obligation for the Project, and provides an accurate projected payment structure for the current public funding commitment. Furthermore, we have made available all significant information that we believe is relevant to the Initial Financial Plan, and to the best of our knowledge and belief, the documents and records supporting the assumptions are appropriate.

It is the understanding of TxDOT that the submittal of the Initial Financial Plan meets the requirements of the Federal Highway Administration. TxDOT remains committed to submitting to FHWA the required Updated Initial Financial Plans on an annual basis.

____

Lt. Gen. Joe Weber, Executive Director
Texas Department of Transportation

Introduction

A brief description of the North Tarrant Express Segment 3 Project limits, scope of work, and environmental process is provided below. Additional information is available in the "North Tarrant Express Segment 3 IH 35W Managed Lanes Project Management Plan".

1 – Project Description and Scope of Work

The IH 35W Managed Lanes project originally consisted of 3 project sections (3A, 3B, and 3C), totaling approximately 15 miles of the IH 35W corridor in Tarrant County, Texas. However, on November 27, 2013, TxDOT determined that it was in the best interest of the State to terminate the CDA for Segment 3C as well as Segments 2E and 4 as described in the Master Development Plan, effective December 10, 2010. TxDOT's decision to end a portion of the North Tarrant Express CDA will open future projects to additional competition and allow TxDOT to continue to secure the best value for Texas. TxDOT is currently exploring all possible options to deliver the Segment 3C project.

This is a Phased Financial plan in accordance with MAP-21. The Fundable phase currently includes the Segment 3A Interim Project that will be delivered through a Public Private Partnership (P3) with TIFIA and the Segment 3B Interim Project currently being delivered by TxDOT.

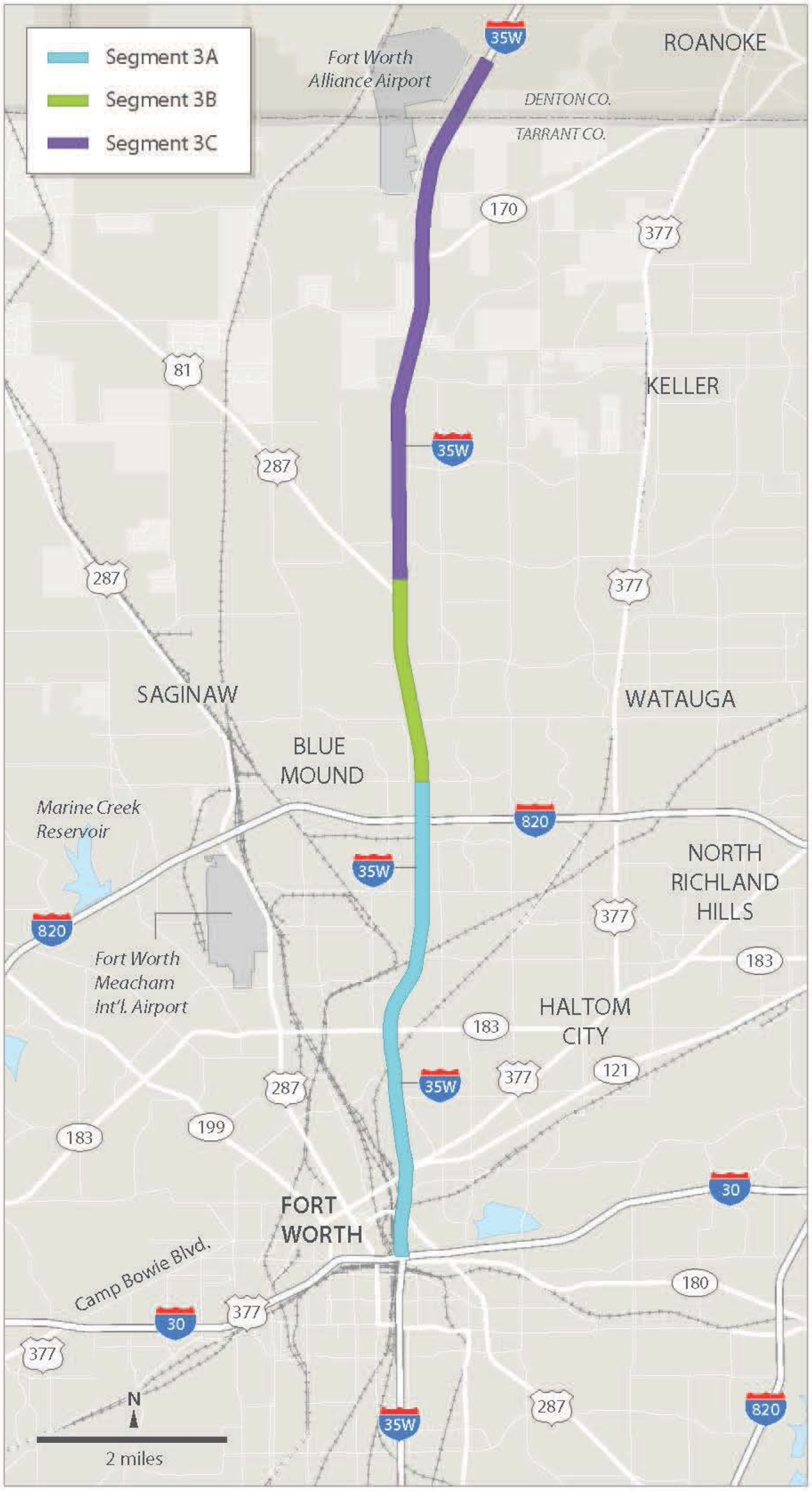
- Segment 3A Interim: IH 35W from IH 30 to IH 820 Interchange (Including IH 820 Interchange)
  This 6.5 mile section of IH 35W currently contains two to three general purpose lanes in each direction paralleled by discontinuous two-lane frontage roads. The interim facility will maintain the existing number of general-purpose lanes and add two managed/toll lanes in each direction.

