



1. FINANCIAL PLAN

1.1. FINANCING STRATEGY

OVERVIEW

The Golden Link Partners (“GLP”), together with its Financial and Legal Advisors and various financial institutions acting in the capacity of Core Lender(s), has developed a viable financial proposal (the “Financial Plan”) that complies with the tender requirements and enhances the strength and attractiveness of our bid. After a comprehensive evaluation of the Project’s requirements and the various sources available for its funding, we are proposing a capital structure that delivers a highly competitive Maximum Availability Payment (“MAP”) that is also resilient to events which may result in increased costs and/or a reduced MAP. Based upon a significant equity investment, tax-exempt short-term Private Activity Bonds (“PABs”), a long-term US DOT Transportation Infrastructure Finance and Innovation Act loan (“TIFIA Loan”) facility, funded reserve accounts and a strong contractual structure, the Core Lenders have provided very positive indications that our proposal is robust with acceptable terms and conditions.

GLP’s Financial Plan provides for the financing of the design and construction and the successful operation and maintenance over the full concession term and handback of the Project to the Sponsors at the expiry of the Agreement.

The Financial Plan has been structured to provide the best value for money while achieving the following main objectives:

- to finance the costs incurred during the construction phase;
- to ensure that the projected operating and maintenance costs and all debt service obligations are paid on a timely basis meeting all lifecycle and handback requirements;
- to provide adequate protection to lenders; and
- to provide shareholders a suitable return on the funds invested.

For this purpose, GLP will utilize a combination of Equity, Senior PABs, a subordinated TIFIA Loan, Milestone and Availability Payments to provide the Developer with sufficient funds to meet all of its capital investment, start-up and operational requirements and the appropriate return requirements of the investors for an infrastructure project of this kind.

GLP is confident that the Financial Plan submitted is feasible as evidenced by:

- Our collective and substantial market experience for transactions of this type;
- The Letters of Support to the GLP Financial Plan received from Barclays, Merrill and Scotia;

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- The modeled resilience to downside scenarios, as anticipated to be required by the TIFIA Joint Program Office (“JPO”), credit rating agencies, underwriters and equity investors; and
- Confirmation by Scotia Capital, as Financial Advisor, that the Financial Plan is achievable and sufficient to fulfill GLP’s obligations.

This Financial Plan includes all required information in the submission format required by the Sponsors as requested in Appendix D of the ITP.

GOLDEN LINK PARTNERS

The GLP Financial Plan has been developed utilizing the combined experience of leading infrastructure and public-private partnership developers, contractors and advisors listed and described below.

The Golden Link Partners Group (“GLP” or the “Consortium”)	Role
HOCHTIEF PPP Solutions North America Inc (“HOCHTIEF”) MINA USA, LLC (“Meridiam”)	Developer/Concessionaire Equity Contributor
Flatiron West, Inc. (“Flatiron”) Kiewit Infrastructure West, Co. (“Kiewit”)	Design-Builder Joint Venture (DBJV)
HOCHTIEF PPP Solutions North America Inc (“HOCHTIEF”) MINA USA, LLC. (“Meridiam”)	O&M Provider
Scotia Capital Inc. (“Scotia Capital”)	Financial Advisor
Milbank, Tweed, Hadley & McCloy LLP (“Milbank”)	GLP Legal Counsel
Orrick, Herrington & Sutcliffe LLP (“Orrick”)	Lenders Legal Counsel
LeighFisher	Lenders Technical Advisor
TSIB	GLP Insurance Advisor
Moore McNeil	Lenders’ Insurance Advisor
Barclays Capital Inc. (“Barclays”) Merrill Lynch, Pierce Fenner & Smith Incorporated (“Merrill”) Scotia Capital, Inc. (“Scotia Capital”)	Core Lenders - Underwriters

Developer and Equity Contributor – HOCHTIEF PPP Solutions North America Inc (“HOCHTIEF”)

HOCHTIEF PPP Solutions North America Inc., with offices in New York, Vancouver and Toronto, is responsible for the development of, investment and long-term asset management of privately financed transportation and social infrastructure projects in North America. HOCHTIEF is part of HOCHTIEF AG, one of the largest providers of construction-related services in the world. With more than 66,000 employees and a sales volume of €18.2 (US\$24.2) billion in 2009, the company is represented in all the world’s major markets.

HOCHTIEF AG has demonstrated a consistent capability to fund equity investments for the projects that it has pursued. HOCHTIEF AG, through HOCHTIEF PPP Solutions and HOCHTIEF Airport GmbH, holds stakes in twenty public building projects, six airports, seven toll roads, and two renewable energy projects. Further interests are owned by HOCHTIEF AG’s subsidiary, Leighton Holdings. In



total, HOCHTIEF AG is involved in 34 privately financed infrastructure projects with an investment volume of more than \$24 billion.

HOCHTIEF has a global team with significant PPP experience, having closed comparable transportation projects including the 365km Elefsina-Korinthos-Patras-Pyrgos-Tsakona motorway in Greece, the A-Model A4 “Hoerselberg” toll road in Germany and the A5 North Highway, Ypsilon toll road in Austria. HOCHTIEF’s North American experience includes the recently closed Alberta Schools Alternative Procurement Phase 2 project and the Ontario Provincial Police Modernization project.

Developer and Equity Contributor – MINA USA, LLC (“Meridiam”)

MINA USA, LLC is a wholly-owned subsidiary of Meridiam Infrastructure North America Fund II which is a P3 dedicated investment fund registered in Delaware as a Limited Partnership and belongs to the Meridiam Infrastructure family of funds (“Meridiam Infrastructure”). Upon Notice of Intent to Award, MINA USA, LLC will be replaced by a newly incorporated special purpose investment vehicle (Meridiam Infrastructure Presidio, LP) that will own 50% of Golden Link Concessionaire, LLC, as shown in the chart provided as part of Form A-2. Meridiam Infrastructure has \$1.2bn of private equity investments under management. Meridiam Infrastructure is designed for investment purely within P3 infrastructure assets within the Organization for Economic Co-operation and Development (OECD). Geographically, Meridiam Infrastructure is primarily focused on investment opportunities within Europe and North America. Strategically, Meridiam Infrastructure invests predominately in new primary assets, with a smaller proportion of the fund allocated for secondary assets and has targeted the transportation, health, education, public accommodations and environmental sectors. Meridiam Infrastructure is backed by an independent but symbiotic relationship with AECOM Technology Corporation (USA). Meridiam Infrastructure’s investors include a number of pension plans and life insurers. Meridiam Infrastructure has acquired experience in P3 project financing and development with senior team members who are industry leaders advising on, structuring, and funding P3 projects in Europe and North America as well as emerging markets. They have participated in various aspects of development and financing, in the healthcare, transportation, public accommodation, schools and environment sectors. Meridiam Infrastructure’s directors have previous experience sitting on the boards of several project companies.

Since its inception in 2006, Meridiam Infrastructure has achieved financial close on 11 projects, including the US\$2bn North Tarrant Expressway project and the US\$2.6bn IH-635 managed lanes (LBJ) project in Texas as well as the \$1bn Port of Miami Tunnel (POMT) project in Florida and is currently preferred proponent on one additional project in California.

For the 2009 period, Meridiam Infrastructure was the recipient and nominee of 16 industry awards illustrating that Meridiam Infrastructure is highly respected within the P3 business sector globally.



These awards include, but are not limited to:

1. Financial Sponsor of the Year from Project Finance International;
2. Sponsor of the Year from Infrastructure Journal;
3. North American Infrastructure Deal of the Year (POMT) from Infrastructure Investor; and
4. Global Deal of the Year (POMT) from Project Finance Magazine.

Financial Advisor – Scotia Capital Inc.

Scotia Capital has been retained by the GLP Consortium as its financial advisor for the Project. Scotia Capital provides the global corporate and investment banking and capital markets functions within the Scotiabank Group. Included within Scotia Capital is the Global Infrastructure Finance unit which performs various roles in the sector including financial advisory and debt and equity arranging services. Scotia Capital provides infrastructure services worldwide with significant deal origination skills and transaction execution experience.

Advisory services include project financing, public private partnerships (PPP), takeovers, mergers and acquisitions, corporate restructuring and other corporate, strategic and financial advice. Members of the Global Infrastructure Finance team have been involved in several significant PPP transactions in the recent past. Some of the team’s past financial advisory experience in this sector includes:

- Capital Beltway HOT Lanes Project (Virginia)
- Pocahontas Parkway Project (Virginia)
- West by Northwest Project (Georgia) (Active Mandate)
- Port Mann/Highway 1 (British Columbia)
- Southeast Calgary Ring Road (Alberta)
- Windsor-Essex Parkway (Ontario) (Active Mandate)
- FARAC 2A (Mexico)
- FARAC 2B (Mexico)

GLP Legal Counsel – Milbank, Tweed, Hadley & McCloy LLP

GLP has retained Milbank, Tweed, Hadley & McCloy LLP (“Milbank”) as its legal counsel for the transaction. Milbank is an international law firm headquartered in New York and is one of the world’s leading project finance legal advisors. Milbank’s Global Project Finance department includes more than 100 dedicated project finance attorneys in offices in New York, Los Angeles, Washington, D.C., London, Singapore, Hong Kong, Tokyo and Sao Paulo. In the past three years alone, Milbank has acted as legal advisor in more than 100 project financings worldwide and raised more than \$100 billion for infrastructure projects across the globe. The Global Project Finance department is supported by the firm’s considerable experience in its tax, capital markets, private equity, mergers and acquisitions, real estate, bankruptcy, environmental, regulatory, competition and international trade practice areas.



Some recent transactions include the joint representation of the senior lenders in connection with the financing of the Long Beach Court Building PPP (pending), the senior lenders' counsel in connection with the financing of the Port of Miami Access Tunnel, the representation of the senior lenders in connection with the acquisition financing of the Pocahontas Parkway, and the representation of a joint venture in acquiring a concession with the City of Chicago to maintain and operate the Chicago Skyway Toll Road.

Lenders Legal Counsel – Orrick, Herrington & Sutcliffe LLP

GLP has retained Orrick, Herrington & Sutcliffe LLP (“Orrick”) as the lenders legal counsel for the transaction. Founded in San Francisco in 1863, Orrick is a full-service international law firm with over 1,000 attorneys in 18 offices in the United States, Europe and Asia with its experience dating back to its handling of the financing for the Golden Gate Bridge in 1937. Orrick has been named in The American Lawyer’s “A-List” of the nation’s elite law firms for the last four years running. Orrick has extensive project finance experience, advising sponsors, lenders, financial insurers, and government entities, and the firm was recently named as Americas’ Project Finance Team of the Year by International Financial Law Review, largely for its leading role in U.S. PPP infrastructure projects. Orrick has been actively involved in key roles in many PPP projects, including virtually every major PPP infrastructure project in the U.S. Orrick also has one of the leading public finance practices in the United States. Both Thomson Financial and The Bond Buyer rank Orrick as the number one bond counsel firm for most of the past decade. During the past ten years, Orrick was also ranked as the number one California bond counsel firm.

Core Lender – Barclays Capital, Inc.

Barclays Capital is the investment banking division of Barclays PLC, an international bank with an approximately \$2.7 trillion Aa2/AA-/AA rated balance sheet. Barclays' infrastructure project financing expertise includes deep U.S. and U.K. experience, and spans all sectors, including transportation, social infrastructure, power, energy, solid waste, and water projects. The Barclays Capital Infrastructure Project Finance team was involved in some of the earliest privately developed transportation project financings in the United States. Since then, the group has advised private consortia on financing, structuring, ratings and credit enhancement strategies on nearly all major domestic transportation asset sales and greenfield transportation concession bids, including the Chicago Skyway, Indiana Toll Road, Texas SH-121, Pennsylvania Turnpike, Port of Miami Tunnel, the Safe and Sound Missouri Bridge Rehabilitation, I-595 Managed Lanes, IH-635/LBJ Freeway, North Tarrant Expressway and the FasTracks Eagle P3.

The Barclays team has worked with the United States Department of Transportation to secure PABs allocation for several projects, including the Port of Miami Tunnel, and recently served as bookrunning senior manager for a \$398 million issuance of PABs for the FasTracks Eagle P3. The team also has extensive experience with the TIFIA program both through the application and negotiation phases. The team negotiated the first-ever commitment by the Federal Highway



Administration under the TIFIA program in the form of a \$600 million standby loan guarantee to the Washington Metropolitan Area Transit Authority and structured a subordinated short-term tranche with a TIFIA "take-out" on the Central Texas Turnpike Project. More recently, Barclays has been involved with several U.S. concession bids which included TIFIA as part of the capital structure, including the Port of Miami Tunnel, which was the first availability payment project to apply for the program and for which Barclays led the TIFIA application process.

Core Lender - Merrill Lynch, Pierce Fenner & Smith Incorporated

Merrill Lynch, Pierce Fenner & Smith Incorporated ("Merrill" or "BAML") has been retained by the Consortium as a Core Lender for the transaction. BAML is one of the world's largest financial institutions, serving clients in more than 150 countries providing a full range of financial services. Additionally, BAML has historically been one of the top senior managing underwriters of PABs financings and is ranked number one in the category in terms of issuances since 2005 with 395 financings totaling over \$21 billion. Within the last year, BAML has served as a joint book runner for three PPP financings utilizing PABs as the major capital component for the preferred proponent's financing solution. These transactions include:

- \$400 million of Senior Lien Revenue bonds for the NTE Mobility Partners with regards to the North Tarrant Express project in Texas. The bonds were rated Baa2/BBB- by Moody's and Fitch, respectively.
- \$550 million of Senior Lien Revenue Bonds for the LBJ Infrastructure Group with regards to the IH 635 (LBJ) Managed Lanes Project in Texas. The bonds were rated Baa3/BBB- by Moody's and Fitch, respectively.
- \$398 million of tax-exempt PABs for the Denver Transit Partners with regards to the Eagle P3 FasTracks project in Colorado. The bonds were rated Baa3/BBB- by Moody's and Fitch, respectively.

Lenders' Technical Advisor - LeighFisher

LeighFisher Inc, formerly known as Jacobs Consultancy, employs over 300 full-time staff operating from offices in the U.S., Canada and the UK. LeighFisher provides transport planning and management consultancy services in the aviation, ports and shipping, rail and surface transportation sectors. LeighFisher (under the title Jacobs Consultancy) has provided consulting services to several surface transportation projects within the U.S. and globally including: Georgia I-75, Autopista del Sol (Chile), Maliakos – Kleidi (Greece), Costanera Norte Toll Road (Chile), N4 Platinum Highway (South Africa) and the Santiago – Los Vilos Highway (Chile). Services include, inter alia, data collection and market research, highway modeling, traffic and toll revenue forecasting, concession structuring and bid appraisals, privatization studies and revenue optimization studies.



GLP Insurance Advisor – Turner Surety and Insurance Brokerage Building Assurance

TSIB is one of the largest privately held insurance brokers in the U.S. TSIB represents billions of dollars in construction volume the firm provides services including: comprehensive risk and exposure assessment, insurance program evaluation and audit, policy design and placement, program management, claims management, in-depth review of insurance requirements in contracts, bid documents and leases, preconstruction insurance cost analysis and strategic planning and market intelligence. TSIB has provided insurance services for many significant projects in the U.S. including: San Francisco Airport Terminal 2, Miami Intermodal Center, Fort Bend County Jail, the NASCAR Hall of Fame.

Lenders' Insurance Advisor – Moore McNeil

Moore McNeil is a privately held professional services firm that provides independent insurance due diligence and outsourced risk management services for Lenders, Sponsors, and Private Equity. Since its founding in 2004, Moore-McNeil has provided the insurance due diligence services for Lenders and Equity Sponsors on more than 500 construction, operational, project finance, corporate finance, acquisitions and work out transactions, which have utilized third party financing in the U.S. and internationally. Past deals include 2005 and 2006 power, steel and energy Project Finance Deals of the Year.

FINANCIAL PLAN – GENERAL APPROACH

After reviewing the Milestone Payment and Availability Payment mechanisms, the GLP Consortium carried out in-depth analysis and assessment of the various financing instruments available for the Project in the current market. GLP approached various institutions, with the objective of defining an optimal financial structure for the Project and preparing a deliverable structure to ensure a timely debt procurement and achievement of Financial Close.

The Financial Plan herein funds construction through a combination of Senior PAB Debt, Subordinated TIFIA Debt and Concessionaire Equity. The strategy adopted with regard to financing this project has focused on maximizing competitive tension across all levels of debt structuring and procurement. This has enabled GLP to select its specialized financial products from a range of financiers to deliver the most innovative funding structures and the lowest cost of finance.



Sources of Funds

Table 1 lists the sources of funds for the Project by capital source and details the anticipated amount of each.

Table 1: Sources of Funds

Source	Amount (\$ millions)
Senior Milestone Bonds (PABs)	\$150.00
Subordinated TIFIA Loan (Draw down)	\$149.74
Subordinated TIFIA Loan (Capitalized Interest)	\$12.25
GLP Equity Contribution	\$44.58
Interest Earnings	\$2.06
Total	\$358.63

Senior Private Activity Bonds

The GLP consortium will submit an application to the USDOT to secure PABs capacity as authorized under SAFETEA-LU with the California Municipal Finance Authority acting as conduit issuer. The Core Lenders view the placement of \$150.00 million of PABs secured by the \$173.43 million Milestone Payment as clearly achievable in the current market.

TIFIA Loan

The long term debt is provided by a TIFIA Loan. The TIFIA Loan proposed under GLP’s Financial Plan allows for repayment at a fixed rate. Given the low cost of capital under current market conditions and the long-dated maturity of the TIFIA debt, this is the most efficient form of finance available in the market and will help to ensure a long term source of debt capital without refinancing risk. There will be no requirement to refinance at any stage during the life of the Agreement, thus providing the Sponsors with comfort that any factors influencing the financial markets after Financial Close will not affect the deliverability and ongoing performance of the Project. For the operating phase, the Financial Plan may be able to utilize the TIFIA repayment provisions to provide for flexibility in debt service costs during the early years of operation of the Project if needed.

The TIFIA debt is further described in Section (1.5).

Strong Equity Commitment

The financial structure ensures early commitment to the Project on the part of the equity investors, HOCHTIEF and Meridiam, by requiring them to cover all development costs prior to Financial Close (incentivizing them to control costs and to reach Financial Close as expeditiously as possible) and protects the Project from delays or cost overruns with a substantial equity contribution contributed at Financial Close. In addition strong equity support letters are provided as part of Volume 3.



Uses of Funds

The Financial Plan is based on prudent budgeting during the entire lifetime of the concession, factoring in needs for both the construction and operation periods. With regards to the construction period, the Concessionaire has negotiated a fixed-price, date certain design-build contract with nationally recognized contractors Flatiron and Kiewit, providing strong liquidity and parent company guarantees to protect project investors in the unlikely event of cost overruns or delays in construction.