- Segment 3A Ultimate: IH 35W from IH 30 to IH 820 Interchange (Including IH 820 Interchange)
  The ultimate facility will expand the project constructed in the Segment 3A Interim project by adding additional capacity to the general-purpose lanes from two to three lanes in each direction to four lanes in each direction and add continuous frontage roads.

- Segment 3B Interim: IH 35W from IH 820 Interchange to US 81/US 287
  This 3.6 mile section of IH 35W currently contains two to three general-purpose lanes in each direction paralleled by discontinuous two- to three-lane frontage roads. The interim facility will maintain the existing number of general-purpose lanes and add two managed/toll lanes in each direction. The ultimate facility will expand the number of general-purpose lanes to four.

- Segment 3B Ultimate: IH 35W from IH 820 Interchange to US 81/US287
  The ultimate facility will expand the project constructed in the Segment 3B Interim project by adding additional capacity to the general-purpose lanes from two to three lanes in each direction to four lanes in each direction.

- Segment 3C: IH 35W from US 81/US 287 to SH 170
  This 5.0 Mile section of IH 35W currently contains two general-purpose lanes in each direction paralleled by discontinuous two-lane frontage roads. The project will consist of three general purpose lanes in each direction, add two managed/toll lanes in each direction, and add continuous two-lane frontage roads in each direction.



NOTE: Highlighted areas are not to scale.

SEG*	Roadway and Limits	
3A	I-35W from north of I-30 to north of I-820	
	Existing lanes (Each dir.)	2 - 3
	Frontage lanes (Each dir.) ▲▲	2

Interim Configuration

General purpose lanes (Each dir.)	2 - 3
Managed lanes (toll) (Each dir.)	2
Frontage lanes (Each dir.) ▲▲	2

Ultimate Configuration as Proposed in Regional Mobility 2030 Plan**

Managed lanes (toll) (Each dir.) ▲▲▲	4
General purpose lanes (Each dir.)	2
Frontage lanes (Each dir.) ▲▲	2

SEG*	Roadway and Limits	
3B	I-35W from north of I-820 to north of US 81/287	
	Existing lanes (Each dir.)	2
	Frontage lanes (Each dir.)	2

Interim Configuration

General purpose lanes (Each dir.)	2
Managed lanes (toll) (Each dir.)	2
Frontage lanes (Each dir.)	2

Ultimate Configuration as Proposed in Regional Mobility 2030 Plan**

General purpose lanes (Each dir.) ▲▲▲	4
Managed lanes (toll) (Each dir.)	2 - 3
Frontage lanes (Each dir.)	2

SEG*	Roadway
3C	North of US 81/US 287 interchange to Eagle Parkway in Denton County

Ultimate Configuration as Proposed in Regional Mobility 2030 Plan**

General purpose lanes (Each dir.) ▲▲▲	4
Managed lanes (toll) (Each dir.)	2 - 3
Frontage lanes (Each dir.)	2

* Segments identified by number do not denote priority or sequence.

** All segments will include one-way frontage roads at identified locations and connections to all existing and proposed improvements.

▲▲ Discontinuous.

▲▲▲ Potential deferment of additional general purpose lanes.

TxDOT graphic

Figure 1 – Project Location Map

Environmental Process

Preliminary engineering and environmental studies conducted beginning in 1992 determined that Environmental Assessments (EA) were required for the development of the Project under the provisions of the National Environmental Policy Act (NEPA). Draft Eas were published for the IH 35W South Project (i.e. the portion containing Segment 3A (I-820 to I-30)) in May 2009, the IH820 Northeast Corridor Project (i.e. the portion containing the I-35W/I-820 Interchange), and for the IH 35W North Project (i.e. the portions containing Segments 3B and 3C (SH 114 to IH 820)) in July 2009. All Eas considered a single build option and no-build alternative and designated the build option as the preferred alternative.

The Federal Highway Administration (FHWA) is the lead agency for the environmental process under NEPA delegation. The FHWA concurred with TxDOT that the project will not have a significant impact on the human or natural environment and issued a Finding of No Significant Impact (FONSI) for the IH 35W South Project (Segment 3A) on August 24, 2012, the IH 820 Project (IH 35W/IH 820 Interchange) on December 5, 2009, and the IH 35W North Project (Segment 3B/3C) on March 19, 2012.