Table 2 lists the uses of funds for the Project by capital requirement and details anticipated amounts of each. The TIFIA term sheet requires the funding of a Debt Service Reserve Account (“DSRA”) equal to the projected forward-looking 12 months of debt service funded at Substantial Completion, however, our Financial Plan provides for the funding of the DSRA at Financial Close further benefiting the PABs bondholders who will hold a first priority interest in these funds until repayment upon receipt of the Milestone Payment. Upon repayment of the PABs, the DSRA will remain in place and continue to be sized to equal the forward-looking 12 months of debt service on the TIFIA Loan.

An operations and maintenance reserve account (“OMRA”) will be created at commencement of operations and will be funded at all times with the next 6 months’ projected operations and maintenance costs.

Future capital requirements of the Project will be funded through a Renewal Work Reserve Account (“RWRA”). A deposit into the RWRA in an amount equal to the projected capital requirements for the initial five years of operations will be made at Substantial Completion with future requirements being derived from the Project cash flows.

A Seismic Event Reserve Account (“SERA”) will be created at Substantial Completion in an amount equal to the Seismic Event Deductible which is equal to \$10 million as stated in Section 9.1.3.2 of the Agreement. Should an insurance policy or letter of credit become available to beneficially replace the cash funding of this account, GLP will look to address this requirement in the most efficient manner possible.

Table 2: Uses of Funds

Uses	Amount (\$ millions)
Construction Costs	\$254.03
SPV Costs During Construction	\$18.21
Operations and Maintenance Costs During Construction	\$8.50
Development Costs	\$28.26
Interest during Construction	\$27.76
Financing Fees	\$2.39
Debt Service Reserve Account	\$7.29
Operations and Maintenance Reserve Account	\$1.46

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Uses	Amount (\$ millions)
Renewal Reserve Account	\$0.73
Seismic Event Reserve Account	\$10.00
Total	\$358.63

For the operation period, the Concessionaire intends to provide all necessary operations and maintenance services through in-house staffing and subcontracting to external entities when necessary with subcontracts to include appropriate security features as per market standards. Additionally, funds will be efficiently utilized for GLP’s internal administrative costs and fees as well as funding of various reserve accounts (as described above) and insurance costs throughout the life of the concession.

Although GLP recognizes the possibility of required modification to the Financial Plan to accommodate lender requirements at the time of the Initial Project Debt Competition (“IPDC”), the Financial Plan as presented is robust to market standards.

KEY STRENGTHS

The key strengths of GLP’s Financial Plan are identified below:

Access to Capital

Senior PABs – The Core lenders view the placement of \$150.00 million of PABs secured by the \$173.43 million Milestone Payment as achievable in the current market. Should the PABs market be unwilling to fund competitively at the time of the IPDC process, GLP has evaluated the bank debt market and we believe capacity would exist for this type of Milestone Payment secured facility. Although we believe the financial markets will remain accessible, further confidence is provided in the fact that during the peak of the financial crisis, certain availability payment transactions which incorporated large milestone payments were able to access the bank market.

TIFIA Loan – The GLP Financial Plan is consistent with the TIFIA term sheet provided in the RFP and prior approvals of TIFIA loan facilities.

GLP Equity Contribution – HOCHTIEF and Meridiam are internationally recognized project developers with substantial resources available to contribute the required amount of equity at Financial Close as evidenced by Section 1.2 of this proposal.

Experienced Contractors / Strong Construction Risk Mitigation Package

The quality of the contractors GLP has engaged to perform the design and the construction of the Project is exceptional. Flatiron and Kiewit have excellent track records and are nationally and locally recognized as experienced and successful construction contractors. GLP has negotiated a full heads of terms for the design-build contract which describes the level of guarantees and performance support to be provided by the DBJV for the construction elements of the Project. This



is backed by joint and several guarantees of the parent companies of Flatiron and Kiewit. The Lenders' Technical Advisor ("LTA") has opined, for the benefit of the debt providers, that the parties have the necessary skill, experience, and resources to execute their responsibilities under their agreement with the Concessionaire, which provides for a full pass through of the Concessionaire's construction responsibilities as assigned under the Agreement. More specifically, the LTA states that both companies are experienced in the construction of highway schemes under PPP type contracts and the parties have worked together on other contracts in the past. Additionally, the LTA states that in their opinion, each of Flatiron and Kiewit have the technical, management and commercial capacity to complete the construction works should the other company drop out of the joint venture.

Construction Liquidity

As described in the design build heads of terms, the DBJV has agreed to a fixed price contract and will provide liquidated damages to compensate for any costs associated with delayed delivery of the Project. The liquidated damages allow for coverage of a delay in Scheduled Substantial Completion and Final Acceptance under the Agreement. At Financial Close, each of the daily delay liquidated damages rates will be set to one number based on the base rate adjustment.

Well-Managed Operational Risk

GLP will successfully operate the Project over the Term by applying the appropriate resources necessary to provide system safety, availability, and compliance with the Agreement, including asset performance and handback requirements. As both the Developer and the Operator of the asset, GLP will have a vested interest in adhering to a strict regime of routine and preventive maintenance that will be directly related to the optimization of the asset lifecycle and rehabilitation costs. As a result, GLP's goals and the Sponsors' requirements are fully aligned with respect to maintaining the condition of the assets to meet handback requirements.

Detailed Due Diligence

GLP, its advisors and Core Lenders have undertaken a significant level of due diligence on the Project with detailed analysis of all aspects of the bid – technical, legal, insurance and financial. Such detailed due diligence has allowed GLP, the Financial Advisor and our Core Lenders to provide strong support letters. These expert opinions are strong evidences to the Sponsors that GLP's Proposal is capable of being delivered.

Robust Financial Covenants

Despite the significant pass through of most key project risks to the DBJV, GLP has also structured its Financial Plan to provide a financial cushion to absorb potential challenges over the life of the Project, such as performance deductions or higher costs. Under a number of downside scenarios, project cashflow remains sufficient to cover scheduled debt service obligations even when stressed.



The Consortium's long term debt demonstrates an average 2.06 times debt service coverage ratio ("DSCR") and an average loan life coverage ratio ("LLCR") of 2.26x times over the term of the TIFIA financing. Based on GLP's financing structure debt service coverage exceeds similar transactions of this type in the U.S. project finance market and the normal requirements of the TIFIA JPO.

Developer Experience

Both HOCHTIEF and Meridiam are experienced, knowledgeable and committed partners and international leaders in P3 development, financial structuring, and long-term asset management, with a combined total of 39 assets under successful management (valued at more than U.S. \$21.7 billion), 15 of which are transportation concessions.

Minimal Funding Risk

To mitigate the challenges that any preferred proponent will face in executing its financing plan, the structure provides an acceptable risk profile for the capital markets and TIFIA. The TIFIA Loan, as reflected in the financial model, incorporates structural elements such as a debt to equity ratio, coverage ratios, and reserve accounts that are comparable to or exceed other availability payment-based projects which have reached financial close with TIFIA and we are confident can be applied to the Project.

Margin changes between Bid Submission and Financial Close

Risk that margin spreads and financial terms change between the time of the bid submission and the signing of the Agreement are minimized by the structuring of short term PABs and long term TIFIA debt. GLP believes credit spreads will remain relatively low in the short end of the bond market, while TIFIA features a fixed rate over the term of the facility.

Re-gearing upon Substantial Completion

Upon receipt of the Milestone Payment, any excess funds which are not required for the repayment of the senior PABs will be paid out to the equity shareholders through a one-time distribution. This partial repayment of equity will allow for a re-gearing given the significant reduction in debt outstanding and providing for a more efficient capital structure while maintaining the original debt to equity ratio of circa 87.5:12.5. This re-gearing payment is consistent with other availability payment transactions with significant construction completion payments in North America.

Operations Liquidity

The Financial Plan is able to withstand an increase in operations and maintenance costs of up to 95% or Availability Payment adjustments of up to 14% and still repay the TIFIA Loan within its original maturity



During the operations phase of the project, GLP will establish and fund four reserve accounts – the DSRA, OMRA, RWRA and the SERA. The DSRA will be funded with up to the next twelve months’ debt service intended to cover debt service costs should there be any disruption to Project cashflow. The OMRA will be funded to cover six months’ projected operations and maintenance costs should there be any shortfalls in available funds. The RWRA is intended to assure that needed lifecycle works are funded in advance of expected expenditure utilizing a five year look forward test. The SERA will be created to cover the risk of any seismic events and will be funded in an amount equal to the Seismic Event Deductible (\$10 million).

Inflation Risks

The Concessionaire is protected from inflation during the construction period through the fixed-price, date certain design-build contract with the DBJV. During the operation period, operating costs are partially protected from inflation through the indexation of up to 15% of the Availability Payment. This indexed portion allows GLP to mitigate inflation exposure within the Project.

REACHING FINANCIAL CLOSE

GLP will run a competitive process consistent with the requirements of the IPDC between prospective finance providers to the Project. Please see Section 1.4, Table 4 for the proposed steps and timeline for reaching Financial Close.

Plan of Finance – Potential Availability Payment Improvements

GLP recognizes the potential for improvements to the MAP and therefore improved value for money for the Sponsors through the following structure amendments:

- **Inflation**: Increasing the portion of the MAP that is indexed will further benefit the Proposer by mitigating the inflation risks associated with the cost of operations and allowing the debt service to be met under any inflation scenario, allowing for less contingent pricing. For instance, increasing the indexed portion of the MAP from the current 15% to 30% would result in a decrease in the MAP equal to 2.2% to the benefit of the Sponsors.
- **Sculpting TIFIA**: Optimizing the scheduled repayment profile through sculpting according to the cashflows available for debt service would release pressure on the coverage ratios in certain years and create a more robust structure that would ultimately benefit the Sponsors.
- **Reduce TIFIA Loan tail**: Reducing the TIFIA Loan tail from two years to six months will reduce the MAP by 1.3%.
- **Reduce DSRA from 12 to 6 months**: Reducing the DSRA funding requirements from 12 to 6 months at Financial Close will reduce the MAP by 2.2%.



- **Department to cover \$10m Seismic Event Deductible:** Transferring the \$10 million Seismic Event Deductible to the Sponsors will reduce the MAP by 3.7%.

CORE LENDER SUPPORT LETTERS

Three international investment banks active in the project financing market and with US experience have provided letters evidencing their actions in acting as Core Lenders in providing the bond underwriting as described in the Financial Plan. Letters of support from these Core Lenders are attached to Section 1.4.

FINANCIAL ADVISOR LETTER

An opinion letter from GLP's financial advisor, Scotia Capital, opining that they are highly confident that the Financial Plan as outlined in the Proposal is achievable is attached to Section 1.4.



1.2. EQUITY FINANCE

GLP has fully committed equity for the Project evidenced in the following commitment letters provided by HOCHTIEF and Meridiam.



EQUITY COMMITMENT LETTERS

HOCHTIEF and Meridiam have provided letters of equity commitment attached in the “Evidence of Relevant Equity Approvals” section.

In addition Meridiam, as an investment fund, has also provided a letter from their Investment Advisory. This letter is attached under the “Letter from General Partner or Trustee” section.

HOCHTIEF has provided a written confirmation of Parent Company Guarantee in the “written confirmation of Parent Company Guarantee” section.



HOCHTIEF EQUITY COMMITMENT

HOCHTIEF has provided the requisite letter of commitment stating:

- (A) Identity of the investors;
- (B) The amount of funds that each shareholder is prepared to commit and the timing of such subscription.
- (C) The terms and conditions of the subscription, including dividend rights attaching to shares, the extent to which funds are committed, redemption premia, and the length of time funds will remain in the project vehicle.

State of California Department of Transportation
Director's Office
1120 N Street, MS 49
Sacramento, CA 95814
Attention: P3 Program

RE: Request for Proposals No. 04-1637U4, Instructions to Proposers ("ITP")

01 October, 2010

Dear Sirs,

HOCHTIEF PPP Solutions GmbH, a limited liability company incorporated under German law under No. HRB 4727 with the Amtsgericht Essen, having its corporate seat at Alfredstr. 236, 45133 Essen, Germany ("Hochtief PPP") is pleased to submit this equity commitment letter (this "Equity Commitment Letter") pursuant to Section 1(b) of Appendix D to the ITP and in support of the Financial Proposal Submittal of Golden Link Partners ("Developer") in connection with the Presidio Parkway Project (the "Project"). Terms used but not defined herein shall have the meaning assigned to them in the ITP.

The investors contributing equity to the Developer consist of (i) HOCHTIEF Presidio Holding Inc., a special purpose investment vehicle 100% owned by Hochtief PPP, and (ii) Meridiam Infrastructure Presidio, L.P., a special purpose investment vehicle 100% owned by Meridiam Infrastructure North America Fund II.

Hochtief PPP hereby confirms that it has received all necessary internal authorizations to commit up to a maximum aggregate amount of \$25 million in equity to be contributed to the Developer in connection with the Project, which contribution is expected to occur no later than August 31, 2011. HOCHTIEF PPP is committed to maintain transparency throughout the funding process and accept the Department's option to require or initiate a funding competition after Notice of Intent to Award with Department Oversight as set out in Appendix G of the Instruction to Proposers (ITP) document

The terms and conditions of the subscription, including dividend rights attaching to shares, the extent to which funds are committed, redemption premia, and the length of time funds will remain in the project vehicle.

Hochtief PPP through HOCHTIEF Presidio Holding Inc. will acquire 50% of LLC interests in the Developer. The terms and conditions of the subscription are further detailed in the pro forma Limited Liability Company Agreement included in the Technical Proposal submission

This Equity Commitment Letter shall expire on April 5, 2011.

Yours sincerely

HOCHTIEF PPP Solutions GmbH

Authorized Signatures:	<u></u>	<u></u>
Name:	<u>Kulle</u>	<u>Bendiek</u>
Title:	<u>CEO</u>	<u>ppa.</u>



MERIDIAM EQUITY COMMITMENT

Meridiam has provided the requisite letter of commitment stating:

- (A) Identity of the investors;
- (B) The amount of funds that each shareholder is prepared to commit and the timing of such subscription.
- (C) The terms and conditions of the subscription, including dividend rights attaching to shares, the extent to which funds are committed, redemption premia, and the length of time funds will remain in the project vehicle.



October 6, 2010

State of California
Department of Transportation
Director's Office
1120 N Street, MS-49
Sacramento, CA 95814

Attention: P3 Program

Re: Request for Proposals No. 04-1637U4 for the Presidio Parkway Project – Equity Letter of commitment

Dear Sir,

In response to Section 1(b) of Appendix D to the Instructions to Proposers (“ITP”) in the Request for Proposals issued by the California Department of Transportation for the Presidio Parkway Project - RFP No. 04-1637U4 - (“the Project”) issued on July 9, 2010 and as subsequently amended, we are pleased to provide for this Equity Letter of commitment.

(A) Identity of the investors

MINA USA, LLC, an Equity Member of Golden Link Partners, will invest in the Project through an affiliated special purpose investment vehicle to be incorporated under the name of Meridium Infrastructure Presidio, LP (“MIP”). MIP will be 100% owned by Meridium Infrastructure North America Fund II (“MINA II”), comprising the following two funding vehicles that were derived for tax optimization purposes: Meridium Infrastructure North America Fund II (Domestic), LP and Meridium Infrastructure North America Fund II, LP.

(B) The amount of funds that each shareholder is prepared to commit and the timing of such subscription.

MINA USA, LLC is prepared to commit, via MINA II and the investment vehicle MIP, a maximum aggregate amount of \$25m in equity to be contributed to the Developer in connection with the Project. This capital contribution is expected to occur no later than August 31, 2011.

(C) The terms and conditions of the subscription, including dividend rights attaching to shares, the extent to which funds are committed, redemption premia, and the length of time funds will remain in the project vehicle.

MIP will acquire 50% of LLC interests in the Developer. The terms and conditions of the subscription are further detailed in the pro forma Limited Liability Company Agreement included in the Technical Proposal submission.

In addition, in response to Section 2.2 (F) of Appendix F to the ITP, MINA USA, LLC hereby confirm that it is committed to maintain transparency throughout the funding process and accept the Department's option to require or initiate a funding competition after Notice of Intent to Award with Department oversight as set out in Appendix G to the ITP.

This Equity Letter of commitment shall expire on April 5, 2011.

Sincerely,



MINA USA, LLC
Olivier Garnier
Officer



MERIDIAM EQUITY COMMITMENT

If an Equity Member is an investment fund a signed letter from the general partner or trustee of the fund is required confirming, at the time of SOQ submittal, the following:

- (A) the date the fund was established;
- (B) the total amount raised in the investment fund;
- (C) the total amounts of undrawn and uncommitted funds available to be invested in the Project; and
- (D) confirmation that the Project is an eligible investment of the fund.



October 6, 2010

State of California
Department of Transportation
Director's Office
1120 N Street, MS-49
Sacramento, CA 95814

Attention: P3 Program

Re: Request for Proposals No. 04-1637U4 for the Presidio Parkway Project – Investor (details of fund)

Dear Sir,

I, Emmanuel Rotat, the Chief Financial Officer of Meridium Infrastructure North America Corporation which serves as the Investment Advisory of Meridium Infrastructure North America Fund II (“MINA II”), in response to Section 1(b) of Appendix D to the Instructions to Proposers in the Request for Proposals issued by the California Department of Transportation (the “Department”) for the Presidio Parkway Project - RFP No. 04-1637U4 - (“the Project”) issued on July 9, 2010 and as subsequently amended, hereby confirm the following:

(A) the date the fund was established:

MINA USA, LLC, an Equity Member of Golden Link Partners, will invest in the Project through an affiliate that is 100% owned by Meridium Infrastructure North America Fund II (“MINA II”). MINA II was established on June 8, 2010.

(B) the total amount raised in the investment fund:

MINA II achieved its first closing on June 8, 2010 for a total of USD 100 million with substantial support from existing limited partnership relationships of other Meridium Funds. MINA II anticipates aggregate commitments equaling \$1bn over the course of the following 12 months.

(C) the total amounts of undrawn and uncommitted funds available to be invested in the Project:

MINA II's current committed funds remain fully undrawn. MINA II's fund remain uncommitted to projects, apart from a \$25m commitment to a similar project in Canada. Therefore MINA II has sufficient capacity to invest in the Project as per its financial plan and will benefit shortly of further fund raising.

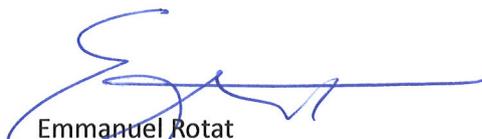
(D) confirmation that the Project is an eligible investment of the fund:

We hereby confirm that the Project is an eligible investment of the fund. MINA II is exclusively dedicated to North American PPP projects.

We have noted that the above information was to be confirmed at the time of the SOQ submittal. At that time, MINA USA, LLC was owned by Meridiam Infrastructure (SCA) SICAR. However, we notified the Department on September 2, 2010 about the transfer of MINA USA, LLC from Meridiam Infrastructure (SCA) SICAR to MINA II that occurred on June 30, 2010. The transfer has subsequently been approved by the Department on September 10, 2010. As a result, we confirm that the above information relates to MINA II and are true and accurate as of the date of this letter.

Please do not hesitate to contact the undersigned should you have any questions.

Sincerely,



Emmanuel Rotat
Chief Financial Officer



HOCHTIEF WRITTEN CONFIRMATION OF PARENT COMPANY GUARANTEE

State of California Department of Transportation
Division of Engineering Services
1727 30th Street, 2nd floor, MS 47
P.O. Box 168041
Sacramento, CA 95816-8041
Attention: Leo Martinez

Re: Request for Proposals No. 04-1637U4, Instructions to Proposers ("ITP")

29 September, 2010

Dear Mr. Martinez

HOCHTIEF Aktiengesellschaft, a joint stock corporation incorporated under German law under No. HRB 279 with the Amtsgericht Essen, having its corporate seat at Opernplatz 2, 45128 Essen, Germany ("Hochtief" or "we") is pleased to submit this support letter (this "Support Letter") pursuant to Section 1(b) of Appendix D to the ITP and in support of the Financial Proposal Submittal of Golden Link Partners ("Developer") in connection with the Presidio Parkway Project (the "Project"). Terms used but not defined herein shall have the meanings assigned to them in the ITP.

Hochtief is the ultimate beneficial owner of HOCHTIEF PPP Solutions GmbH ("Hochtief PPP"), a proposed member of the Developer.

We hereby confirm that:

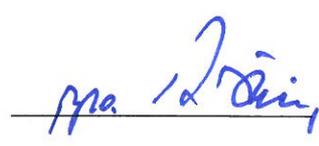
- i. we are able to provide a parent company guarantee in relation to the equity to be contributed by Hochtief PPP to the Developer in proportion to its ownership interest therein and as contemplated by the Financial Proposal Submittal delivered by the Developer concurrently with this Support Letter; and
- ii. as of the date of this Support Letter, Hochtief has adequate funds available to meet its financial obligations under such parent company guarantee.

Any guarantee or a commitment to provide such a guarantee will only be provided subject to completion of satisfactory due diligence, the negotiation and finalization of definitive documents and the receipt of all customary internal approvals.

This Support Letter shall expire on April 4, 2011.

Yours sincerely

HOCHTIEF Aktiengesellschaft

Authorized Signatures:		
Name:	<u>Dr. rer. pol. Burkhard Lehr</u>	<u>Rudolf Bräunig</u>
Title:	<u>Chief Financial Officer (CFO)</u>	<u>Head of Corporate Center Finance</u>



1.3. CHIEF FINANCIAL OFFICER CERTIFICATION / MATERIAL CHANGE DISCLOSURE

State of California Department of Transportation
Division of Engineering Services
1727 30th Street, 2nd floor, MS 47
P.O. Box 168041
Sacramento, CA 95816-8041
Attention: Leo Martinez

Re: Request for Proposals No. 04-1637U4, Instructions to Proposers ("ITP")

29 September, 2010

Dear Mr. Martinez

HOCHTIEF Aktiengesellschaft, a joint stock corporation incorporated under German law under No. HRB 279 with the Amtsgericht Essen, having its corporate seat at Opernplatz 2, 45128 Essen, Germany ("Hochtief" or "we") is pleased to provide this letter pursuant to Section 1(c) of Appendix D to the ITP. Terms used but not defined herein shall have the meanings assigned to them in the ITP.

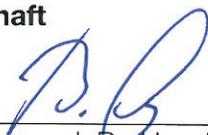
A copy of the Semi Annual Report of Hochtief for the first half of Fiscal Year 2010 (the "Financial Statements") is attached hereto as Exhibit A. To the best of our knowledge, information and belief, we hereby certify that since the date of the Financial Statements, no events have occurred which have had a material adverse effect on our financial position and which should be disclosed to keep the Financial Statements from being misleading.

Should we, subsequent to the date of this letter, become aware of any events having a material adverse effect on the Financial Statements, we will promptly thereafter disclose such events to you.

Yours sincerely

HOCHTIEF Aktiengesellschaft

Authorized Signatures:



Dr. rer. pol. Burkhard Lohr

Name:

Chief Financial Officer (CFO)

Title:



October 6, 2010

State of California
Department of Transportation
Director's Office
1120 N Street, MS-49
Sacramento, CA 95814

Attention: P3 Program

Re: Request for Proposals No. 04-1637U4 for the Presidio Parkway Project – Certification /
Material Change Disclosure

Dear Sir,

I, Emmanuel Rotat, the Chief Financial Officer of Meridiam Infrastructure North America Corporation which serves as the Investment Advisory of Meridiam Infrastructure North America Fund II (“MINA II”), in response to Section 1(c) of Appendix D to the Instructions to Proposers in the Request for Proposals issued by the California Department of Transportation (the “Department”) for the Presidio Parkway Project - RFP No. 04-1637U4 - (“the Project”) issued on July 9, 2010 and as subsequently amended, hereby confirm that there has been no material change in MINA USA, LLC’s financial condition since the SOQ submission.

As per the notification letter sent to the Department on September 2, 2010, MINA USA, LLC has been transferred from Meridiam Infrastructure (SCA) SICAR to MINA II on June 30, 2010. The transfer has subsequently been approved by the Department on September 10, 2010.

In addition, I confirm that there has been no material change in MINA II (MINA USA, LLC parent company) financial condition or corporate form since the transfer date of MINA USA, LLC to MINA II.

Sincerely,


Emmanuel Rotat
Chief Financial Officer



1.4. PROJECT DEBT AND/OR BOND FINANCE

GLP and its financial and legal team have worked with the Core Lenders and their legal, technical and insurance advisors to deliver due diligence information consistent with project finance standards to support the pricing assumptions of the Financial Plan for the non-TIFIA portions of project debt.

The Core Lenders and their advisors are experienced in the delivery of project finance debt solutions and each advisor/Core Lender to the Project has direct financing experience with the TIFIA JPO and each is familiar with the TIFIA indicative term sheet and the assumptions supplied in the RFP.

The Core Lenders have worked closely with GLP and their advisors to develop the project debt term sheets and letters of support, demonstrating their level of due diligence and the support of their respective firms.

The Core Lenders acknowledge and accept the IPDC process within their letters of support attached as a schedule to Section 1.4.

PRIVATE ACTIVITY BONDS (PABS)

Throughout the RFP timeframe, GLP has compared PABs to alternative debt options. During this timeframe PABs have demonstrated lower total borrowing costs when compared with bank facilities. Ultimately, the IPDC will confirm the selection of the best value debt option and GLP is committed to the performance of the IPDC protocol.

Primary Terms and Conditions of the PABs Financing

The primary terms and conditions of the PABs financing structure are summarized below as per the requirements of the ITP and are provided in full detail in the PABs Term Sheet attached as a schedule to this section. Please note, given our planned financial structure which includes a milestone bond facility and long-term TIFIA debt, certain term sheet items listed below may not be applicable in the financing plan.

Table 3: Senior Bond (PABs) Debt Terms

(A)	Identity of lead underwriting banks	Barclays Capital, Inc. Merrill Lynch, Pierce Fenner & Smith Inc. Scotia Capital, Inc.
(B)	Type and purpose of facility	Type: Senior secured fixed rate tax-exempt PABs holding a senior pledge on the Milestone Payment and Availability Payment revenues. Purpose: to (i) finance a portion of the anticipated Project



		costs, (ii) fund reserve account and (iii) pay current bond interest, fees and expenses.
(C)	Amounts to be provided/committed by each Core Lender and currency in which it will be provided.	[\$150] million to be provided collectively through the Senior PABs. All amounts in U.S. dollars.
(D)	Interest rates (whether fixed or floating) specifying base rate and margins.	Fixed rate bonds with semi-annual interest Base Rate: 4 year AAA MMD Indicative Spread (Margin): 2.25% over
(E)	Required ratios, and the definitions of those ratios.	<u>Debt Service Cover Ratio (DSCR)</u> : DSCR is equal to the ratio of net cash flow to senior debt service and TIFIA debt service. Minimum: N/A Lock-up: N/A Event of Default: N/A The DSCR shall be subject to any requirements of the TIFIA JPO. <u>Bond Life Cover Ratio (BLCR)</u> : BLCR is equal to the ratio of the net present value of cash flows, plus the closing balance of the DSRA at such calculation date to the total outstanding principal balance of the senior PABs. Minimum: N/A Lock-up: N/A Event of Default: N/A The BLCR shall be subject to any requirements of the TIFIA JPO.
(F)	Availability period	Bond proceeds upon issuance will be deposited into the Bond Proceeds Account.
(G)	Reserve account requirements with regard to: 1. Debt service 2. Maintenance and lifecycle 3. Other	<u>Debt Service Reserve Account (DSRA)</u> : The DSRA will be cash-funded at Financial Close with bond proceeds or equity in an amount equal to the next 12 months of debt service. <u>The Renewal Work Reserve Account (RWRA)</u> : The RWRA will be funded upon the earlier of the Final Acceptance Date and the Final Acceptance Deadline on a five year forward looking basis with Project Revenues at an amount equal to: <ul style="list-style-type: none"> • 100% of the next year’s major maintenance expenses • 66% of the 2nd year’s major maintenance expenses



		<ul style="list-style-type: none"> • 33% of 3rd year’s major maintenance expenses • 33% of 4th year’s major maintenance expenses • 33% of 5th year’s major maintenance expenses <p><u>O&M Reserve Account (OMRA):</u> The OMRA will be cash funded at commencement of operations with proceeds from the Milestone Payment or equity, equal to at all times to 6 months’ projected O&M costs.</p> <p><u>Seismic Event Reserve Account (SERA):</u> The SERA will be funded with cash at Substantial Completion in an amount equal to the Seismic Event Deductible.</p> <p><u>Handback Requirement Reserve Account (HRRR):</u> On the date that is four full fiscal years prior to the expected end of term, amounts remaining in the RWRA shall be transferred to the HRRR. Beginning on the date that is 36 months prior to the expected end of term, if amounts in the HRRR are insufficient to pay costs of handback, deposit will be made into the HRRR on a monthly basis to fund the shortfall.</p>
(H)	Arrangement, commitment and other fees.	75 bps
(I)	Drawdown schedule, capital repayment moratorium, repayment schedule and final maturity date.	<p><u>Drawdown Schedule:</u> Bond proceeds will be deposited into the Bond Proceeds Account at Financial Close and will be drawn down over the course of the construction period.</p> <p><u>Capital repayment moratorium and repayment schedule:</u> The Bonds will be defeased with the proceeds of the Milestone Payment payable 45 days post substantial completion.</p> <p><u>Final Maturity Date:</u> Senior PABs: The final maturity of the Bonds will be [six] months after the Long Stop Date..</p>
(J)	Average life of debt and/or bond finance.	Circa 3.5 years based upon the anticipated date of Substantial Completion and payment of the Milestone Payment.
(K)	Conditions precedent to the first and each subsequent drawdown	<p>Conditions precedent to drawdowns from the Bond Proceeds Account to the Construction Account shall include, but not be limited to, the following, subject to materiality thresholds to be agreed:</p> <ol style="list-style-type: none"> (1) Delivery to the Collateral Agent of a drawing request from the Borrower setting forth amount of disbursement and anticipated uses; (2) Certification as to use of funds/compliance with the



		<p>construction budget/tax compliance and the works to be paid for have been properly constructed in accordance with the Design-Build Contract (as confirmed by the Independent Technical Advisor);</p> <p>(3) Certification by the Independent Technical Advisor as to Substantial Completion being reasonably expected to be achieved on or prior to the Baseline Substantial Completion Date and Final Acceptance being reasonably expected to be achieved on or prior to the Final Acceptance Deadline and sufficiency of committed funds to be able to achieve completion on or prior to such deadlines;</p> <p>(4) No Event of Default or Default shall have occurred and be continuing under the Financing Documents or the Project Documents or would be expected to occur as a result of the drawdown; and</p> <p>As of the date of this requisition, all disbursements required to be made under the Equity Contribution Agreement, the TIFIA Loan Agreement and the PPP Agreement shall have been made (or shall be made concurrently with the disbursement of funds requested by this requisition), and no event has occurred and is continuing which would prevent any future disbursements under any of such agreements from being made thereunder.</p>
(L)	Security required (including any guarantees, performance bonds and letters of credit)	<p>All amounts due under the Bonds will be secured by a first priority security interest (subject to permitted liens, including, without limitation an intercreditor agreement with TIFIA) all of the Borrower's assets and property now or hereinafter acquired, including the following:</p> <p>(1) The Borrower's interest in the Project Documents and Project permits (including an assignment of the payments under the PPP Agreement) and all bonds and guaranties arising therefrom;</p> <p>(2) All Project Accounts and any other accounts in the name of the Borrower;</p> <p>(3) Proceeds of insurance policies (applicable loss payee and additional insured provisions);</p> <p>(4) All rights of the Borrower to the TIFIA Loan;</p> <p>(5) The security provided to the Borrower under the Design-</p>



		<p>Build Contract (As described below);</p> <p>(6) A pledge of the interests of the Equity Sponsors in the Borrower;</p> <p>(7) Step-in rights pursuant to any direct agreements;</p> <p>(8) All rights under any Design-Builder Parent Guarantee;</p> <p>(9) Any other collateral security available to the Borrower from the Project; and</p> <p>(10) Proceeds of all of the foregoing.</p> <p>All security will be given in favor of the Trustee who will hold such security for the benefit of the Bondholders, the TIFIA Lender, the Trustee and the Collateral Agent (the "Secured Parties"), subject to the terms of the Intercreditor Agreement.</p> <p>Design Builder Security Package: Security under the DB Agreement will include:</p> <p>Performance Bond and Payment Security: The Design-Builder will obtain the Performance Security and the Payment Bond required to be procured pursuant to Sections 16.2.1 and 16.2.2 of the PPP Agreement, respectively, with respect to the DB Activities. The Trustee on behalf of the Bondholders shall be named an obligee of the performance bond.</p> <p>Design-Builder Parent Guarantees: On the Effective Date, the Design-Builder will deliver to the Borrower parent company guarantees from the respective parent companies.</p> <p>Design-Builder LC: The Design-Builder shall, on Financial Close, deliver a letter of credit issued by a Qualifying Institution in favor of the Borrower securing the performance of the obligations of the Design-Builder under the Design-Build Contract in an aggregate amount equal to 10% of the contract price, which shall step down to 5% on Substantial Completion and 2.5% at Final Completion, and shall terminate upon the expiration of the Warranty Period (as defined in the Design-Build Contract)</p>
(M)	Any indemnities required	No indemnities are required.
(N)	Any proposed hedging arrangements	No hedging is required relative to the fixed rate debt. The construction proceeds will be invested consistent with the proposed draw schedule to minimize reinvestment risk.



<p>(O)</p>	<p>All required financial covenants, including details of all financial cover ratios and any cash trap / cash sweep requirements</p>	<ol style="list-style-type: none"> (1) Application of Project cash flows according to the Cashflow Waterfall; (2) Not to amend the Base Case Financial Model except as contemplated in the Project Documents or the Financing Documents; (3) Not to grant any credit, pay any fee or give any indemnity to any other person except in the ordinary course of business or otherwise as contemplated by the Project Documents and the Financing Documents or as agreed by the Bondholders; (4) Not to enter into any agreement whereby the Borrower's income or profits are shared with any third party; (5) Not to own any bank accounts other than the Project Accounts or as otherwise provided in the Financing Documents without the consent of the Trustee; and (6) To ensure that its payment obligations under the terms and conditions of the Trust Indenture will at all times rank in priority to all its other indebtedness, subject to (i) customary exceptions for any indebtedness preferred by law or as otherwise agreed by the Bondholders, (ii) the TIFIA Loan from and after the time at which it 'springs' as described in Part C below, in accordance with the terms of the Intercreditor Agreement and (iii) an exception for the HRRRA, in which the Department will have a first-priority security interest.
<p>(P)</p>	<p>All required non-financial covenants.</p>	<p>Covenants with which the Borrower must comply shall include, but not be limited to, the following, subject to materiality thresholds and related terms (including voting thresholds) to be agreed:</p> <ol style="list-style-type: none"> (1) Not to dispose of assets (including assignment of material contracts) in excess of a threshold to be agreed per annum, except for (i) sales or other dispositions in the ordinary course of business on commercial terms that are permitted or contemplated by the Project Documents, (ii) sales or other dispositions of damaged, obsolete, worn out or defective equipment in the ordinary course of business; (iii) sales or other dispositions of surplus property not required for the construction or operation of the Project in the ordinary course of business; and (iv) sales or other dispositions of permitted investments to be