In addition, and based on the review of the environmental assessment documentation, the FHWA found that an Environmental Impact Statement (EIS) is not required for the Project.

2 – Project Schedule

TxDOT issued a Request for Qualifications (RFQ) on December 8, 2006. TxDOT received seven qualification submittals by March 15, 2007 and subsequently shortlisted four proposers. On March 3, 2008, TxDOT issued to the shortlisted proposers a Request for Proposals (RFP) to Develop, Design, Construct, Finance, Operate and Maintain the North Tarrant Express Project. TxDOT received proposals on December 1, 2008 and the CDA was conditionally awarded to NTEMP on January 29, 2009.

In May of 2009, TxDOT received the ready for development letter and initial submittal for Segments 3A and 3B from the developer. A Master Development Plan was developed and approved on December 10, 2010. TxDOT and NTEMP3 completed a Facility Implementation Plan for a phased delivery of the 3A/3B project on July 6, 2011. TxDOT and the developer have negotiated a facility agreement for 3A, and TxDOT awarded a separate construction contract to build 3B. A financial public hearing to provide information regarding the draft facility agreement for segment 3A was held on Oct. 11, 2012 at the TxDOT Fort Worth District Office. The draft facility agreement and exhibits were reviewed by the Legislative Budget Board and the Office of the Attorney General.

On March 1 2013, the Texas Transportation Commission and NTE Mobility Partners Segments 3, LLC (NTEMP3) announced that the project achieved commercial close and secured an official notice to proceed (NTP1). Financial close occurred on Sept. 19, 2013, with NTP2 occurring on September 25, 2013.

The interim phase of Segment 3A is scheduled to begin construction in early 2014 with substantial completion expected by September 13, 2018. Construction began on the interim phase of Segment 3B in May 2013 with substantial completion expected by November 1, 2017. Development of the Ultimate

Segments 3A, 3B, and 3C projects are pending future funding, and are currently planned for completion in the long range transportation plan by 2029.

The following table outlines the project timeline showing major completion dates and anticipated milestones for each Project Segment.

Table 2 – Project Milestones and Major Completion Dates

Milestone Description	Date
Segment 3A (Interim)	
Commercial Close Date (Contract Signature Date)	March 1, 2013
Notice to Proceed #1	March 1, 2013
FHWA Cost Estimate Review	July 31, 2013
Financial Close	September 19, 2013
Notice to Proceed #2 (Conditional)	September 25, 2013
Substantial Completion/Service Commencement Deadline	September 13, 2018
Final Acceptance Deadline	December 14, 2018
Long Stop Date	March 13, 2020
Segment 3A (Ultimate)	
Anticipated Completion	2029
Segment 3B (Interim)	
Letting Date	September 7, 2012
Start Work	April 29, 2013
Substantial Completion Deadline	November 1, 2017
Long Stop Date	May 1, 2019
Segment 3B (Ultimate)	
Anticipated Completion	2029
Segment 3C	
Segment Terminated from Comprehensive Development Agreement	November 27, 2013
Anticipated Completion	2029

3 – Project Costs

This financial Plan provides an outline of the North Tarrant Express Segments 3 Project as it has been developed, as the first phase of a multi-phased implementation. All costs have been calculated in accordance with state-of-the-practice accounting methods as directed in the Major Project Program Cost Estimating Guidance, January 2007.

A Cost Estimate Review Team, consisting of the Federal Highway Administration (FHWA), TxDOT, and their consultants conducted a Cost Estimate Review (CER) workshop to review the cost and schedule estimates for the NTE Segments 3A and 3B Project in Fort Worth, TX from July 29 – July 31, 2013. Based on the risk assessment performed during the review, the range of total project costs, including Segment 3C, varies between $3.426 billion and $4.815 billion in Year of Expenditure (YOE). The estimate at the 70% confidence level is $4.074 billion (YOE). This figure was based on estimates and assumptions that were developed prior to the submittal of the developer's price proposal. All various estimates used in the CER were escalated to 2012 costs prior to the review.

Being that the Segment 3B Project was under contract and construction at the time of the CER, actual pricing was utilized to develop the interim cost estimate. All costs for the Segment 3B Ultimate Project reflect information available in the NCTCOG Mobility 2035 MTP – 2013 Update.

The overall project costs for the Segments 3A/3B/3C projects are identified below in Table 3.1 and reflect the results of the July 2013 CER. Individual 70% certainty project amounts do not equal the total 70% certainty amounts due to separate Monte Carlo Simulations and the fact that the Segment 3B Ultimate Project was not included in the CER.

Table 3.1 – Project Cost Summary (in Millions)

Project Component	Interim	Ultimate
Segment 3A	$1,436	$1,667
Segment 3B	$221	$301*
Segment 3C	N/A	$786
Project Totals	**$1,657**	**$2,754**
TOTAL PROJECT COST: $4,411*		

**Segment 3B Ultimate costs were not included in the Cost Estimate Review and are based on most recent data available in the NCTCOG Mobility 2035 MTP – 2013 Update.*

Cost Estimates by Category

The project cost estimate for the Segment 3A Project is covered in the North Tarrant Express Mobility Partners Segments 3 (NTEMP3) Facility Plan of Finance in the Anticipated Sources and Uses of Funds During Construction, Table FP-1. TxDOT's prior and estimated future costs are included in Table 3.2 below.