		<p>agreed upon or that would constitute permitted indebtedness to be agreed upon;</p> <p>(2) Not to incur or suffer to exist any indebtedness other than (i) debt under the Financing Documents, (ii) trade payables, (iii) purchase money indebtedness incurred to finance discrete items of equipment not exceeding a threshold to be agreed per annum, and (iv) unsecured Indebtedness, including loans or advances from any Equity Sponsor or other Affiliate of the Borrower, not to exceed a maximum amount of a threshold to be agreed in the aggregate at any given time, fully subordinated to the payment in full of the Bonds on terms and conditions to be agreed, and subject to acceleration only to the extent the Bonds have been accelerated;</p> <p>(3) Not to engage in any business other than the Project;</p> <p>(4) Not to incur, grant or permit to exist any mortgage, pledge, hypothecation, assignment, mandatory deposit arrangement, encumbrance, lien (statutory or other), or preference, priority or other security interest of any kind or nature whatsoever, including, without limitation, any sale-leaseback arrangement, any conditional sale or other title retention agreement, and any financing lease having substantially the same effect as any of the foregoing (collectively, "Liens") on or with respect to any of its property, other than permitted liens, as contemplated by the Financing Documents and the Project Documents and customary permitted liens including, without limitation, mechanics' liens, construction liens and similar liens on customary conditions;</p> <p>(5) Not to make investments other than permitted investments (to be agreed);</p> <p>(6) Not to purchase, lease or acquire assets other than assets required for the construction, operation and maintenance of the Project in accordance with good operating practice;</p> <p>(7) Not to issue or agree to issue any ownership interests to any person, except as set forth in the applicable Financing Documents;</p> <p>(8) To obtain and maintain insurance required by the PPP Agreement as and when required;</p>
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	<p>(9) Delivery to the Trustee of (i) unaudited quarterly financial statements of the Borrower within 45 days after the end of each fiscal quarter, (ii) unaudited quarterly financial statements for each Design-Build Guarantor within 60 days after the end of each fiscal quarter; (iii) audited annual financial statements of the Borrower within 90 days after the end of each fiscal year, (iv) audited annual financial statements of each member of the Design-Builder and each Design-Build Guarantor within 120 days after the end of the fiscal year, in each case, together with an explanation of any changes in the basis of preparation prepared in accordance with relevant GAAP, and (v) simultaneously with the delivery of financial statements by the Borrower, certification of the Borrower as to no Event of Default;</p> <p>(10) Maintenance of proper books and records in accordance with GAAP;</p> <p>(11) Provide reporting information (scope of information and timing to be agreed) to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website;</p> <p>(12) To operate and maintain the Project in accordance with the PPP Agreement and perform its obligations and enforce its rights and remedies under the Project Documents in a commercially reasonable manner and take those steps necessary to prevent the termination of, and not to terminate, any Project Document (other than expiration in accordance with their terms);</p> <p>(13) To comply in all respects with all applicable laws and regulations and permits, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect;</p> <p>(14) To (i) maintain and preserve its legal existence and good standing, (ii) not amend or modify its organizational documents except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and (iii) not enter into any merger or other reorganization, or take any action that would result in liquidation or dissolution of the Borrower or enter into any consolidation, amalgamation, partnership, profit-sharing or any similar arrangement;</p>
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		<p>(15) Maintenance of and compliance with all relevant consents, licenses and authorizations both during the construction and operating periods except where the failure to do so would not reasonably be expected to have a Material Adverse Effect;</p> <p>(16) Maintenance and protection of intellectual property, subject to the provisions of the PPP Agreement except where the failure to do so would not reasonably be expected to have a Material Adverse Effect;</p> <p>(17) To pay its tax obligations as they become due unless the same are being contested by the Borrower in good faith and by proper proceedings and against which adequate reserves established in accordance with GAAP are reflected in the Borrower's financial statements;</p> <p>(18) To allow the Trustee or other representatives of the Bondholders reasonable access to the Project, Project books/records and management;</p> <p>(19) Not to engage in any affiliate transactions, except transactions containing terms no less favorable to the Borrower than those which would be contained in an arm's length transaction with a non-affiliate;</p> <p>(20) Not to make distributions or other restricted payments, except if the Equity Lock-Up Tests are satisfied or waived;</p> <p>(21) No later than 90 days after the end of each fiscal quarter, submission of the Borrower's quarterly operating report showing (i) the operating data for the Project for the previous quarter and for the year to date (including project revenues and operating expenditures) and (ii) the variances for such periods between actual project revenues and operating expenditures and budgeted project revenues and operating expenditures; provided that no such variance shall exceed 10%;</p> <p>(22) To use all insurance proceeds in the manner contemplated by the PPP Agreement to the extent specified therein, and otherwise in accordance with the Financing Documents;</p> <p>(23) To use reasonable commercial efforts to defend any material action, claim (other than claims with respect to permitted liens where amounts are not yet due) or other proceeding commenced or levied against it in</p>
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		<p>consultation with the Trustee;</p> <p>(24)To use the proceeds of the Bonds only for those uses set forth as the purpose of the facility above and to use all funds on deposit in the Project Accounts only for the purposes specified or as expressly permitted by the Financing Documents;</p> <p>(25)To at all times remain as a pass-through entity for tax purposes, unless the Trustee consents otherwise;</p> <p>(26)To promptly deliver to the Trustee (i) all Relief Event notices in accordance with the time frames set forth in the PPP Agreement, and in any case, in time to avoid waiving any Relief Event under the PPP Agreement, (ii) monthly construction progress reports and operating reports reviewed by an independent engineer or the Underwriters’ Technical Advisor, and (iii) notice of certain material events impacting the Project or the Borrower to be agreed, including notice of Default or Event of Default, notice of litigation, defaults or terminations under Project Documents, insurance claims, force majeure events, release of hazardous substances, and the accumulation of non-compliance points under the PPP Agreement;</p> <p>(27)No change of control until the end of the construction period and thereafter on terms no more restrictive than those set forth in the PPP Agreement; provided that, each Equity Sponsor shall be permitted to transfer its interest to any subsidiary(ies) of such Equity Sponsor or any entity(ies) that such Equity Sponsor manages and in which such Equity Sponsor owns at least a percentage equity interest to be agreed; provided further that, without limiting the generality of the foregoing and for greater clarity, with respect to the Meridiam Partner, “subsidiary” means any trust, fund or similar entity which is managed or controlled by Meridiam Infrastructure Managers S.à.r.l., Meridiam Infrastructure North America Corp., Meridiam Infrastructure North America Fund II, LP, Meridiam Infrastructure North America Fund II (Domestic), LP, Meridiam Infrastructure Canada Inc. or Meridiam Infrastructure SCA (SICAR);</p> <p>(28)No entry into material project documents or assignment or modification or waiver of existing Project Documents without the prior consent of the Trustee;</p>
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		<p>(29) Preservation of security interests under the Financing Documents;</p> <p>(30) Maintain independent auditors of nationally-recognized standing;</p> <p>(31) No change to the Borrower's fiscal year, name or location of its principal place of business without prior written notice to the Trustee; and</p> <p>(32) Use commercially reasonable efforts to cooperate with each rating agency rating the Bonds, in connection with any review which may be undertaken by such rating agency, and deliver to the Trustee copies of any reports or ratings on the Bonds from any rating agency.</p>
<p>(Q)</p>	<p>Representations and warranties required</p>	<p>The Borrower shall make representations and warranties at the signing of the Financing Documents, at Financial Close and at each drawdown from the Bond Proceeds Account, which representations and warranties will include, but are not limited to, the following, and are subject to appropriate <i>de minimis</i> thresholds and other terms to be agreed:</p> <p>(1) The Borrower is duly organized in its state of formation and in good standing and qualified to do business in California; has the necessary power and authority to enter into and perform its obligations under the Financing Documents and the Project Documents; the Financing Documents and Project Documents have been duly executed and delivered; all necessary action on the part of the Borrower to authorize, execute, deliver and perform the Financing Documents and Project Documents has been duly taken; and the Financing Documents and the Project Documents are legal, valid and binding;</p> <p>(2) The Borrower's entry into and performance of the Financing Documents and the Project Documents does not conflict with any law, the Borrower's organizational documents or any other material agreement binding on the Borrower or its assets, does not violate any court decree or order affecting the Borrower or the Project and does not result in or require the creation or imposition of any security interest on any of the properties or revenues of the Borrower, except for permitted liens to be defined in the Financing Documents;</p>



		<p>(3) No Default or Event of Default under the Financing Documents or any default under any Project Document exists and each of the Financing Document and Project Documents is in full force and effect;</p> <p>(4) All information taken in its entirety provided by or on behalf of the Borrower (a) was true and correct in all material respects when provided and did not omit to state any fact necessary to make such information not misleading in any material respect at such time and (b) when taken together with any additional information subsequently provided, is true and correct in all material respects and does not omit to state any fact necessary to make such information not misleading in any material respect;</p> <p>(5) The Base Case Financial Model (a) was prepared in good faith and based on assumptions believed to be reasonable at the time made, and disclosed all material assumptions, (b) was audited and verified by an independent nationally-recognized model auditor prior to Financial Close, (c) fully discloses all cost, revenue and other financial assumptions and (d) represents, as of Financial Close, the projections that the Borrower believes in good faith are the most realistic and reasonable for the Project; provided that such projections are based upon a number of estimates and assumptions and subject to significant business, economic and competitive uncertainties and contingencies and, accordingly, are not a representation or warranty that any of the assumptions are correct, that such projections will be achieved or that the forward-looking statements expressed in such projections will correspond to actual results;</p> <p>(6) The most recent financial statements of the Borrower delivered to the Trustee (other than the pro forma statement provided on or prior to Financial Close) have been prepared in conformity with GAAP and present fairly, in all material respects, the financial condition of such entity as of the date thereof in accordance with GAAP applied on a consistent basis. Except as has been disclosed to the Trustee, since the date of the balance sheet included with the most recent financial statements delivered to the Trustee, no event has occurred, and no</p>
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		<p>condition exists, that has had, or would reasonably be expected to have, a Material Adverse Effect;</p> <p>(7) All corporate authorizations will have been obtained (or will be obtained at the appropriate time) which are required to be obtained to enable the Borrower to enter into and to perform its obligations under the Financing Documents and the Project Documents;</p> <p>(8) The Security Documents are effective to create legal, valid, and enforceable liens on the Collateral and the necessary recordings, etc. will be recorded at Financial Close, and shall constitute a first-priority perfect security interest in the Collateral;</p> <p>(9) The Borrower has good title to its assets, subject to no liens other than permitted liens;</p> <p>(10) Except in relation to a transaction permitted under the Financing Documents, there are no proceedings for winding-up, dissolution or liquidation of the Borrower; no bankruptcy; the Borrower is solvent;</p> <p>(11) The Borrower has timely filed all tax returns and paid all taxes and has no tax liabilities which are due and payable but unpaid other than those being contested in good faith and by appropriate proceedings against which adequate reserves established in accordance with GAAP have been reflected in the Borrower's financial statements, and no tax liens exist against the Borrower or the Project;</p> <p>(12) All permits, authorizations and other governmental approvals necessary for the execution, delivery and performance by the Borrower of its obligations, and the exercise of its rights, under the Financing Documents and the Project Documents, have been duly obtained, except such permits, authorizations and approvals that are not then necessary and are obtainable in the ordinary course of business; and all required permits remain in full force and effect and have not been materially amended (or material conditions upon any such permit imposed) or made the subject of any proceeding or litigation; all other permits are expected to be obtained in the normal course without delay;</p> <p>(13) The Borrower is in compliance with laws and permits</p>
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		<p>except where failure to comply could not reasonably be expected to have a Material Adverse Effect;</p> <p>(14) Except as disclosed prior to Financial Close, no litigation or environmental claims or other proceedings are pending or, to the Borrower's actual knowledge, threatened (in writing), which, if determined adversely, could reasonably be expected to have a Material Adverse Effect;</p> <p>(15) No labor problems or disputes;</p> <p>(16) The Borrower has not engaged in any other business other than the Project or any other business expressly permitted under the Financing Documents;</p> <p>(17) The Borrower possesses all intellectual property rights or licenses necessary for the implementation of the Project;</p> <p>(18) The Project Documents are sufficient to achieve Final Completion;</p> <p>(19) No Relief Event has been declared under the Project Documents;</p> <p>(20) The Borrower has evaluated the constraints affecting design and construction of the Project, including the Project Right of Way as defined in the Right of Way Plans and including limitations as to the Restricted Areas, as well as the terms and conditions of the NEPA/CEQA Approval, Presidio Trust Right of Entry Agreement, License to Enter Agreement, Programmatic Agreement and other third party agreements listed in Appendix 23 to the PPP Agreement, and has reasonable grounds for believing and does believe that the Project can be designed and built within such constraints;</p> <p>(21) The Borrower has made or caused to be made to the Department, in writing, all the disclosures required under California Streets and Highways Code Section 143(h)(5)(A) through (G);</p> <p>(22) Insurance required to be maintained pursuant to the PPP Agreement at such relevant time has been obtained and is in full force and effect, and all premiums due prior to such time have been paid with respect thereto;</p> <p>(23) There has occurred or exists no event or circumstance that has had, or would reasonably be expected to have, a</p>
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		<p>Material Adverse Effect since [•];</p> <p>(24)The Borrower is not an investment company under the Investment Company Act or is subject to regulation under that Act;</p> <p>(25)As of Financial Close, the Borrower is a pass-through entity for tax purposes;</p> <p>(26)As of Financial Close, the Equity Sponsors own 100% of the equity interests in the Borrower free and clear of all security interests other than the security interests granted under the Financing Documents;</p> <p>(27)The Borrower has no indebtedness, other than permitted indebtedness (to be agreed);</p> <p>(28)There is no stamp, registration or similar tax to be paid in connection with amounts payable under the Financing Documents;</p> <p>(29)(i) The Borrower is not or has not in the past been in violation of any applicable environmental laws; (ii) neither the Borrower nor, to the Borrower's actual knowledge, any other person, has used, released, discharged, generated, manufactured, produced, stored, or disposed of at, in, on, under, or about the Project, or transported thereto or therefrom, any hazardous substances that could reasonably be expected to subject any party hereto to liability, under any applicable law; (iii) there are no hazardous substances used, stored or present at, in, on, under or, to the actual knowledge of the Borrower, near the Project, except, (A) in compliance with applicable laws and (B) in such circumstances as could not reasonably be expected to (x subject any party hereto to liability under any applicable law, or (y) interfere with the construction or operation of the Project; and (iv) to the actual knowledge of the Borrower, there neither is nor has been any condition, circumstance, action, activity or event related to the Project that could reasonably be expected to be or constitute a violation by the Borrower of any applicable environmental law, or to result in liability to any of the secured parties or the Borrower under any applicable environmental law; and</p> <p>(30)No ERISA Event (to be defined in the Financing</p>
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		<p>Documents) has occurred or is reasonably expected to occur that could reasonably have a Material Adverse Effect; neither the Borrower nor any ERISA Affiliate (to be defined in the Financing Documents) has incurred any withdrawal liability with respect to any multiemployer plan; and no pension plan has any "accumulated funding deficiency" within the meaning of ERISA.</p> <p>For purposes of the foregoing, "Material Adverse Effect" shall mean a material adverse change or effect on: (a) the ability of the Borrower or any Borrower-related party (including the Design-Builder and the Design-Build Guarantors) to pay or perform or comply with any of its material obligations under any of the Financing Documents or any Project Document to which it is a party; (b) the validity, perfection or priority of the liens on the Collateral in favor of the Trustee for the benefit of the Bondholders or the value of the Collateral; (c) the Bondholders', Collateral Agent's or Trustee's rights and benefits available under the Financing Documents or the ability of the Trustee, Collateral Agent or any Bondholder to enforce their rights and remedies under the Financing Documents; (d) the validity or enforceability of any of the Financing Documents or Project Documents or consummation of the transactions contemplated thereunder; or (e) the business, property, conditions (financial or otherwise), prospects or operations of the Borrower or the Project; provided that (i) no representation and warranty, covenant or other undertaking of the Borrower that is qualified by a reference to "Material Adverse Effect" shall be deemed to be breached (and no Event of Default that is qualified by a reference to "Material Adverse Effect" shall be deemed to exist) solely as a result of any change in the credit rating of the Department and (ii) in the case of each of (a) to (e) above, such effect shall be determined, measured or assessed without regard to any macroeconomic financial condition generally.</p>
(R)	Treatment of interest during construction (i.e. whether interest is capitalized).	Interest during construction will be capitalized. Interest earnings will comprise a component of interest during construction per the financial model.
(S)	Conditions precedent for distributions	Distributions to equity are permitted to be made out of a distribution account ("Distribution Account") as directed by the Equity Sponsors commencing on the first Calculation Date



		<p>to occur following the Substantial Completion Date; provided that distributions shall not be permitted if, as of any Calculation Date:</p> <ol style="list-style-type: none"> (1) the DSRA is not fully funded; (2) the DSCR was less than [1.10]x (or such other ratio as shall be agreed with the TIFIA JPO in the event that no Bonds are outstanding) in the most recently ended twelve (12) month period; (3) the BLCR is less than [•]x (or such other ratio as shall be agreed with the TIFIA JPO in the event that no Bonds are outstanding) as of the relevant Calculation Date; (4) any Default or Event of Default has occurred and is continuing un-waived and un-remedied or would result from the making of such payment, or a termination event under the PPP Agreement has occurred and is continuing or would result from the making of such payment; (5) the Equity Support is no longer in full force and effect (unless all equity has already been contributed); (6) any required Security or Performance Support is not in place when required; (7) All TIFIA distribution tests have not been satisfied; (8) any payment obligation in respect of an amount in excess of a threshold to be agreed payable under the Trust Indenture has not been paid when due and continues to be outstanding; or (9) any transfer or distribution required to be made pursuant to the Cashflow Waterfall has not been made. <p>Cash otherwise available for distribution will be transferred to the Equity Lock-Up Account if any of the above Equity Lock-Up Tests are not satisfied. Cash held in the Equity Lock-Up Account will be released to the Distribution Account if the Equity Lock-Up Tests are met for two consecutive quarters. Cash held in the Equity Lock-Up Account may be used to fund a shortfall in any prior item in the Cashflow Waterfall.</p>
(T)	Any terms that might affect the Proposer’s ability to discharge its obligations under the Contract.	Both GLP, its advisors and the Core Lenders are familiar with the obligations and requirements of the Agreement. Collectively, we are confident that there are no terms that would create difficulty in the Proposer’s



		ability to perform its obligations under the Contract.
(U)	Core Lenders shall describe how the financing arrangements could accommodate any delays in construction or cost overruns.	<p>Senior PABs: The PABs have been structured to accommodate any delays in construction through a maturity date which is intentionally scheduled beyond the assumed date of Substantial Completion, and thus the receipt of the Milestone Payment.</p> <p>TIFIA: The terms and conditions of the TIFIA facility provide adequate protection should delays in construction occur through the flexible nature of the repayment profile which incorporates a capitalized interest period from Financial Close to the fifth anniversary of the Substantial Completion Date and</p> <p>With regards to cost overruns, GLP has entered into a fixed-price, date certain contract with the DBJV with the contract providing market standard protections in case of delays.</p>
(V)	Any other information which would be relevant to specific forms of debt and/or bond finance.	
	Credit Ratings	An Investment Grade rating will be required.
	Drawdown Schedule	Pari passu to Equity, TIFIA
(W)	Terms that may affect the price of the Project to the Department.	<p>The GLP will enter into a fixed-price, date certain contract with the DBJV containing adequate protection through a market standard security package that will protect against changes in the price of the Project to the Department.</p> <p>Please refer to Section 1.1 – Plan of Finance – Potential Availability Payment Improvements for specific terms that may positively affect the price of the Project to the Department.</p>
(X)	Terms that may affect the risk and potential financial exposure to the Department.	GLP does not foresee any terms other than market related interest rates that will increase the risk or potential financial exposure to the Department in the Proposer’s bid. These risks are further mitigated by several aspects of Financial Plan and the Project, including, inter alia:



		<p>Rating: The senior PABs will be required to receive an investment grade rating as a requirement of the TIFIA program.</p> <p>TIFIA: The Project has been selected to submit an application to the TIFIA JPO for funding under the TIFIA program and the GLP team and GLP’s Financial Advisor are confident that the Project will be awarded these funds through past experience with projects that have received TIFIA funding.</p> <p>Capital Markets Access: The Core Lenders are confident that the Senior PABs will be well received in the bond market and should the market environment change causing difficulty in the execution of the PABs solution, the Core Lenders are confident that adequate bank market capacity exists for a short term, milestone payment secured facility.</p>
(Y)	A detailed timetable setting out the expected period for negotiation and signing of the facilities taking into account the IPDC Process	Provided below as Table 4.
(Z)	Renewal Work Reserve.	<p>The RWRA will be funded upon the earlier of the Final Acceptance Date and the Final Acceptance Deadline on a five year forward looking basis with Project Revenues at an amount equal to:</p> <ul style="list-style-type: none"> • 100% of the next year’s major maintenance expenses • 66% of the 2nd year’s major maintenance expenses • 33% of 3rd year’s major maintenance expenses • 33% of 4th year’s major maintenance expenses • 33% of 5th year’s major maintenance expenses

PRESIDIO PARKWAY

FINANCIAL PROPOSAL

The above-described schedule is consistent with the modeled plan of finance. The GLP Consortium will work to prepare for an accelerated execution should financial market conditions warrant an alternative schedule.

PRESIDIO PARKWAY

Core Lenders Letters of Support



Core Lenders Letters of Support are provided as follows:

- Barclays Capital, Inc.
- Merrill Lynch, Pierce Fenner & Smith Incorporated
- Scotia Capital Inc.