Table 3.2 – Segment 3A Interim Cost Estimate

Line	Description	Item Total (In Millions)
Construction		
1	Construction Costs from NTEMP3 Financial Plan	$1,342.6
Professional Services		
2	Professional Services Development Management	$13.5
3	Development Design, Design Survey, and Landscape Design	$2.6
4	Environmental Planning Activities and Community Outreach	$1.0
5	Right-of-Way/Utility Services	$0.9
6	Prof. Services Quality Review Firm, CQAF, and Environmental Team	$9.0
Subtotal Professional Services		$27.0
Agency		
7	Prior Engineering, Legal, Financial, Env., Etc…	$1.3
8	Right-of-Way/Utilities	67.9
9	Project Management and Oversight	$2.8
10	TxDOT Risk Mitigation	44.5
11	Agency Contingency	10.1
Subtotal Professional Services		$126.6
SEGMENT 3A INTERIM TOTAL:		$1,496.2

Table 3.3 represents the Project Bid Price by element for the Segment 3B Project and TxDOT's actual prior and estimated future costs. TxDOT's costs include previously completed feasibility studies, preliminary engineering, public outreach/involvement, environmental assessment costs, project procurement costs, ROW acquisition costs, project management and oversight.

Table 3.3 – Segment 3B Interim Cost Estimate

Line	Description	Item Total (In) Millions
Professional Services		
1	Professional Services Development Management	$2.5
2	Development Design, Design Survey, and Landscape Design	$7.8
3	Environmental Planning Activities and Community Outreach	$0.4
4	Right-of-Way/Utility Services	$1.2
5	Prof. Services Quality Review Firm, CQAF, and Environmental Team	$8.0
Subtotal Professional Services		**$19.9**
Construction		
6	Mobilization	$11.9
7	Traffic Control	$4.9
8	Earthwork	$13.1
9	Subbase and Base Course	$17.3
10	Pavement	$29.8
11	Structures	$41.7
12	ITS, Lighting, Striping and Signing	$8.5
13	Aesthetics	$1.2
14	Environmental Mitigation	$0.0
15	Utilities	$3.5
16	Miscellaneous Construction Items Not Covered Above	$0.1
Subtotal Costruction		**$132.0**
Agency		
17	Prior Engineering, Legal, Financial, Env., Etc…	$0.4
18	Right-of-Way/Utilities	$21.3
19	Project Management and Oversight	$1.3
20	Agency Contingency	$7.8
Subtotal Agency		**$30.8**
SEGMENT 3B INTERIM TOTAL:		**$182.7**

4 – Project Funding

TxDOT's Funding Obligation for the NTE Segment 3 Projects

The overall funding for the IH 35W Managed Lanes Segment 3A Project are indicated in the body of the North Tarrant Express Management Partners, Segment 3's (NTEMP3) "Facility Plan of Finance" and this supplement discusses the TxDOT financial commitment toward the overall Project cost. In accordance with the Facility Agreement (FA) for a Concession between TxDOT and NTEMP3, TxDOT's portion of the project funding is subject to combination of one-time payments, a maximum payment curve (Segment 3A), and montly Capital Expense Costs Incurred (Segment 3B).

Segment 3B of the IH 35W Managed Lanes Segment 3 Project is being constructed through traditional TxDOT Design/Bid/Build process and managed through the TxDOT North Tarrant Area Office. Once the project reaches Final Acceptance, Operations and Maintenance responsibilities will be transferred to NTEMP3 in accordance with the FA. As of September 25, 2013 TxDOT's funding obligations and payment structure are listed below.

Segment 3C of the IH 35W Managed Lanes Project has been eliminated from the CDA and will be developed and delivered separately.

Table 4.1 – TxDOT Funding Obligations (Segments 3A & 3B)

Obligation	Method of Payment	Amount
3A - Right-of-Way payments directly to Property Owners	One-Time Payment	$65,290,000
3A - Interest Rate Adjustment Payment	One-Time Payment	$27,300,000
3A - Construction CapEx Costs Incurred drawn quarterly	Quarterly Draw Payments	$27,300,000
3A - Region XI Service Center ROW Costs	One-Time Payment	$7,100,000
3A – TxDOT Management Costs	Monthly Payments	$17,096,873
Segment 3A Subtotal		**$144,086,873**
3B – Construction CapEx Costs Incurred	Monthly Payments	$135,000,000
3B – Right-of-Way payments directly to Property Owners	One-Time Payment	$10,673,442.82
3B – Utility Adjustment Payments	One-Time Payment	$875,246.00
3B – Design Costs	Monthly Payments	$8,530,364
3B – TxDOT Management Costs	Monthly Payments	$10,502,904
Segment 3B Subtotal		**$172,033,268**
Total TxDOT Funding Obligations		**$309,668,830**

Based on FA Section 4.1.4.6, TxDOT will bear the risk and have the benefit of changes in market interest rates (either positive or negative) for the period beginning March 31, 2013 and ending with Financial Close. Financial Close occurred on September 19, 2013 and the interest rate adjustment resulted in an increase in the Public Funds Amount to $27,300,000.