Please note that all referenced Exhibits have been included in the Core Lenders Diligence section.

October 4, 2010

To: Golden Link Partners
C/o HOCHTIEF PPP Solutions North America, Inc.
375 Hudson Street
New York NY 10014 USA
Attn: Kate Speir, Bid Director

Re: Presidio Parkway Project

Barclays Capital, Inc. ("Barclays" or "we") provide this letter to Golden Link Partners (the "Proposer" or "you"), a special purpose entity owned directly or indirectly by HOCHTIEF PPP Solutions GmbH and Meridiam Infrastructure Presidio, L.P., in respect of the Proposer's proposal submission (the "Submission") in response to the Request for Proposals Number 04-1637U4 (the "RFP") issued by the State of California Department of Transportation (the "Department"), in cooperation with the San Francisco County Transportation Authority, on July 9, 2010, as amended by Addendum No. 1 issued August 13, 2010, Addendum No. 2 issued August 30, 2010, Addendum No. 3 issued September 7, 2010, Addendum No. 4 issued September 17, 2010 and Addendum No. 5 issued September 24, 2010, in which the Department is seeking a public-private partnership with a private developer to develop, design, construct, finance and operate and maintain the Presidio Parkway Project (the "Project"). You have requested Barclays to provide a letter of support in connection with a potential bond financing for the non-TIFIA portion of the debt financing needed for the Project, which letter of support is required to be submitted with the Proposer's Submission as part of its Financial Proposal. Initial capitalized terms used herein, unless otherwise defined herein, shall have the meanings set forth in the RFP.

We are pleased to inform you that, based upon (and subject to) our understanding of the Project and on information that has been made available to Barclays as of the date of this letter, as well as current market conditions, and subject to the conditions set forth below, we have a high degree of confidence in our ability, and are willing in principle, to underwrite the Private Activity Bonds ("PABS") to finance the Project (subject to entering into a mutually acceptable bond purchase agreement).

(1) We confirm that we have undertaken due diligence on the Project based on the RFP Documents that we consider necessary to enable us to issue this letter of support, including certain legal, financial, technical and insurance due diligence. In connection with the due diligence we have undertaken, we have reviewed the following due diligence reports, copies of which are attached hereto as Exhibit A:

- a. Technical Due Diligence for Potential Lenders, prepared by Leigh Fisher Management Consultants, draft dated October 1, 2010;
- b. Insurance Report for Potential Lenders, prepared by Moore-McNeil, LLC, dated October 1, 2010; and
- c. Summary of Public-Private Partnership Agreement, prepared by Orrick, Herrington & Sutcliffe LLP, draft dated September 22, 2010.

Our provision of bond financing will be subject to:

- a. the completion of further due diligence satisfactory to Barclays in the event that the Proposer is selected by the Department as the Preferred Proposer;
- b. the completion of an audit of a Financial Model;
- c. the principal economic terms and structure of the Project financing and related components being on the terms described in the debt term sheet attached hereto as Exhibit B (the "Debt Term Sheet"), with such other terms and conditions, including final structure, interest rate or rates, and covenants of, such a bond financing, to be acceptable to Barclays, and completion of an official statement and the negotiation, finalization and execution of funding documentation, in each case in form and substance satisfactory to Barclays taking into account market conditions at the time of the consummation of the financing;
- d. execution of the Design-Build Contract based on the heads of terms for the Design-Build Contract included in the Submission;
- e. confirmation of investment grade ratings with respect to the bonds to be underwritten for the Project by two nationally-recognized rating agencies;
- f. if TIFIA financing will be obtained with respect to the Project, a commitment from the U.S. Department of Transportation to extend credit to the Proposer pursuant to the TIFIA program on terms consistent with the indicative TIFIA term sheet provided with the RFP;
- g. the right of Barclays to terminate its participation in the financing for the Project in its sole discretion as a result of any Section 143 Litigation or the risk of such litigation;
- h. the execution of a bond purchase agreement on terms and conditions satisfactory to Barclays;
- i. internal credit and management approvals of Barclays' participation in the Project; and
- j. there not having occurred any material adverse change or disruption in the financial or capital markets since the date of this letter that, in Barclays' judgment, would have an adverse impact on the ability to consummate a PABs financing for the Project.

(2) We confirm that we have reviewed those components of the Financial Proposal that we have been provided as of the date of this letter of support and that we are in agreement with terms of the financing plan, including the Debt Term Sheet.

(3) We confirm that the Contract Documents have been reviewed as to form by our legal counsel and we believe that the Contract Documents in the forms issued July 9, 2010 and amended by Addendum No. 1 issued August 13, 2010, Addendum No. 2 issued August 30, 2010, Addendum No. 3 issued September 7, 2010, Addendum No. 4 issued September 17, 2010 and Addendum No. 5 issued September 24, 2010 and revised on October 3, 2010 are acceptable for purposes of a PABs financing for the Project as contemplated by, and subject to the conditions set forth in this letter and any required corrections or clarifications identified in our further due diligence (if any).

(4) We confirm that the Design-Build Heads of Terms provided with the Submission have been reviewed by our legal counsel, and we believe that the liability, performance and liquidated damage caps described therein are adequate for purposes of a PABs financing for the Project as contemplated by, and subject to the conditions set forth in, this letter, including review by ratings agencies and by our technical advisors.

(5) We acknowledge and accept the IPDC process, including our participation in the right to match process which may be run at any point from the selection of the Preferred Proposer through to Financial Close.

(6) We confirm that we will accept the terms of the proposed TIFIA financing set forth in the indicative term sheet provided with the RFP.

(7) We confirm that senior management of Barclays' Infrastructure Finance Group has been presented with information relevant to the Project necessary to review the ability of Barclays to provide underwriting of a PABs financing for the Project, and such senior management has authorized the issuance of this letter of support, subject to the terms contemplated herein and in the Debt Term Sheet.

The Proposer acknowledges that Barclays and its affiliates may share with each other any information related to the Proposer or its affiliates or the Project or the financing therefor; provided that Barclays and such affiliates agree to hold any non-public information confidential in accordance with their respective customary policies related to non-public information.

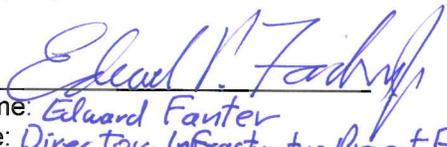
This letter is not intended to be and should not be construed as (or relied upon as) an offer or commitment by Barclays or any of its respective affiliates with respect to the extension of credit or the underwriting, sale, arrangement or placement of debt financing for the Project, and creates no obligations or liability on Barclays' part or the Proposer's part, or on the part of any of any of Barclays' respective affiliates, in connection therewith. Obtaining financing for the Project is inherently subject to uncertainties and contingencies beyond our control; accordingly there can be no assurance that any proposed underwriting for the bond financing for the Project will in fact be accomplished.

This letter is intended for the Proposer's and the Department's exclusive use in evaluating the financial viability of the Proposer's Submission, and to indicate our strong support therefor, and may not be relied upon or used by any other person. We do not assume any obligation to update the contents of this letter. Except as otherwise required by law or unless Barclays has otherwise consented in writing, the Proposer is not authorized to show or circulate this letter or any part thereof to any other person or entity other than the Proposer's advisors and the Department in connection with the evaluation of the Proposer's submission. Nothing herein, express or implied, is intended or shall confer upon any third party any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this letter.

[Signature page follows]

Yours truly,

Barclays Capital, Inc.

By: 

Name: *Edward Fauter*

Title: *Director, Infrastructure Project Finance*

Kevin O'Brien
Director
Public Finance Group

October 4, 2010

To: Golden Link Partners
C/o HOCHTIEF PPP Solutions North America, Inc.
375 Hudson Street
New York NY 10014 USA
Attn: Kate Speir, Bid Director

Re: Presidio Parkway Project

Merrill Lynch, Pierce Fenner & Smith Incorporated ("Merrill Lynch" or "we") provide this letter to Golden Link Partners (the "Proposer" or "you"), a special purpose entity owned directly or indirectly by HOCHTIEF PPP Solutions GmbH and Meridiam Infrastructure Presidio, L.P., in respect of the Proposer's proposal submission (the "Submission") in response to the Request for Proposals Number 04-1637U4 (the "RFP") issued by the State of California Department of Transportation (the "Department"), in cooperation with the San Francisco County Transportation Authority, on July 9, 2010, as amended by Addendum No. 1 issued August 13, 2010, Addendum No. 2 issued August 30, 2010, Addendum No. 3 issued September 7, 2010, Addendum No. 4 issued September 17, 2010 and Addendum No. 5 issued September 24, 2010, in which the Department is seeking a public-private partnership with a private developer to develop, design, construct, finance and operate and maintain the Presidio Parkway Project (the "Project"). You have requested Merrill Lynch to provide a letter of support in connection with a potential bond financing for the non-TIFIA portion of the debt financing needed for the Project, which letter of support is required to be submitted with the Proposer's Submission as part of its Financial Proposal. Initial capitalized terms used herein, unless otherwise defined herein, shall have the meanings set forth in the RFP.

We are pleased to inform you that, based upon (and subject to) our understanding of the Project and on information that has been made available to Merrill Lynch as of the date of this letter, as well as current market conditions, and subject to the conditions set forth below, we have a high degree of confidence in our ability, and are willing in principle, to underwrite the Private Activity Bonds ("PABS") to finance the Project (subject to entering into a mutually acceptable bond purchase agreement).

We confirm that we have undertaken due diligence on the Project based on the RFP Documents that we consider necessary to enable us to issue this letter of support, including certain legal, financial, technical and insurance due diligence. In connection with the due diligence we have undertaken, we have reviewed the following due diligence reports, copies of which are attached hereto as Exhibit A:

Merrill Lynch, Pierce, Fenner & Smith Incorporated member FINRA/SIPC, is a subsidiary of Bank of America Corporation

Tel: 213.345-9576 Fax: 213.984.4074
k.o'brien@baml.com

Merrill Lynch, Pierce, Fenner & Smith Incorporated
333 S. Hope Street, Suite 2310, Los Angeles, CA 90071

- a. Technical Due Diligence for Potential Lenders, prepared by Leigh Fisher Management Consultants, draft dated October 1, 2010;
- b. Insurance Report for Potential Lenders, prepared by Moore-McNeil, LLC, dated October 1, 2010; and
- c. Summary of Public-Private Partnership Agreement, prepared by Orrick, Herrington & Sutcliffe LLP, draft dated September 22, 2010.

Our provision of bond financing will be subject to:

- a. the completion of further due diligence satisfactory to Merrill Lynch in the event that the Proposer is selected by the Department as the Preferred Proposer;
- b. the completion of an audit of a Financial Model;
- c. the principal economic terms and structure of the Project financing and related components being on the terms described in the debt term sheet attached hereto as Exhibit B (the "Debt Term Sheet"), with such other terms and conditions, including final structure, interest rate or rates, and covenants of, such a bond financing, to be acceptable to Merrill Lynch, and completion of an official statement and the negotiation, finalization and execution of funding documentation, in each case in form and substance satisfactory to Merrill Lynch taking into account market conditions at the time of the consummation of the financing;
- d. execution of the Design-Build Contract based on the heads of terms for the Design-Build Contract included in the Submission;
- e. confirmation of investment grade ratings with respect to the bonds to be underwritten for the Project by two nationally-recognized rating agencies;
- f. if TIFIA financing will be obtained with respect to the Project, a commitment from the U.S. Department of Transportation to extend credit to the Proposer pursuant to the TIFIA program on terms consistent with the indicative TIFIA term sheet provided with the RFP;
- g. the right of Merrill Lynch to terminate its participation in the financing for the Project in its sole discretion as a result of any Section 143 Litigation or the risk of such litigation;
- h. the execution of a bond purchase agreement on terms and conditions satisfactory to Merrill Lynch;
- i. internal credit and management approvals of Merrill Lynch's participation in the Project; and
- j. there not having occurred any material adverse change or disruption in the financial or capital markets since the date of this letter that, in Merrill Lynch's judgment, would have an adverse impact on the ability to consummate a PABs financing for the Project.

(2) We confirm that we have reviewed those components of the Financial Proposal that we have been provided as of the date of this letter of support and that we are in agreement with terms of the financing plan, including the Debt Term Sheet.

(3) We confirm that the Contract Documents have been reviewed as to form by our legal counsel and we believe that the Contract Documents in the forms issued July 9, 2010 and amended by Addendum No. 1 issued August 13, 2010, Addendum No. 2 issued August 30, 2010, Addendum No. 3 issued September 7, 2010, Addendum No. 4 issued September 17, 2010 and Addendum No. 5 issued September 24, 2010 and revised on October 3, 2010 are acceptable for purposes of a PABs financing for the Project as contemplated by, and subject to the conditions set forth in this letter and any required corrections or clarifications identified in our further due diligence (if any).

(4) We confirm that the Design-Build Heads of Terms provided with the Submission have been reviewed by our legal counsel, and we believe that the liability, performance and liquidated damage caps described therein are adequate for purposes of a PABs financing for the Project as contemplated by, and subject to the conditions set forth in, this letter, including review by ratings agencies and by our technical advisors.

(5) We acknowledge and accept the IPDC process, including our participation in the right to match process which may be run at any point from the selection of the Preferred Proposer through to Financial Close.

(6) We confirm that we will accept the terms of the proposed TIFIA financing set forth in the indicative term sheet provided with the RFP.

(7) We confirm that Merrill Lynch's Municipal Markets Commitment Committee has been presented with information relevant to the Project necessary to review the ability of Merrill Lynch to provide underwriting of a PABs financing for the Project, and such committee has authorized the issuance of this letter of support, subject to the terms contemplated herein and in the Debt Term Sheet.

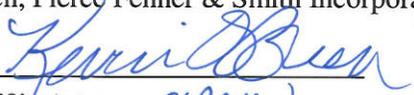
The Proposer acknowledges that Merrill Lynch and its affiliates may share with each other any information related to the Proposer or its affiliates or the Project or the financing therefor; provided that Merrill Lynch and such affiliates agree to hold any non-public information confidential in accordance with their respective customary policies related to non-public information.

This letter is not intended to be and should not be construed as (or relied upon as) an offer or commitment by Merrill Lynch or any of its respective affiliates with respect to the extension of credit or the underwriting, sale, arrangement or placement of debt financing for the Project, and creates no obligations or liability on Merrill Lynch's part or the Proposer's part, or on the part of any of any of Merrill Lynch's respective affiliates, in connection therewith. Obtaining financing for the Project is inherently subject to uncertainties and contingencies beyond our control; accordingly there can be no assurance that any proposed underwriting for the bond financing for the Project will in fact be accomplished.

This letter is intended for the Proposer's and the Department's exclusive use in evaluating the financial viability of the Proposer's Submission, and to indicate our strong support therefor, and may not be relied upon or used by any other person. We do not assume any obligation to update the contents of this letter. Except as otherwise required by law or unless Merrill Lynch has otherwise consented in writing, the Proposer is not authorized to show or circulate this letter or any part thereof to any other person or entity other than the Proposer's advisors and the Department in connection with the evaluation of the Proposer's submission. Nothing herein, express or implied, is intended or shall confer upon any third party any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this letter.

Yours truly,

Merrill Lynch, Pierce Fenner & Smith Incorporated

By: 

Name: KEVIN O'BRIEN

Title: DIRECTOR



Due Diligence Reports



Debt Term Sheet





October 4, 2010

To: Golden Link Partners
C/o HOCHTIEF PPP Solutions North America, Inc.
375 Hudson Street
New York NY 10014 USA
Attn: Kate Speir, Bid Director

Re: Presidio Parkway Project

The Bank of Nova Scotia (“**Scotia**” or “**we**”) provide this letter to Golden Link Partners (the “**Proposer**” or “**you**”), a special purpose entity owned directly or indirectly by HOCHTIEF PPP Solutions GmbH and Meridiam Infrastructure Presidio, L.P., in respect of the Proposer’s proposal submission (the “**Submission**”) in response to the Request for Proposals Number 04-1637U4 (the “**RFP**”) issued by the State of California Department of Transportation (the “**Department**”), in cooperation with the San Francisco County Transportation Authority, on July 9, 2010, as amended by Addendum No. 1 issued August 13, 2010, Addendum No. 2 issued August 30, 2010, Addendum No. 3 issued September 7, 2010, Addendum No. 4 issued September 17, 2010 and Addendum No. 5 issued September 24, 2010, in which the Department is seeking a public-private partnership with a private developer to develop, design, construct, finance and operate and maintain the Presidio Parkway Project (the “**Project**”). You have requested Scotia to provide a letter of support in connection with a potential bond financing for the non-TIFIA portion of the debt financing needed for the Project, which letter of support is required to be submitted with the Proposer’s Submission as part of its Financial Proposal. Initial capitalized terms used herein, unless otherwise defined herein, shall have the meanings set forth in the RFP.

We are pleased to inform you that, based upon (and subject to) our understanding of the Project and on information that has been made available to Scotia as of the date of this letter, as well as current market conditions, and subject to the conditions set forth below, we have a high degree of confidence in our ability, and are willing in principle, to underwrite the Private Activity Bonds (“**PABS**”) to finance the Project (subject to entering into a mutually acceptable bond purchase agreement).

We confirm that we have undertaken due diligence on the Project based on the RFP Documents that we consider necessary to enable us to issue this letter of support, including certain legal, financial, technical and insurance due diligence. In connection with the due diligence we have undertaken, we have reviewed the following due diligence reports, copies of which are attached hereto as Exhibit A:

- a. Technical Due Diligence for Potential Lenders, prepared by Leigh Fisher Management Consultants, draft dated October 1, 2010;
- b. Insurance Report for Potential Lenders, prepared by Moore-McNeil, LLC, dated October 1, 2010; and
- c. Summary of Public-Private Partnership Agreement, prepared by Orrick, Herrington & Sutcliffe LLP, draft dated September 22, 2010.

Our provision of bond financing will be subject to:

- a. the completion of further due diligence satisfactory to Scotia in the event that the Proposer is selected by the Department as the Preferred Proposer;
- b. the completion of an audit of a Financial Model;
- c. the principal economic terms and structure of the Project financing and related components being on the terms described in the debt term sheet attached hereto as Exhibit B (the “**Debt Term Sheet**”), with such other terms and conditions, including final structure, interest rate or rates, and covenants of, such a bond financing, to be acceptable to Scotia, and completion of an official statement and the negotiation, finalization and execution of funding documentation, in each case in form and substance satisfactory to Scotia taking into account market conditions at the time of the consummation of the financing;
- d. execution of the Design-Build Contract based on the heads of terms for the Design-Build Contract included in the Submission;
- e. confirmation of investment grade ratings with respect to the bonds to be underwritten for the Project by two nationally-recognized rating agencies;
- f. if TIFIA financing will be obtained with respect to the Project, a commitment from the U.S. Department of Transportation to extend credit to the Proposer pursuant to the TIFIA program on terms consistent with the indicative TIFIA term sheet provided with the RFP;
- g. the right of Scotia to terminate its participation in the financing for the Project in its sole discretion as a result of any Section 143 Litigation or the risk of such litigation;
- h. the execution of a bond purchase agreement on terms and conditions satisfactory to Scotia;
- i. internal credit and management approvals of Scotia’s participation in the Project; and
- j. there not having occurred any material adverse change or disruption in the financial or capital markets since the date of this letter that, in Scotia’s judgment, would have an adverse impact on the ability to consummate a PABs financing for the Project.