Federal and State Funding

The public funds amount is comprised of both federal and state contributions. Table 4.2 shows the breakdown of the public funds amount according to State and Federal funding obligations per fiscal year. In addition to providing a breakdown of the public funds by type of funding and fiscal year, Table 4.2 also tracks the accumulated Life to Date (LTD) expenditures thru August 31, 2013 (TxDOT FY) for each funding type.

Table 4.2 – Current State and Federal (Segments 3A & 3B)

Type of Funding	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	Total
Federal Funding								
Cat. 7 (3A)	$0	$37,331,269	$9,304,466	$2,306,404	$2,022,968	$2,084,621	$61,542	$53,111,270
Cat. 12 (3A)	$0	$33,842,523	$8,434,929	$2,090,862	$1,833,914	$1,889,805	$55,790	$48,147,823
Cat. 12 L01E (3B)	$14,852,580	$29,009,625	$29,761,155	$11,466,386	$0	$0	$0	$85,089,746
Cat. 12 L05E (3B)	$4,564,216	$8,914,694	$9,145,640	$3,523,635	$0	$0	$0	$26,148,185
Federal Totals	**$19,416,796**	**$109,098,111**	**$56,646,190**	**$19,387,287**	**$3,856,882**	**$3,974,426**	**$117,332**	**$212,497,024**
State Funding								
Cat. 7 (3A)	$0	$9,337,031	$2,327,167	$576,861	$505,970	$521,390	$15,392	$13,283,811
Cat. 12 (3A)	$0	$3,758,408	$936,748	$232,202	$203,667	$209,874	$6,196	$5,347,095
Cat. 12 L01E (3B)	$1,650,287	$3,223,292	$3,306,795	$1,274,043	$0	$0	$0	$9,454,417
Cat. 12 L05E (3B)	$1,141,054	$2,228,673	$2,286,410	$880,909	$0	$0	$0	$6,537,046
ROW/Utility (3B)	$10,800,000	$5,400,000	$1,800,000	$0	$0	$0	$0	$18,000,000
State Management (3A)	$819,691	$3,868,775	$4,201,263	$3,439,725	$3,128,952	$1,638,467	$0	$17,096,873
State Management (3B)	$2,078,982	$2,996,656	$3,223,635	$2,153,621	$50,000	$0	$0	$10,502,894
State Totals	**$16,490,014**	**$30,812,835**	**$18,082,018**	**$8,557,361**	**$3,888,589**	**$2,369,731**	**$21,588**	**$80,222,136**
Funded Contingency (3A)	**$0**	**$7,580,250**	**$2,526,750**	**$0**	**$0**	**$0**	**$0**	**$10,107,000**
Funded Contingency (3B)	**$1,942,651**	**$1,942,652**	**$1,942,652**	**$1,942,651**	**$0**	**$0**	**$0**	**$7,770,606**
Grand Totals	**$37,849,461**	**$149,433,848**	**$79,197,610**	**$29,887,299**	**$7,745,471**	**$6,344,157**	**$138,920**	**$310,596,766**

Project Management Funding

TxDOT will utilize staff from three main sources to manage and oversee the Developer's work on the Segment 3A Project. These sources include TxDOT staff, the General Engineering Consultant (GEC), and the Independent Engineer (IE). TxDOT and the GEC will be generally responsible for contract and stakeholder management as well as coordination with FHWA. TxDOT and the IE will be generally responsible for contract compliance, quality management, and Owner Verification Testing and Inspection (OVTI). The Segment 3B Project will be managed through the TxDOT North Tarrant Area Office through traditional TxDOT Design/Bid/Build processes. Table 4.3 shows the actual TxDOT management costs for TxDOT through fiscal year 2013 and the projected management costs for TxDOT fiscal years 2014 through 2018.

Table 4.3 – TxDOT Management Costs (Segments 3A & 3B)