- (2) We confirm that we have reviewed those components of the Financial Proposal that we have been provided as of the date of this letter of support and that we are in agreement with terms of the financing plan, including the Debt Term Sheet.
- (3) We confirm that the Contract Documents have been reviewed as to form by our legal counsel and we believe that the Contract Documents in the forms issued July 9, 2010 and amended by Addendum No. 1 issued August 13, 2010, Addendum No. 2 issued August 30, 2010, Addendum No. 3 issued September 7, 2010, Addendum No. 4 issued September 17, 2010 and Addendum No. 5 issued September 24, 2010 and revised on October 3, 2010 are acceptable for purposes of a PABs financing for the Project as contemplated by, and subject to the conditions set forth in this letter and any required corrections or clarifications identified in our further due diligence (if any).
- (4) We confirm that the Design-Build Heads of Terms provided with the Submission have been reviewed by our legal counsel, and we believe that the liability, performance and liquidated damage caps described therein are adequate for purposes of a PABs financing for the Project as contemplated by, and subject to the conditions set forth in, this letter, including review by ratings agencies and by our technical advisors.
- (5) We acknowledge and accept the IPDC process, including our participation in the right to match process which may be run at any point from the selection of the Preferred Proposer through to Financial Close.
- (6) We confirm that we will accept the terms of the proposed TIFIA financing set forth in the indicative term sheet provided with the RFP.
- (7) We confirm that senior management of Scotia's Global Infrastructure Finance Group has been presented with information relevant to the Project necessary to review the ability of Scotia to provide underwriting of a PABs financing for the Project, and such committee has authorized the issuance of this letter of support, subject to the terms contemplated herein and in the Debt Term Sheet.

The Proposer acknowledges that Scotia and its affiliates may share with each other any information related to the Proposer or its affiliates or the Project or the financing therefor; provided that Scotia and such affiliates agree to hold any non-public information confidential in accordance with their respective customary policies related to non-public information.

This letter is not intended to be and should not be construed as (or relied upon as) an offer or commitment by Scotia or any of its respective affiliates with respect to the extension of credit or the underwriting, sale, arrangement or placement of debt financing for the Project, and creates no obligations or liability on Scotia's part or the Proposer's part, or on the part of any of any of Scotia's respective affiliates, in connection therewith. Obtaining financing for the Project is inherently subject to uncertainties and contingencies beyond our control; accordingly there can be no assurance that any proposed underwriting for the bond financing for the Project will in fact be accomplished.

This letter is intended for the Proposer's and the Department's exclusive use in evaluating the financial viability of the Proposer's Submission, and to indicate our strong support therefor, and may not be relied upon or used by any other person. We do not assume any obligation to update the contents of this letter. Except as otherwise required by law or unless Scotia has otherwise consented in writing, the Proposer is not authorized to show or circulate this letter or any part thereof to any other person or entity other than the Proposer's advisors and the Department in connection with the evaluation of the Proposer's submission. Nothing herein, express or implied, is intended or shall confer upon any third party any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this letter.

[Signature page follows]

Scotia Capital Inc.
New York Agency
One Liberty Plaza
New York, N.Y. 10006

Yours truly,

The Bank of Nova Scotia

By: 
Ruth McMorrow
Managing Director

By: 
Maria Kang
Managing Director

Scotia Capital Inc.
New York Agency
One Liberty Plaza
New York, N.Y. 10006

Exhibit A

Due Diligence Reports

Exhibit B

Debt Term Sheet

October 6, 2010

Golden Link Partners
c/o HOCHTIEF PPP Solutions North America Inc.
375 Hudson Street
New York NY 10014 USA

Attention: Kate Speir, Director, Project Development

Dear Ms. Speir:

Scotia Capital Inc (“Scotia Capital”) is pleased to provide this letter as financial advisor to the Golden Link Partners (“GLP” or the “Consortium”) in its bid for the Presidio Parkway Project (the “Project”). As financial advisor, we have worked with GLP to structure a robust financing program which in our expert opinion presents a low execution risk and is highly competitive in the current financial markets. Our financing program brings together the equity commitment of HOCHTIEF PPP Solutions North America Inc (“HOCHTIEF”) and MINA USA, LLC, via the investment vehicle Meridiam Infrastructure Presidio, LP (“Meridiam”) with debt components that have been reviewed by a funding group comprised of leading bond underwriters and international project finance banks active in the State of California.

HOCHTIEF and Meridiam have committed to provide up to US\$50 million in equity to the Project. Their commitment represents approximately 12.5% of the funding requirement at financial close and is indicative of their commitment to the Project. Their equity will be contributed upfront based on the terms of TIFIA as provided by the Sponsors. HOCHTIEF and Meridiam are internationally recognized leaders in the development of PPP projects globally with significant financial resources to support their equity commitment to the Project.

The Project structure and debt solution has been reviewed by:

- Barclays Capital Inc.
- Merrill Lynch, Pierce Fenner & Smith Incorporated; and
- Scotia Capital, Inc.

Collectively, these Core Lenders reviewed the Financial Plan, the par amount, tenor and project cost estimates as well as the terms and conditions of the contemplated TIFIA and Private Activity Bond (“PAB”) financing and have determined that they are achievable and reflective of the current market. Each debt component will be drawn down as needed over the construction period on a pro-rata basis. The TIFIA Facility meets or exceeds all of the required assumptions of the ITP.

GLP undertook extensive discussions with capital market representatives and project finance banks. Based upon the Project’s needs, GLP’s competitive pricing and the requirements of the Sponsors’ Request for Proposal, the Consortium determined that its financing program, as put forth in this Financial Bid Submission, provides the “best value” financing available for the Project.

The key elements of the Project that demonstrate the robustness of our financial submission are identified below:

Experienced Equity Partners – HOCHTIEF and Meridiam represent experienced global PPP developers and have participated in multiple transportation projects around the world including some of the most high-profile projects to reach financial close in the U.S. to date.

Detailed Due Diligence – GLP and its advisors have undertaken a significant level of due diligence on the Project with detailed and thorough investigations of all aspects of the bid – technical, legal, insurance and financial. Such detailed due diligence has allowed our equity sponsors and our Core Lenders to provide strong support letters. These expert opinions are strong evidences to the Sponsors that GLP's Proposal is ready to be delivered.

Strong Construction Risk Management – GLP has engaged a design-build joint venture (“DBJV”) for the Project which brings together the extensive experience and international best practices of Flatiron West, Inc (“Flatiron”) and Kiewit Infrastructure West Co. (“Kiewit”). The Consortium has a fully negotiated heads of terms with the DBJV which sets out the level of guarantees and performance support the DBJV must provide. Broadly, Flatiron and Kiewit will be jointly and severally liable to GLP for the performance of the obligations of the DBJV under the design-build agreement. More specifically, performance security will be provided by the DBJV in the form of (i) a payment and performance bond each equal to 15% of the design-build contract price (the “Contract Price”), (ii) a parent company guarantee expiring at the end of the warranty period, (iii) a letter of credit equal to 10% of the Contract Price which shall step down to 5% on Substantial Completion and 2.5% at Final Completion, and (iv) liquidated damages subject to a cap of 10% of the Contract Price, with such liquidated damages providing coverage for the full period from the Substantial Completion Date to the Longstop Date under the Project Agreement should there be any delays in delivery of the Project. These will be viewed strongly in the financing markets.

Construction Period Liquidity – The Consortium's plan of finance has been developed to assure adequate project liquidity during both the construction and operations phases. As set forth in the design-build heads of terms, the DBJV contractor has agreed to a fixed price contract with limited ability for cost escalation.

Well-Managed Operational Risk – GLP's responsibility for maintenance and lifecycle will be managed by HOCHTIEF and Meridiam to provide the necessary maintenance and lifecycle requirements of the Project over the concession term. HOCHTIEF and Meridiam will be responsible for any performance deductions under the Project Agreement.

Robust Financial Covenants – Despite the significant pass through of most key project risks to the DBJV, the Consortium has also structured its Proposal to provide a financial cushion to absorb potential challenges over the Project life, such as performance deductions or higher costs. Additionally, we performed a number of downside sensitivities and the Project's cashflow proved sufficient to cover scheduled debt service obligations. The Consortium's long term debt demonstrates an average 2.06x debt service coverage ratio (“DSCR”) and an average loan life coverage ratio (“LLCR”) of 2.26x over the term of the TIFIA financing. Based on GLP's financing structure debt service coverage exceeds similar transactions of this type in the U.S. project finance market and the normal requirements of the TIFIA JPO.

External Benchmarks – Additionally, the Project has been compared to the high-level ratings criteria published by Moody's for Public Private Partnerships, and compares favorably overall with many of the Moody's benchmarks relating to construction and operation. These include, inter alia:

- Complexity of Project Operations
- Life Cycle Obligations
- Reserve Funds
- Contractor Track Record
- Liquidity Levels
- Coverage Ratios

Scotia Capital is one of the leading infrastructure and public-private partnership financial advisors in North America. Scotia Capital's team members have and are currently advising private sector consortia on the following transactions, inter alia:

- Capital Beltway HOT Lanes Project (Virginia)
- Pocahontas Parkway (Virginia)
- West by Northwest Project (Georgia) (Active Mandate)
- Port Mann/Highway 1 (British Columbia)
- Southeast Calgary Ring Road (Alberta)
- Windsor-Essex Parkway (Ontario) (Active Mandate)
- FARAC 2A (Mexico)
- FARAC 2B (Mexico)

Our experience in public-private partnerships along with our experience in advising and lending to infrastructure projects around the world supports our opinion that the GLP Consortium has put in place a very robust and achievable financial plan with the appropriate financial covenants, terms, conditions and risk allocation in its project financing structure.

Scotia Capital is very pleased to serve as financial advisor to the GLP Consortium on this Project. We look forward to working with the Sponsors, their advisors and the Consortium to bring the Project to a successful financial close.

Regards,



Michael J. Uhouse
Global Infrastructure Finance
Scotia Capital Inc.

**INDICATIVE BOND OFFERING
TERM SHEET**

October 4, 2010

**INDICATIVE BOND OFFERING TERM SHEET
FOR THE PRESIDIO PARKWAY PROJECT IN SAN FRANCISCO, CALIFORNIA**

The following Indicative Bond Offering Term Sheet for the Presidio Parkway Project in San Francisco, California (this "Term Sheet") is provided exclusively to the Golden Link Partners consortium and its advisors for use in connection with the Project.

Figures expressed in dollars are in US Dollars unless noted otherwise. Capitalized terms used but not defined herein shall have the meanings assigned to them in the PPP Agreement (as defined below) or in the Request for Proposals Number 04-1637U4 issued by the Department (as defined below) (the "RFP"), including the Instructions to Proposers issued July 9, 2010 and amended by Addendum #1 issued August 13, 2010, Addendum #2 issued August 30, 2010, Addendum #3 issued September 7, 2010, Addendum #4 issued September 17, 2010 and Addendum #5 issued September 24, 2010 and revised on October 3, 2010 (the "ITP").

Nothing in this Term Sheet should be construed as a legally binding commitment to underwrite, arrange, place or provide any financing to, or on behalf of, the Borrower or any of its sponsors or affiliates or any other person, or to otherwise extend credit or make loans to Borrower or any of its sponsors or affiliates or any other person, or to enter into negotiations with respect to any of the foregoing. All terms and conditions set forth herein are subject to formal credit approval, due diligence and final documentation.

A. PROJECT AND PARTIES

Project	Pursuant to the Public-Private Partnership Agreement, dated as of [___], 2010 (the "PPP Agreement"), the Department proposes a public-private partnership under which a private developer will: (i) develop, design, construct and finance the Phase II Construction and (ii) operate and maintain the Phase I Construction and Phase II Construction of the Presidio Parkway Project (the "Project") through a public-private partnership, all in accordance with the terms of the PPP Agreement.
Bonds	Senior secured fixed rate tax-exempt private activity bonds (the "Bonds" or "PABs"), allocated by the USDOT under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users and issued pursuant to the Indenture.
Department	The California Department of Transportation, a public agency of the State of California (the "Department"), in cooperation with the San Francisco County Transportation Authority.
Borrower or Concessionaire	[•], a special and single purpose [limited/general partnership or limited liability company] to be established by the Equity Sponsors to enter into the PPP Agreement and other principal project documents and to operate and maintain the completed Project (the "Borrower" or the "Concessionaire").
Issuer	[California Municipal Finance Authority], as conduit issuer for the Bonds (the "Issuer")
Equity Sponsors	HOCHTIEF PPP Solutions GmbH (the "Hochtief Partner") and Meridiam Infrastructure Presidio, L.P., a special purpose investment vehicle 100% owned by Meridiam Infrastructure North America Fund II (the "Meridiam Partner" and, together with the Hochtief Partner, the "Equity Sponsors") Their respective ownership interests in the Borrower shall be as follows: Hochtief Partner: 50% Meridiam Partner: 50%

Bond Underwriters	Barclays Capital, Inc., Merrill Lynch, Pierce Fenner & Smith Incorporated and Scotia Capital (the "Underwriters")						
Trustee	[•], will act as the indenture trustee for the Bonds (the "Trustee").						
Bondholders	All persons holding one or more Bonds are "Bondholders".						
Collateral Agent	[•], will act as the collateral agent for the benefit of the Bondholders, the TIFIA Lender and the Trustee (the "Collateral Agent").						
Principal Amount	Up to \$[150,000,000] in one or more series of Bonds.						
Interest Rate	The Bonds will bear a fixed rate of interest beginning on the date of original issuance. Interest will be calculated on a 30/360 basis and be payable semi-annually. The rate of interest for the Bonds will be set on the day of pricing. <table border="0" style="margin-left: 40px;"> <tr> <td>Maturity</td> <td>[2015]</td> </tr> <tr> <td>Benchmark Interest Rate</td> <td>AAA MMD</td> </tr> <tr> <td>Indicative Credit Spread</td> <td>2.25%</td> </tr> </table>	Maturity	[2015]	Benchmark Interest Rate	AAA MMD	Indicative Credit Spread	2.25%
Maturity	[2015]						
Benchmark Interest Rate	AAA MMD						
Indicative Credit Spread	2.25%						
Indicative Underwriting Fee	75 bps (exclusive of expenses)						
Bond Interest Payment Dates	January 1st and July 1st commencing January 1st, [2012].						
Maturity	The final maturity of the Bonds will be [six] months after the Long Stop Date.						
Principal Repayment	The Bonds will be repaid subject to scheduled mandatory redemptions on a semi-annual basis beginning in [•] in accordance with an amortization schedule in accordance with the Base Case Financial Model, with such changes as may be mutually agreed at Financial Close, if applicable. The Bonds are expected to be issued as term bonds as follows: <table border="0" style="margin-left: 40px;"> <tr> <td>Bonds Due</td> <td>Scheduled principal redemption</td> </tr> <tr> <td>[2015]</td> <td>[\$150,000,000]</td> </tr> </table> <p>100% of the Bonds outstanding upon receipt of the Milestone Payment shall be prepaid with the Milestone Payment proceeds.</p>	Bonds Due	Scheduled principal redemption	[2015]	[\$150,000,000]		
Bonds Due	Scheduled principal redemption						
[2015]	[\$150,000,000]						
Design-Builder	A joint venture between Flatiron West, Inc. ("Flatiron") and Kiewit Infrastructure West, Co. ("Kiewit" and, together with Flatiron, the "Design-Builder"). Their respective ownership interests in the Design-Builder shall be as follows: <table border="0" style="margin-left: 40px;"> <tr> <td>Flatiron:</td> <td>65%</td> </tr> <tr> <td>Kiewit:</td> <td>35%</td> </tr> </table>	Flatiron:	65%	Kiewit:	35%		
Flatiron:	65%						
Kiewit:	35%						

The Design-Builder and the Borrower shall enter into a fixed price, lump-sum, date certain design-build contract (the "Design-Build Contract" and, together with the PPP Agreement, the "Project Documents") for the performance of substantially all of the design and construction obligations that are set out in the PPP Agreement. The terms of the Design-Build Contract will pass through Concessionaire's design and construction obligations in the PPP Agreement on a back-to-back basis.

Design-Builder Parent Guarantees

Pursuant to a parent company guarantee (each, a "Design-Builder Parent Guarantee"), each of Kiewit Infrastructure Co. and Hochtief Aktiengesellschaft (together, the "Design-Build Guarantors") will guarantee the Design-Builder's payment and performance obligations under the Design-Build Contract on a joint and several basis, each up to a maximum aggregate liability equal to its respective subsidiary's investment in the joint venture partnership comprising the design-builder (i.e., 35% Kiewit, 65% Hochtief).¹

Financing Documents

"Financing Documents" includes the following documents:

- (1) A Trust Indenture between the Issuer and the Trustee;
- (2) The Bonds;
- (3) An Issuer Loan Agreement among the Issuer, the Trustee and the Borrower;
- (4) The Direct Agreement among the Collateral Agent on behalf of the Secured Parties, the Borrower and the Department;
- (5) A direct agreement to be entered among the Design-Builder, the Borrower and the Collateral Agent on behalf of the Secured Parties;
- (6) A security agreement to be entered between the Borrower and the Collateral Agent on behalf of the Secured Parties;
- (7) A pledge agreement to be entered into among the Equity Sponsors and the Collateral Agent on behalf of the Secured Parties;
- (8) The TIFIA Loan Agreement;
- (9) The Equity Contribution Agreement;
- (10) An account control agreement to be entered into among the Borrower, the Collateral Agent on behalf of the Secured Parties and the deposit bank where Borrower maintains any accounts that are not Project Accounts;
- (11) Any fee letters to be entered into by the Borrower with any of the Underwriters, the trustee or the Issuer; and
- (12) A continuing disclosure agreement with respect to SEC Rule 15c2-12 to be entered into between the Borrower and the Underwriters.

¹ The Underwriters have reviewed the parent company guarantee structure and view it positively; however, the Underwriters expect that the structure will be subject to ratings agency review.

Operations and Maintenance	The Borrower shall perform the operations and maintenance obligations that are set out in the PPP Agreement.
Borrower's Legal Counsel	Milbank, Tweed, Hadley & McCloy LLP
Borrower's Traffic Advisor	AECOM
Borrower's Pavement Advisor	The Transtec Group Inc.
Borrower's Structures Advisor	AECOM
Borrower's Insurance Advisor	TSIB
Underwriters' Insurance Advisor	Moore-McNeil Consulting LLP
Underwriters' Legal Counsel	Orrick, Herrington & Sutcliffe LLP
Underwriters' Model Auditor	Operis
Underwriters' Technical Advisor	LeighFisher Inc. (f/k/a Jacobs Consultancy Aviation Practice)
Term of the PPP Agreement	From the execution of the PPP Agreement until the earliest of (i) 30 years after the Baseline Substantial Completion Date, (ii) 30 years after the Substantial Completion Date and (iii) the early termination of the PPP Agreement in accordance with its terms.
Anticipated Total Construction Period	Through the Substantial Completion Date and Final Completion Date contemplated by the Design-Builder.

B. SENIOR BONDS

Purpose of Bonds	To (i) finance a portion of the anticipated Project Adjusted Costs, (ii) fund reserve accounts and (iii) pay current Bond interest, fees and expenses, subject to satisfaction of conditions precedent to utilization, as applicable.
Mandatory Redemption	The Bonds will be subject to extraordinary mandatory redemption at a redemption price equal to par plus accrued interest, under the following circumstances: (a) To the extent permitted under the PPP Agreement, from net amounts of insurance or loss proceeds (excluding business interruption insurance), received by the Borrower, to the extent that (i) such proceeds exceed the amount required to restore the Project or any portion thereof to the condition existing prior to the relevant event of

loss or (ii) the affected property cannot be restored or is not required to be restored pursuant to the terms of the PPP Agreement and the Financing Documents and the Borrower elects not to do so;

- (b) From proceeds of any termination compensation received from the Department under the PPP Agreement with respect to a termination of the PPP Agreement for an Extended Relief Event, a Developer Default, a Department Default or suspension of Work, a Section 143 Litigation termination or a termination by court ruling; and
- (c) From proceeds of the Milestone Payment received from the Department under the PPP Agreement.

The Bonds will also be subject to any mandatory redemptions that are agreed in respect of the TIFIA Loans during negotiations with the TIFIA JPO.

Optional Redemption

For any Bonds maturing on any date after the 10th anniversary of Financial Close, such Bonds may be redeemed, at the option of the Borrower, in whole or from time to time in part. The redemption price of any Bonds redeemed pursuant to an optional redemption will be equal to [100]% of the principal amount thereof, plus interest accrued thereupon up to but excluding the relevant date of redemption.

Gearing Ratio

Gearing Ratio

The debt to equity ratio will not be greater than [87.5:12.5], calculated as follows:

- Proceeds of the Bond offering plus the principal amount of the TIFIA Loan (including accreted principal); to
- Equity - the aggregate amount of equity contributed to the Project and the amount of the undrawn Equity Support

Debt Service Cover Ratio

Subject to the terms of the TIFIA Loan contained in the term sheet attached hereto as Exhibit A, the applicable combined DSCR (12-month historical test) for the Bonds and the TIFIA Loan shall be calculated commencing on the first Calculation Date following the Substantial Completion Date, and will be as follows:

Minimum	[1.25]x
Lock-up	[•]x
Event of Default	[•]x

If the period between the Substantial Completion Date to such Calculation Date is less than 12 months, then the historical DSCR will be based on the period from the Substantial Completion Date to such Calculation Date.

The DSCR shall be subject to any requirements of the TIFIA JPO.

Bond Life Cover Ratio

The bond life cover ratio (the "Bond Life Cover Ratio" or "BLCR") on any Calculation Date shall be equal to the ratio of (i) the net present value of Project cash flows, plus the closing balance of the DSRA at such Calculation Date and (ii) the total outstanding principal balance of the

senior PABs.

The applicable Bond Life Cover Ratio shall be applied commencing on the date that is the first anniversary of the Substantial Completion Date, and will be as follows:

Minimum	[•]x
Lock-up	[•]x
Event of Default	[•]x

The BLCR shall be subject to any requirements of the TIFIA JPO.

Financial Close

The settlement date under the Trust Indenture, anticipated to be [____], but which shall not occur beyond the 180th day after the issuance of the IPDC Commencement Notice, taking into account any extensions to such date pursuant to the PPP Agreement.

Bondholders Long Stop Date

The date that is three months prior to the Long Stop Date, taking into account any extensions to such date pursuant to the PPP Agreement.

Section 143 Litigation

Each Underwriter is entitled at any time prior to Financial Close to terminate its underwriting commitment if it has determined in its sole discretion that the risk posed by any Section 143 Litigation, whether or not filed prior to the anticipated Financial Close date or the Financial Close Deadline, is unacceptable; provided that, such Underwriter shall provide prior written notice to the Department and the Borrower in the event that it elects to so terminate its underwriting commitment.

Representations and Warranties

The Borrower shall make representations and warranties at the signing of the Financing Documents, at Financial Close and at each drawdown from the Bond Proceeds Account, which representations and warranties will include, but are not limited to, the following, and are subject to appropriate *de minimis* thresholds and other terms to be agreed:

- (1) The Borrower is duly organized in its state of formation and in good standing and qualified to do business in California; has the necessary power and authority to enter into and perform its obligations under the Financing Documents and the Project Documents; the Financing Documents and Project Documents have been duly executed and delivered; all necessary action on the part of the Borrower to authorize, execute, deliver and perform the Financing Documents and Project Documents has been duly taken; and the Financing Documents and the Project Documents are legal, valid and binding;
- (2) The Borrower's entry into and performance of the Financing Documents and the Project Documents does not conflict with any law, the Borrower's organizational documents or any other material agreement binding on the Borrower or its assets, does not violate any court decree or order affecting the Borrower or the Project and does not result in or require the creation or imposition of any security interest on any of the properties or revenues of the Borrower, except for permitted liens to be defined in the Financing Documents;
- (3) No Default or Event of Default under the Financing Documents or any default under any Project Document exists and each of the Financing

Document and Project Documents is in full force and effect;

- (4) All information taken in its entirety provided by or on behalf of the Borrower (a) was true and correct in all material respects when provided and did not omit to state any fact necessary to make such information not misleading in any material respect at such time and (b) when taken together with any additional information subsequently provided, is true and correct in all material respects and does not omit to state any fact necessary to make such information not misleading in any material respect;
- (5) The Base Case Financial Model (a) was prepared in good faith and based on assumptions believed to be reasonable at the time made, and disclosed all material assumptions, (b) was audited and verified by an independent nationally-recognized model auditor prior to Financial Close, (c) fully discloses all cost, revenue and other financial assumptions and (d) represents, as of Financial Close, the projections that the Borrower believes in good faith are the most realistic and reasonable for the Project; provided that such projections are based upon a number of estimates and assumptions and subject to significant business, economic and competitive uncertainties and contingencies and, accordingly, are not a representation or warranty that any of the assumptions are correct, that such projections will be achieved or that the forward-looking statements expressed in such projections will correspond to actual results;
- (6) The most recent financial statements of the Borrower delivered to the Trustee (other than the pro forma statement provided on or prior to Financial Close) have been prepared in conformity with GAAP and present fairly, in all material respects, the financial condition of such entity as of the date thereof in accordance with GAAP applied on a consistent basis. Except as has been disclosed to the Trustee, since the date of the balance sheet included with the most recent financial statements delivered to the Trustee, no event has occurred, and no condition exists, that has had, or would reasonably be expected to have, a Material Adverse Effect;
- (7) All corporate authorizations will have been obtained (or will be obtained at the appropriate time) which are required to be obtained to enable the Borrower to enter into and to perform its obligations under the Financing Documents and the Project Documents;
- (8) The Security Documents are effective to create legal, valid, and enforceable liens on the Collateral and the necessary recordings, etc. will be recorded at Financial Close, and shall constitute a first-priority perfect security interest in the Collateral;
- (9) The Borrower has good title to its assets, subject to no liens other than permitted liens;
- (10) Except in relation to a transaction permitted under the Financing Documents, there are no proceedings for winding-up, dissolution or liquidation of the Borrower; no bankruptcy; the Borrower is solvent;
- (11) The Borrower has timely filed all tax returns and paid all taxes and has no tax liabilities which are due and payable but unpaid other than those being contested in good faith and by appropriate proceedings against

which adequate reserves established in accordance with GAAP have been reflected in the Borrower's financial statements, and no tax liens exist against the Borrower or the Project;

- (12) All permits, authorizations and other governmental approvals necessary for the execution, delivery and performance by the Borrower of its obligations, and the exercise of its rights, under the Financing Documents and the Project Documents, have been duly obtained, except such permits, authorizations and approvals that are not then necessary and are obtainable in the ordinary course of business; and all required permits remain in full force and effect and have not been materially amended (or material conditions upon any such permit imposed) or made the subject of any proceeding or litigation; all other permits are expected to be obtained in the normal course without delay;
- (13) The Borrower is in compliance with laws and permits except where failure to comply could not reasonably be expected to have a Material Adverse Effect;
- (14) Except as disclosed prior to Financial Close, no litigation or environmental claims or other proceedings are pending or, to the Borrower's actual knowledge, threatened (in writing), which, if determined adversely, could reasonably be expected to have a Material Adverse Effect;
- (15) No labor problems or disputes;
- (16) The Borrower has not engaged in any other business other than the Project or any other business expressly permitted under the Financing Documents;
- (17) The Borrower possesses all intellectual property rights or licenses necessary for the implementation of the Project;
- (18) The Project Documents are sufficient to achieve Final Completion;
- (19) No Relief Event has been declared under the Project Documents;
- (20) The Borrower has evaluated the constraints affecting design and construction of the Project, including the Project Right of Way as defined in the Right of Way Plans and including limitations as to the Restricted Areas, as well as the terms and conditions of the NEPA/CEQA Approval, Presidio Trust Right of Entry Agreement, License to Enter Agreement, Programmatic Agreement and other third party agreements listed in Appendix 23 to the PPP Agreement, and has reasonable grounds for believing and does believe that the Project can be designed and built within such constraints;
- (21) The Borrower has made or caused to be made to the Department, in writing, all the disclosures required under California Streets and Highways Code Section 143(h)(5)(A) through (G);
- (22) Insurance required to be maintained pursuant to the PPP Agreement at such relevant time has been obtained and is in full force and effect, and all premiums due prior to such time have been paid with respect

thereto;

- (23) There has occurred or exists no event or circumstance that has had, or would reasonably be expected to have, a Material Adverse Effect since [•];
- (24) The Borrower is not an investment company under the Investment Company Act or is subject to regulation under that Act;
- (25) As of Financial Close, the Borrower is a pass-through entity for tax purposes;
- (26) As of Financial Close, the Equity Sponsors own 100% of the equity interests in the Borrower free and clear of all security interests other than the security interests granted under the Financing Documents;
- (27) The Borrower has no indebtedness, other than permitted indebtedness (to be agreed);
- (28) There is no stamp, registration or similar tax to be paid in connection with amounts payable under the Financing Documents;
- (29)(i) The Borrower is not or has not in the past been in violation of any applicable environmental laws; (ii) neither the Borrower nor, to the Borrower's actual knowledge, any other person, has used, released, discharged, generated, manufactured, produced, stored, or disposed of at, in, on, under, or about the Project, or transported thereto or therefrom, any hazardous substances that could reasonably be expected to subject any party hereto to liability, under any applicable law; (iii) there are no hazardous substances used, stored or present at, in, on, under or, to the actual knowledge of the Borrower, near the Project, except, (A) in compliance with applicable laws and (B) in such circumstances as could not reasonably be expected to (x) subject any party hereto to liability under any applicable law, or (y) interfere with the construction or operation of the Project; and (iv) to the actual knowledge of the Borrower, there neither is nor has been any condition, circumstance, action, activity or event related to the Project that could reasonably be expected to be or constitute a violation by the Borrower of any applicable environmental law, or to result in liability to any of the secured parties or the Borrower under any applicable environmental law; and
- (30) No ERISA Event (to be defined in the Financing Documents) has occurred or is reasonably expected to occur that could reasonably have a Material Adverse Effect; neither the Borrower nor any ERISA Affiliate (to be defined in the Financing Documents) has incurred any withdrawal liability with respect to any multiemployer plan; and no pension plan has any "accumulated funding deficiency" within the meaning of ERISA.

For purposes of the foregoing and as used elsewhere in this Term Sheet, "Material Adverse Effect" shall mean a material adverse change or effect on: (a) the ability of the Borrower or any Borrower-related party (including the Design-Builder and the Design-Build Guarantors) to pay or perform or comply with any of its material obligations under any of the Financing Documents or any Project Document to which it is a party; (b) the validity, perfection or priority of the liens on the Collateral in favor of the Trustee for

the benefit of the Bondholders or the value of the Collateral; (c) the Bondholders', Collateral Agent's or Trustee's rights and benefits available under the Financing Documents or the ability of the Trustee, Collateral Agent or any Bondholder to enforce their rights and remedies under the Financing Documents; (d) the validity or enforceability of any of the Financing Documents or Project Documents or consummation of the transactions contemplated thereunder; or (e) the business, property, conditions (financial or otherwise), prospects or operations of the Borrower or the Project; provided that (i) no representation and warranty, covenant or other undertaking of the Borrower that is qualified by a reference to "Material Adverse Effect" shall be deemed to be breached (and no Event of Default that is qualified by a reference to "Material Adverse Effect" shall be deemed to exist) solely as a result of any change in the credit rating of the Department and (ii) in the case of each of (a) to (e) above, such effect shall be determined, measured or assessed without regard to any macroeconomic financial condition generally.

**Conditions Precedent
to Financial Close**

The Underwriters and the Borrower will enter into a Bond Purchase Agreement (the "BPA") on terms to be mutually agreed. The BPA will include (but not be limited to) the following conditions precedent to Financial Close:

- (1) The Official Statement shall have been delivered and the Financing Documents shall have been delivered and are in full force and effect;
- (2) At or prior to Financial Close, the Issuer shall have duly executed and delivered, and the Trustee shall have authenticated, the Bonds;
- (3) The Bonds shall have received an investment grade rating from two nationally-recognized rating agencies;
- (4) Each Underwriter shall have received a Preliminary Official Statement reasonably acceptable to such Underwriter at least 30 days prior to Financial Close;
- (5) True, complete, executed and correct copies of the PPP Agreement, the Design-Build Contract, the Equity Contribution Agreement and other material contracts substantially in the form provided by the Borrower to the Trustee prior to Financial Close with such material changes reasonably acceptable to the Underwriters and the Borrower are in full force and effect, and all material governmental approvals required to be obtained by the Borrower by such date have been provided to the Trustee;
- (6) The Trustee shall have received customary incumbency certificates, good standing certificates and certified resolutions and formation documents of the Borrower and each of its Affiliates party to a Financing Document, each in form and substance reasonably satisfactory to the Trustee;
- (7) The necessary filings, recordings and any other actions to perfect the security interests in the collateral to be granted to the Collateral Agent for the benefit of the Secured Parties have been made or taken or shall be made concurrently;
- (8) The initial Project budget and schedule have been delivered to the Trustee, showing in reasonable detail all projected Project Revenues

and operating expenses, total debt service and other related items for such period, consistent with the base case model and otherwise certified as reasonable by the Independent Technical Advisor;

- (9) The base case model has been delivered to the Trustee showing a DSCR of at least [1.25]:1.00 (or such other ratio as shall be agreed with the TIFIA JPO);
- (10) The Trustee has received a certified copy of a pro forma balance sheet setting forth the assets and liabilities of the Borrower;
- (11) The Trustee has received legal opinions in form and substance reasonably acceptable to bond counsel, Underwriters' legal counsel and the Trustee, including an opinion from the Department with respect to the due authorization, validity and enforceability of the PPP Agreement and related matters;
- (12) All fees and reasonable costs and expenses due to be paid under the Financing Documents on the date of Financial Close (including the Underwriting Fee) have been paid (or will be paid with proceeds of the borrowing of this issuance of the Bonds);
- (13) All required Project Accounts have been established;
- (14) The representations and warranties of the Borrower described above shall be true and correct;
- (15) The TIFIA Lender shall have funded or shall concurrently fund with the issuance of the Bonds its loan in accordance with the terms of the TIFIA Loan Agreement;
- (16) The Trustee shall have received a certificate of the Underwriters' Insurance Advisor to the effect that all required insurance is in full force and effect, the premiums due thereon have been paid to the extent then due, such required insurance will not be subject to cancellation without prior notice to the Trustee, and that the insurance otherwise conforms to the requirements in the PPP Agreement;
- (17) No pending or, to the Borrower's knowledge, threatened litigation, investigation, action or proceeding against the Borrower or the Project (including any Section 143 Litigation) exists which would reasonably be expected to have a Material Adverse Effect;
- (18) No preliminary or permanent injunction or temporary restraining order or other order issued by a governmental authority of competent jurisdiction or other legal restraint or prohibition enjoining or preventing the purchase of the Bonds or rendering the PPP Agreement void or unenforceable (or disputing its validity or enforceability); and
- (19) To the extent not previously provided (or if so previously provided, updates reflecting any material changes from the date of such reports to Financial Close), consultant reports in final form from each of the Independent Technical Advisor and the Insurance Advisor and a certificate from each advisor that the information contained in the base case model is consistent with the information provided in the respective consultant report have been received.

Conditions Precedent to Drawdowns from the Bond Proceeds Account to the Construction Account

Conditions precedent to drawdowns from the Bond Proceeds Account to the Construction Account shall include, but not be limited to, the following, subject to materiality thresholds to be agreed:

- (1) Delivery to the Collateral Agent of a drawing request from the Borrower setting forth amount of disbursement and anticipated uses;
- (2) Certification as to use of funds/compliance with the construction budget/tax compliance and the works to be paid for have been properly constructed in accordance with the Design-Build Contract (as confirmed by the Independent Technical Advisor);
- (3) Certification by the Independent Technical Advisor as to Substantial Completion being reasonably expected to be achieved on or prior to the Baseline Substantial Completion Date and Final Acceptance being reasonably expected to be achieved on or prior to the Final Acceptance Deadline and sufficiency of committed funds to be able to achieve completion on or prior to such deadlines;
- (4) No Event of Default or Default shall have occurred and be continuing under the Financing Documents or the Project Documents or would be expected to occur as a result of the drawdown; and
- (5) As of the date of this requisition, all disbursements required to be made under the Equity Contribution Agreement, the TIFIA Loan Agreement and the PPP Agreement shall have been made (or shall be made concurrently with the disbursement of funds requested by this requisition), and no event has occurred and is continuing which would prevent any future disbursements under any of such agreements from being made thereunder.