TxDOT						
TxDOT	**FY 2013 (Actual)**	**FY 2014 (Projected)**	**FY 2015 (Projected)**	**FY 2016 (Projected)**	**FY 2017 (Projected)**	**FY 2018 (Projected)**
3A Proj. Staff	$140,488	$279,105	$283,291	$287,541	$291,853	$296,231
3B Proj. Staff	$510,172	$250,000	$250,000	$175,000	$50,000	$0
Sub-Total	**$650,660**	**$529,105**	**$533,291**	**$462,541**	**$341,853**	**$296,231**
General Engineering Consultant (GEC) Segment 3A						
WA	**FY 2013 (Actual)**	**FY 2014 (Projected)**	**FY 2015 (Projected)**	**FY 2016 (Projected)**	**FY 2017 (Projected)**	**FY 2018 (Projected)**
WA 1	$289,203	$316,876	$0	$0	$0	$0
WA 4	$0	$1,251,602	$1,950,930	$1,280,264	$1,140,138	$222,512
Sub-Total	**$289,203**	**$1,568,478**	**$1,950,930**	**$1,280,264**	**$1,140,138**	**$222,512**
Independent Engineer (IE) Segment 3A						
WA	**FY 2013 (Actual)**	**FY 2014 (Projected)**	**FY 2015 (Projected)**	**FY 2016 (Projected)**	**FY 2017 (Projected)**	**FY 2018 (Projected)**
JWA 1	$390,000	$1,572,947	$1,197,698	$1,058,513	$952,829	$595,288
WA 2	$0	$448,245	$769,344	$813,807	$744,132	$524,437
Sub-Total	**$390,000**	**$2,021,192**	**$1,967,042**	**$1,872,320**	**$1,696,961**	**$1,119,725**
Construction Engineering and Inspection (CEI) Segment 3B						
WA	**FY 2013 (Actual)**	**FY 2014 (Projected)**	**FY 2015 (Projected)**	**FY 2016 (Projected)**	**FY 2017 (Projected)**	**FY 2018 (Projected)**
WA 1	$1,225,990	$2,294,437	$2,718,504	$1,808,534	$0	$0
Sub-Total	**$1,225,990**	**$2,294,437**	**$2,718,504**	**$1,808,534**	**$0**	**$0**
Construction Phased Services (GEC) Segment 3B						
WA	**FY 2013 (Actual)**	**FY 2014 (Projected)**	**FY 2015 (Projected)**	**FY 2016 (Projected)**	**FY 2017 (Projected)**	**FY 2018 (Projected)**
WA 4	$342,820	$452,219	$255,131	$170,087	$0	$0
Sub-Total	**$342,820**	**$452,219**	**$255,131**	**$170,087**	**$0**	**$0**
TOTAL	**$2,898,673**	**$6,865,431**	**$7,424,898**	**$5,593,746**	**$3,178,952**	**$1,638,468**
Total Projected TxDOT Management Costs $27,600,168						

As of December 31, 2013, TxDOT believes the projections for fiscal years 2014 through 2018 are reasonable based on the expected TxDOT management workload for the Developer's current design and construction schedule.

5 – Financing Issues

There are no TxDOT financing issues at this time.

6 – Cash Flow

The department does cash forecasting which estimates future revenues and expenditures. We meet our projected available cash flows through adjustments in lettings and with the help of short term borrowing. Adjustments to lettings and change orders are incorporated in letting schedules, cash forecasts, and the Uniform Transportation Plan (UTP). The UTP is a 10-year plan that authorizes project planning and development, and is submitted to the Texas Transportation Commission for approval on an annual basis.

Table 6.1 shows the cumulative maximum amount of TxDOT's payements by quarter for the Segment 3A Project.

Table 6.1 – Payment Structure (Segment 3A)

Date	Maximum Payment from Public Funds Amount (Cumulative)	Estimated FY of Expenditure Based on 9/25/2013 NTP2	Subtotals by FY Based on 9/25/2013 NTP2
9/19/13	$3,111,670	2014	
12/19/13	$4,975,890		
3/19/14	$6,482,020		
6/19/14	$8,001,730		$8,001,730
9/19/14	$9,136,750	2015	
12/19/14	$10,246,420		
3/19/15	$11,454,030		
6/19/15	$12,682,540		$4,680,810
9/19/15	$14,124,810	2016	
12/19/15	$15,471,970		
3/19/16	$16,670,730		
6/19/16	$17,888,870		$5,206,330
9/19/16	$19,062,290	2017	
12/19/16	$20,185,060		
3/19/17	$21,309,120		
6/19/17	$22,455,390		$4,566,520
9/19/17	$23,576,690	2018	
12/19/17	$24,779,540		
3/19/18	$26,027,490		
6/19/18	$27,161,080		$4,705,690
9/19/18	$27,300,000	2019	$138,920

Table 6.2 shows the projected and actual payments of public funds to North Tarrent Express Mobility Partners Segment 3, LLC for the Segment 3A Project, and Lane Construction Co. for the Segment 3B Project, through fiscal year 2019.

Table 6.2 - TxDOT Payments

TxDOT FY of Expenditure	3A Payment Amount (Projected)	3A Payment Amount (Actual)	3B Payment Amount (Projected)	3B Payment Amount (Actual)	Cumulative Payment Amount (Actual)
2013	$0	$0	$22,208,137	$22,208,137	$22,208,137
2014	$42,401,730		$43,376,284		
2015	$4,680,810		$44,500,000		
2016	$5,206,330		$17,144,973		
2017	$4,566,520		$0		
2018	$4,705,690		$0		
2019	$138,920		$0		

Change Orders

Under the FA the Developer is responsible for financing the development, design, and construction on the Segment 3A project and operation and maintenance of the entire Project, with limited rights to compensation or schedule relief for certain narrowly defined events, including TxDOT Directed Changes and specified Force Majeure Events. All other cost increases and schedule delays must be borne by the Developer. In addition, the Developer's rights to compensation or schedule relief are subject to the change order process and mitigation requirements contained in Sections 13 and 14 of the FA, as described below. Table 6.3 shows the Change Orders for the Segment 3A Project.

Table 6.3 - Segment 3A Change Orders

CO#	Description	Execution Date	Amount
		Total Change Order Amount	**$**

Currently, there are no executed Change Orders for the Segment 3A Project.

TxDOT is responsible for managing any Change Orders on the Segment 3B Project. For Fiscal Year 2013, there were a total of 4 Change Orders executed on the project for $731,445.54. Table 6.4 shows the Change Orders for the Segment 3B Project.

Table 6.4 - Segment 3B Change Orders

CO#	Description	Execution Date	Amount
001	Partnering Workshop Reimbursement	7/11/2013	$559.86
002	Revise Constructing Detours Item	8/22/2013	$708,415.08
004	Add Extra Computers to the Contract	7/22/2013	$5,190.60
005	Revised Field Office Structure	7/22/2013	$17,280.00
	Total Change Order Amount		**$731,445.54**

7 – Public Private Partnership (P3) Assessment

In order for the State of Texas to facilitate private sector investment and participation in the development of the State's transportation system via public-private partnership agreements, the Texas Legislature has enacted Transportation Code, Chapter 223, Subchapter E (the Code). TxDOT has adopted Sections 27.1-27.9 of Title 43, Texas Administrative Code (the Rules) to accomplish that purpose. The Code grants TxDOT the authority to enter into agreements with private entities to develop, design, construct, finance, operate and maintain transportation facilities. Pursuant to the provisions of the Code and the Rules, TxDOT issued a Request for Qualifications on December 8, 2006, as amended.

TxDOT received seven responsive qualification submittals by March 15, 2007, and subsequently shortlisted four responsive proposers. On March 3, 2008, TxDOT issued to the shortlisted proposers a Request for Proposals to Develop, Design, Construct, Finance, Operate and Maintain the North Tarrant Express Project (as subsequently amended by addenda, the "RFP"). As part of the RFP, TxDOT required that shortlisted proposers commit to entering into a comprehensive development agreement to develop, design, construct, finance, operate and maintain, at a minimum, Segment 1 and such other portions of Segment 2 of the North Tarrant Express Project as were set forth in the Proposal and a comprehensive development agreement for the remaining portions of the North Tarrant Express Segments 2, 3A, 3B, 3C and 4. On December 1, 2008, TxDOT received responses to the RFP, including the response of Meridiam Infrastructure (SCA) SICAR and Cintra Concesiones de Infraestructuras de Transporte, S.A. on behalf of Developer.

An RFP evaluation committee comprised of TxDOT staff determined that Developer was the proposer which best met the selection criteria contained in the RFP and that its Proposal was the one which provided the best value to the State. On January 29, 2009, the Texas Transportation Commission accepted the recommendation of the Texas Turnpike Authority Director and the RFP evaluation committee and authorized TxDOT staff to negotiate the comprehensive development agreements; and on June 23, 2009, TxDOT and the Developer entered into the Concession CDA and the CDA for Segments 2-4.

On July 6, 2011, TxDOT and the Developer agreed upon a Facility Implementation Plan for the development of the NTE Segments 3A & 3B Facility in accordance with the terms of the CDA for Segments 2-4. As a result of this process, it was determined that TxDOT could reduce the amount of public funds required by letting and constructing the Segment 3B Project using traditional TxDOT Design/Bid/Build delivery. Once the Segment 3B construction reaches Substantial Completion, NTEMP3 will take over operations and management in accordance with the requirements in the Facility Agreement.

8 – Risk and Response Strategies

Risk Mitigation

FA Sections 13 and 14 provide the process for documenting the anticipated cost and schedule impacts of change orders or other compensation events. The process involves an initial estimate of such impacts by the Developer, which is then subject to review and input from the Independent Engineer, and would ultimately be subject to dispute resolution if TxDOT and the Developer cannot come to agreement. The Developer is also required to take all reasonable steps to mitigate the cost or schedule impacts of such events.

The risk of additional right-of-way and utility relocation costs (including delay or increased costs) are the Developer's unless the department changes the scope of the project being constructed. No changes to the scope of the project are being considered at this time.

TxDOT-TTA Division has formed a right-of-way/utility group dedicated solely to the CDA projects in the DFW region. This group is responsible for tracking and resolving all right-of-way and utility issues related to the Project. The right-of-way/utility group regularly coordinates with the TxDOT administration to obtain timely resolution to issues.

Table 8.1 below identifies current identified risks associated with the Segment 3A project and the maximum contingency amount.

Table 8.1 - Risk Mitigation Funding

Identified Risk	Contingency Total	Funding Source
ONCOR Electric Transmission Crossing	**$15,000,000**	**Fund 6**
Trinity River Crossings	**$11,500,000**	**Fund 6**
Hodge Yard (RR) Crossing	**$16,000,000**	**Fund 6**
Dooling Yard (RR) Crossing	**$2,000,000**	**Fund 6**
Total TxDOT Risk Mitigation Contingency Funding $44,500,000 (Not allocable by year.)		

Risk Register

TxDOT has developed a Project Risk Register for the Segments 3A and 3B Projects and keeps the document updated quarterly. Table 8.2 below, identifies the risks, risk allocation, and proposed risk mitigation strategies.

Table 8.2 - Risk Register

Risk Description	Threat/ Opportunity	Risk Allocation	Risk Mitigation Strategy
Due to local leadership preferences, external influences on developer may occur, resulting in schedule delays or cost increases.	Threat	TxDOT Developer	Remain involved with communications with developer & local entities
Due to aggressive schedules, constant changes in traffic control may occur, resulting in higher accident rates.	Threat	TxDOT Developer	Using IE to lead to safety issues, frequent updates of traffic control with developer, establish Mobility Teams & outside entities (e.g. local police & fire); detailed safety plan.
Due to the Buy America provisions of the contract, there may be difficulty with supply of materials, resulting in an impact to the schedule.	Threat	Developer	- Communicate with Developer that they need to be Buy America compliant -Buy America clause (Utilities Only) resolved through FHWA - Ensure they are following the correct requirements
Due to aggressive construction scheduling, lane closures and disruptions to businesses may occur, resulting in high level of complaints.	Threat	TxDOT Developer	- Established comprehensive, strong PR team & program - Mobility Coordinator
Due to the interface of three projects, there may be coordination problems, resulting in quality, schedule, congestion, and public perception concerns.	Threat	TxDOT Developer	- Mobility coordinator coordinates between the projects - PM meeting between the three projects (every other week) - Common public involvement (common email system), use of same website for lane closures and alt. routes, weekly communication call
Due to the high demand of DBE sub-providers, a shortage of available contractors may occur, resulting in DBE goals not being able to be met.	Threat	Developer	- Aggressive program to develop & recruit greater DBE participation in industry - Alliance Program developed to increase DBEs in the state - CIP program in Dallas District would have positive impact on this project

Risk Description	Threat/ Opportunity	Risk Allocation	Risk Mitigation Strategy
Due to the municipalities lack of understanding the CDA model, an unreasonable level of expectation may occur, resulting in lack of support from local leadership.	Threat	TxDOT Developer	- Develop public education campaign - ILA executed with City of Fort Worth
Due to a failure to communicate effectively, misunderstandings may occur, resulting in strained relationships.	Threat	TxDOT Developer	Develop & enforce formal communication plan.
Due to the Developers ability to successfully pursue CDA projects, lack of competition may occur, resulting in perceived monopoly and failure of the CDA program.	Threat	TxDOT	Structure future projects to be palatable & financially viable for other developer interest
Due to decreasing amount of CDA projects, a shortage of available projects may occur, resulting in failure of the CDA program	Threat	TxDOT	Proactively identify future concession projects.
Due to contract provisions in place, if Seg. 3B is opened early, TxDOT would be able to collect revenue on the facility during that time.	Opportunity	TxDOT	Accept.
Due to success of PI Education program, an increase in managed lane usage may occur, resulting in high acceptance of tolling projects.	Opportunity	TxDOT Developer	Public education campaign by Developer, TxDOT, and NTTA.
Due to the Developer not being able to meet schedule, scope or budget, termination of the project may occur, resulting in failure of the concession model.	Threat	TxDOT Developer	Monitor & control time and budget with proactive management measures in PMP.
Due to the interim facility being constructed without the 121 interchange, a negative public perception may occur, resulting in lack of future support from the public.	Threat	TxDOT Developer	Public education outreach campaign.
Due to developer not being responsive to Traffic Safety Concerns, unsafe traffic conditions may occur, resulting in an increase in accidents, complaints, and NCR's.	Threat	TxDOT Developer	Assume adequate inspection of conditions & leverage contract mechanisms for correction

Risk Description	Threat/ Opportunity	Risk Allocation	Risk Mitigation Strategy
Due to aggressive outreach by real estate attorneys, landowners may become less willing to negotiate, resulting higher condemnation rates.	Threat	TxDOT Developer	Seek expert assistance from OAG.
Due to the design builder's inability to obtain a 408 or RR permit, delays may occur, resulting in schedule and cost impacts.	Threat	Developer	Developer responsible for permitting with local entities with agency monitoring.
Due to agency requirements, external agencies may see a funding source opportunity, resulting in consumption of $44.5m contingency.	Threat	TxDOT	Monitor & control time and budget with proactive management measures in PMP
Due to 3B project insufficiencies, a compensation event may occur, resulting in higher public subsidy.	Threat	TxDOT	Minimize 3A developers involvement in 3B construction QA

9 - Annual Updates

TxDOT remains committed to submitting to FHWA the required Updated Financial Plans on an annual basis. Each update will cover the period from January 1st to December 31st of that calendar year. A draft version of each update will be submitted to FHWA no later than January 31st and the final version submitted no later than March 31st of the following year in accordance with TIFIA requirments.

10 – Summary of Cost Changes Since Last Year's Financial Plan

This section will be added with future annual updates of the Financial Plan.

11 – Cost and Funding Trends Since Initial Financial Plan

This section will be added with future annual updates of the Financial Plan.

12 – Summary of Schedule Changes Since Last Year's Financial Plan

This section will be added with future annual updates of the Financial Plan.

13 – Schedule Trends Since Initial Financial Plan

This section will be added with future annual updates of the Financial Plan.