General Covenants

Covenants with which the Borrower must comply shall include, but not be limited to, the following, subject to materiality thresholds and related terms (including voting thresholds) to be agreed:

- (1) Not to dispose of assets (including assignment of material contracts) in excess of a threshold to be agreed per annum, except for (i) sales or other dispositions in the ordinary course of business on commercial terms that are permitted or contemplated by the Project Documents, (ii) sales or other dispositions of damaged, obsolete, worn out or defective equipment in the ordinary course of business; (iii) sales or other dispositions of surplus property not required for the construction or operation of the Project in the ordinary course of business; and (iv) sales or other dispositions of permitted investments to be agreed upon or that would constitute permitted indebtedness to be agreed upon;
- (2) Not to incur or suffer to exist any indebtedness other than (i) debt under the Financing Documents, (ii) trade payables, (iii) purchase money indebtedness incurred to finance discrete items of equipment not exceeding a threshold to be agreed per annum, and (iv) unsecured Indebtedness, including loans or advances from any Equity Sponsor or other Affiliate of the Borrower, not to exceed a maximum amount of a threshold to be agreed in the aggregate at any given time, fully subordinated to the payment in full of the Bonds on terms and conditions to be agreed, and subject to acceleration only to the extent the Bonds have been accelerated;

- (3) Not to engage in any business other than the Project;
- (4) Not to incur, grant or permit to exist any mortgage, pledge, hypothecation, assignment, mandatory deposit arrangement, encumbrance, lien (statutory or other), or preference, priority or other security interest of any kind or nature whatsoever, including, without limitation, any sale-leaseback arrangement, any conditional sale or other title retention agreement, and any financing lease having substantially the same effect as any of the foregoing (collectively, "Liens") on or with respect to any of its property, other than permitted liens, as contemplated by the Financing Documents and the Project Documents and customary permitted liens including, without limitation, mechanics' liens, construction liens and similar liens on customary conditions;
- (5) Not to make investments other than permitted investments (to be agreed);
- (6) Not to purchase, lease or acquire assets other than assets required for the construction, operation and maintenance of the Project in accordance with good operating practice;
- (7) Not to issue or agree to issue any ownership interests to any person, except as set forth in the applicable Financing Documents;
- (8) To obtain and maintain insurance required by the PPP Agreement as and when required;
- (9) Delivery to the Trustee of (i) unaudited quarterly financial statements of the Borrower within 45 days after the end of each fiscal quarter, (ii) unaudited quarterly financial statements for each Design-Build Guarantor within 60 days after the end of each fiscal quarter; (iii) audited annual financial statements of the Borrower within 90 days after the end of each fiscal year, (iv) audited annual financial statements of each member of the Design-Builder and each Design-Build Guarantor within 120 days after the end of the fiscal year, in each case, together with an explanation of any changes in the basis of preparation prepared in accordance with relevant GAAP, and (v) simultaneously with the delivery of financial statements by the Borrower, certification of the Borrower as to no Event of Default;
- (10) Maintenance of proper books and records in accordance with GAAP;
- (11) Provide reporting information (scope of information and timing to be agreed) to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website;
- (12) To operate and maintain the Project in accordance with the PPP Agreement and perform its obligations and enforce its rights and remedies under the Project Documents in a commercially reasonable manner and take those steps necessary to prevent the termination of, and not to terminate, any Project Document (other than expiration in accordance with their terms);
- (13) To comply in all respects with all applicable laws and regulations and permits, except where the failure to do so would not reasonably be

expected to have a Material Adverse Effect;

- (14) To (i) maintain and preserve its legal existence and good standing, (ii) not amend or modify its organizational documents except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and (iii) not enter into any merger or other reorganization, or take any action that would result in liquidation or dissolution of the Borrower or enter into any consolidation, amalgamation, partnership, profit-sharing or any similar arrangement;
- (15) Maintenance of and compliance with all relevant consents, licenses and authorizations both during the construction and operating periods except where the failure to do so would not reasonably be expected to have a Material Adverse Effect;
- (16) Maintenance and protection of intellectual property, subject to the provisions of the PPP Agreement except where the failure to do so would not reasonably be expected to have a Material Adverse Effect;
- (17) To pay its tax obligations as they become due unless the same are being contested by the Borrower in good faith and by proper proceedings and against which adequate reserves established in accordance with GAAP are reflected in the Borrower's financial statements;
- (18) To allow the Trustee or other representatives of the Bondholders reasonable access to the Project, Project books/records and management;
- (19) Not to engage in any affiliate transactions, except transactions containing terms no less favorable to the Borrower than those which would be contained in an arm's length transaction with a non-affiliate;
- (20) Not to make distributions or other restricted payments, except if the Equity Lock-Up Tests are satisfied or waived;
- (21) No later than 90 days after the end of each fiscal quarter, submission of the Borrower's quarterly operating report showing (i) the operating data for the Project for the previous quarter and for the year to date (including project revenues and operating expenditures) and (ii) the variances for such periods between actual project revenues and operating expenditures and budgeted project revenues and operating expenditures; provided that no such variance shall exceed 10%;
- (22) To use all insurance proceeds in the manner contemplated by the PPP Agreement to the extent specified therein, and otherwise in accordance with the Financing Documents;
- (23) To use reasonable commercial efforts to defend any material action, claim (other than claims with respect to permitted liens where amounts are not yet due) or other proceeding commenced or levied against it in consultation with the Trustee;
- (24) To use the proceeds of the Bonds only for those uses set forth in Part B (*Purpose of Bonds*) above and to use all funds on deposit in the Project Accounts only for the purposes specified or as expressly

permitted by the Financing Documents;

- (25) To at all times remain as a pass-through entity for tax purposes, unless the Trustee consents otherwise;
- (26) To promptly deliver to the Trustee (i) all Relief Event notices in accordance with the time frames set forth in the PPP Agreement, and in any case, in time to avoid waiving any Relief Event under the PPP Agreement, (ii) monthly construction progress reports and operating reports reviewed by an independent engineer or the Underwriters' Technical Advisor, and (iii) notice of certain material events impacting the Project or the Borrower to be agreed, including notice of Default or Event of Default, notice of litigation, defaults or terminations under Project Documents, insurance claims, force majeure events, release of hazardous substances, and the accumulation of non-compliance points under the PPP Agreement;
- (27) No change of control until the end of the construction period and thereafter on terms no more restrictive than those set forth in the PPP Agreement; provided that, each Equity Sponsor shall be permitted to transfer its interest to any subsidiary(ies) of such Equity Sponsor or any entity(ies) that such Equity Sponsor manages and in which such Equity Sponsor owns at least a percentage equity interest to be agreed; provided further that, without limiting the generality of the foregoing and for greater clarity, with respect to the Meridiam Partner, "subsidiary" means any trust, fund or similar entity which is managed or controlled by Meridiam Infrastructure Managers S.à.r.l., Meridiam Infrastructure North America Corp., Meridiam Infrastructure North America Fund II, LP, Meridiam Infrastructure North America Fund II (Domestic), LP, Meridiam Infrastructure Canada Inc. or Meridiam Infrastructure SCA (SICAR);
- (28) No entry into material project documents or assignment or modification or waiver of existing Project Documents without the prior consent of the Trustee;
- (29) Preservation of security interests under the Financing Documents;
- (30) Maintain independent auditors of nationally-recognized standing;
- (31) No change to the Borrower's fiscal year, name or location of its principal place of business without prior written notice to the Trustee; and
- (32) Use commercially reasonable efforts to cooperate with each rating agency rating the Bonds, in connection with any review which may be undertaken by such rating agency, and deliver to the Trustee copies of any reports or ratings on the Bonds from any rating agency.

Financial Covenants

- (1) Application of Project cash flows according to the Cashflow Waterfall;
- (2) Not to amend the Base Case Financial Model except as contemplated in the Project Documents or the Financing Documents;
- (3) Not to grant any credit, pay any fee or give any indemnity to any other person except in the ordinary course of business or otherwise as contemplated by the Project Documents and the Financing Documents

or as agreed by the Bondholders;

- (4) Not to enter into any agreement whereby the Borrower's income or profits are shared with any third party;
- (5) Not to own any bank accounts other than the Project Accounts or as otherwise provided in the Financing Documents without the consent of the Trustee; and
- (6) To ensure that its payment obligations under the terms and conditions of the Trust Indenture will at all times rank in priority to all its other indebtedness, subject to (i) customary exceptions for any indebtedness preferred by law or as otherwise agreed by the Bondholders, (ii) the TIFIA Loan from and after the time at which it 'springs' as described in Part C below, in accordance with the terms of the Intercreditor Agreement and (iii) an exception for the HRRRA, in which the Department will have a first-priority security interest.

Events of Default

Events of Default, subject to appropriate materiality tests, reasonableness standards and cure periods and subject to the Direct Agreements, and to such qualifications and exceptions as the parties may agree or are otherwise customary, shall include, but may not be limited to:

- (1) failure to make any payment of principal of the Bonds as and when due;
- (2) failure to make any payment of interest on the Bonds or any other amount payable under the Financing Documents within [three] Business Days after its due date;
- (3) undischarged judgments in excess of an agreed amount;
- (4) material breach by the Borrower of any representation, warranty, covenant or other obligation under the Financing Documents;
- (5) any Security Document ceases to grant a perfected, first-priority lien on any material portion of the Collateral;
- (6) voluntary/involuntary bankruptcy or insolvency of the Borrower or the Issuer;
- (7) illegality, invalidity or unenforceability of any Financing Document;
- (8) the termination or cancellation of the PPP Agreement, or the PPP Agreement ceases to be valid and binding;
- (9) rescission, repudiation, invalidity, unenforceability, or termination of any other material Project Document in accordance with its terms; provided that any such event (other than with respect to the PPP Agreement) shall not be a Default or an Event of Default if the Borrower replaces such Project Document within a timeframe to be agreed;
- (10)a "Default Termination Event" as defined in the PPP Agreement shall have occurred;
- (11)failure to meet operating performance tests set at lower thresholds than

corresponding default thresholds in the PPP Agreement, with a mechanism that provides the Bondholders a sufficient step-in/replacement period before the Department has the right to terminate the PPP Agreement;

- (12) failure to perform or observe any material term or obligation in any Project Document or the Equity Contribution Agreement and such failure is not cured within the applicable cure period;
- (13) suspension or abandonment of the Project;
- (14) required insurance ceases to be in full force and effect;
- (15) failure to reach Substantial Completion by the Bondholders Long Stop Date;
- (16) insolvency of any Design-Build Guarantor or any Design-Builder joint venture partner; provided that, no Event of Default shall be deemed to have occurred in the event that the other Design-Builder joint venturer (i) elects to continue the Design-Build Contract, (ii) is of sufficient technical and financial capacity to complete the design-build work pursuant to the terms of the Design-Build Contract and (iii) provides security guarantees equal to those required under the terms of the Design-Build Contract; or
- (17) Failure to make any payment required to be made under the Equity Contribution Agreement or failure to maintain any equity letter of credit or other support required to be maintained under the Equity Contribution Agreement in full force and effect.

Remedies upon an Event of Default

- (a) Upon the occurrence and during the continuance of an Event of Default, any Bondholder or the Issuer may deliver to the Trustee a written notice, with a copy to the Borrower, that an Event of Default has occurred and is continuing;
- (b) At any time during which an Event of Default has occurred and is continuing commencing on the date of delivery to the Trustee of the notice described in clause (a) above (except with respect to Bankruptcy Event, in which no notice shall be required), the Bondholders owning not less than a threshold to be agreed shall have the right to give the Trustee one or more enforcement directions directing the Trustee to take on behalf of the Bondholders whatever action at law or in equity may appear necessary or desirable to enforce the rights of the Bondholders; and
- (c) Upon the occurrence and during the continuance of an Event of Default, if so instructed by the Bondholders owning not less than a threshold to be agreed, the Trustee, subject to the immediately succeeding proviso, shall declare all bonds, all interest accrued and unpaid thereon, and all other amounts payable in respect of the Bonds to be due and payable, whereupon the same shall become immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are waived by the Issuer, provided that the Bonds may be accelerated pursuant to this clause (c) only to the extent the underlying loans under the Issuer Loan Agreement shall have been accelerated.

- (d) So long as there are Bonds outstanding, the TIFIA Loan shall be subject to acceleration only upon satisfaction of the applicable conditions in the Intercreditor Agreement.
- (e) Subject to the Intercreditor Agreement, after the occurrence of a Bankruptcy Related Event, the TIFIA Loan will be treated as a senior obligation of the Borrower on a pari passu basis with the Bonds in all respects (including in the calculation for purposes of determining voting rights in the exercise of remedies per clause (b) above) other than in relation to the benefit of the security interest in the Debt Service Reserve Account, which shall be in favor of the Senior Secured Parties only.

Use of Proceeds upon Exercise of Remedies

Cash flows or assets of the Borrower upon an exercise of remedies upon an Event of Default will be applied in the following order:

If a Bankruptcy Related Event has not occurred and is continuing:

- (a) to payment of fees and expenses of the Trustee;
- (b) first, to payment of, pro rata, any accrued and unpaid interest payable on the Bonds then outstanding, second, to payment of, pro rata, any unpaid principal amounts due and payable on the Bonds, in each case, without preference or priority of any amount due over any other amount due of any series of Bonds; and third, upon the payment in full of the obligations described in clauses first and second above, to payment of accrued and unpaid interest and any unpaid principal amounts due and payable on the TIFIA Loan until all such amounts have been indefeasibly paid in full, and finally; fourth, to pay to the Borrower, or its successors and assigns, or as a court of competent jurisdiction may direct, any monies then remaining.

In the event that a Bankruptcy Related Event has occurred and is continuing, subject to the Intercreditor Agreement:

- (a) first, to payment of, pro rata, all accrued and unpaid interest payable on the Bonds and all accrued and unpaid interest payable on the TIFIA Loan; second, to payment of, pro rata any unpaid principal amounts due and payable on the Bonds and the TIFIA Loan; and finally; third, to pay to the Borrower, or its successors or assigns, or as a court of competent jurisdiction may direct, any amounts then remaining.

Security

All amounts due under the Bonds will be secured by a first priority security interest (subject to permitted liens, including, without limitation an intercreditor agreement with TIFIA) all of the Borrower's assets and property now or hereinafter acquired, including the following:

- (1) The Borrower's interest in the Project Documents and Project permits (including an assignment of the payments under the PPP Agreement) and all bonds and guaranties arising therefrom;
- (2) All Project Accounts and any other accounts in the name of the Borrower;
- (3) Proceeds of insurance policies (applicable loss payee and additional

insured provisions);

- (4) All rights of the Borrower to the TIFIA Loan;
- (5) The security provided to the Borrower under the Design-Build Contract;
- (6) A pledge of the interests of the Equity Sponsors in the Borrower;
- (7) Step-in rights pursuant to any direct agreements;
- (8) All rights under any Design-Builder Parent Guarantee;
- (9) Any other collateral security available to the Borrower from the Project;
and
- (10) Proceeds of all of the foregoing.

All security will be given in favor of the Trustee who will hold such security for the benefit of the Bondholders, the TIFIA Lender, the Trustee and the Collateral Agent (the "Secured Parties"), subject to the terms of the Intercreditor Agreement.

The Trustee may file a UCC-1 Financing Statement in connection with the security described in this section, but shall not record any security agreement or other instrument in connection with the debt arrangements in relation to real property, or as an exhibit to any other document recorded or filed in California.

Separate Security Interests

The security interest securing the TIFIA Loan will not include or apply to the security interest in the amounts deposited from time to time in the Bond Proceeds Account and the Debt Service Reserve Account (and all earnings thereon) for the benefit of the Bondholders, and such funds shall be available solely to make payments on the Bonds until the release of such funds in accordance with the terms of the Financing Documents.

Cashflow Waterfall

After Substantial Completion, Project revenues will be paid directly to a revenues account (the "Revenues Account") on a quarterly basis. Any amount in the Revenues Account shall be applied on a monthly basis as follows (the "Cashflow Waterfall"):

- (1) *first*, for payment of Project operating costs (including lifecycle costs);
- (2) *second*, to payment of any fees and administrative costs and expenses payable to the Trustee, the Collateral Agent and any other Secured Party;
- (3) *third*, to payment of interest payable on the Bonds under the Trust Indenture;
- (4) *fourth*, to scheduled principal payments, mandatory principal prepayments and mandatory redemptions, as the case may be, on the Bonds;
- (5) *fifth*, to payment of amounts necessary to maintain the DSRA at the required level (if any);

- (6) *sixth*, to payment of interest and principal payment obligations as well as any reserve fund obligations with respect to the TIFIA Loan, in accordance with the priority described in the TIFIA term sheet;
- (7) *seventh*, to payment of amounts necessary to maintain the RWRA or the HRRRA, as applicable, at the required level (if any); and
- (8) *eighth*, on any Calculation Date on which equity distributions are permitted and subject to satisfaction of the Equity Lock-Up Tests, to a distribution account (the "Distribution Account").

Milestone Payment

Project revenues shall not include the Milestone Payment. 100% of the Bonds outstanding upon receipt of the Milestone Payment shall be prepaid with the Milestone Payment proceeds.

Project Accounts

The "Project Accounts" will include:

- (1) the Construction Account;
- (2) the Bond Proceeds Account;
- (3) the Revenues Account;
- (4) the Debt Service Reserve Account;
- (5) the Renewal Work Reserve Account;
- (6) the Handback Requirements Reserve Account;
- (7) the Seismic Event Reserve Account;
- (8) the O&M Reserve Account; and
- (9) the Equity Lock-Up Account.

Capitalized Interest Account

At Financial Close, the Borrower will establish a Capitalized Interest Account funded with proceeds of the Bond offering in an amount sufficient to cover scheduled interest payments on the Bonds through the date that is [●] months after the Scheduled Completion Date.

Debt Service Reserve Account

The Borrower will establish and maintain a cash-funded Debt Service Reserve Account ("DSRA") in respect of the Bonds. The DSRA will be funded at Financial Close with Bond proceeds or equity in an amount equal to the next 12 months of projected principal and interest payment obligations on the Bonds. Withdrawal of any excess from the DSRA shall be permitted on any Calculation Date.

O&M Reserve Account

The Borrower shall establish an O&M Reserve Account ("O&M Reserve Account") funded with cash at commencement of operations with proceeds from the Milestone Payment or equity, equal at all times to six months' projected O&M costs based on the most recent approved operating budget.

Seismic Event Reserve Account

The Borrower shall establish a seismic event reserve account (the "Seismic Event Reserve Account") funded with cash at Substantial Completion in an amount equal to the Seismic Event Deductible. The Borrower may substitute for all or any portion of the cash or permitted investments on

deposit in the Insurance Reserve Account a letter of credit issued by a Qualifying Institution in an amount equal to the amount of cash or permitted investments so substituted. In the event that the Borrower replaces the cash on deposit with a letter of credit, 12.5% of the cash so replaced shall be applied to the Distribution Account, subject to the Equity Lock-Up Tests, and 87.5% of the cash so replaced shall be applied pro rata to the repayment of the outstanding TIFIA Loans and the redemption of the outstanding Bonds.

Renewal Work Reserve Account

The Renewal Work Reserve Account ("RWRA") will be calculated and funded upon the earlier to occur of the Final Acceptance Date and the Final Acceptance Deadline on a five-year forward looking basis (based on the Base Case Financial Model at Financial Close) for any year n as follows:

Year n	100%
Year n+1	66%
Year n+2	33%
Year n+3	33%
Year n+4	33%

provided that, the balance in the RWRA shall at all times be at least the amount required by Appendix 2-F of the PPP Agreement.

At any time prior to early termination of the PPP Agreement, the Borrower shall have the right to draw from the RWRA for the following purposes: (i) costs of Renewal Work, (ii) costs of Compliance Work, and (iii) costs of work pursuant to the Handback Requirements.

The required balance in the RWRA will be recalculated if the Borrower (solely with respect to its performance of its operations and maintenance obligations) is replaced. The Underwriters' Technical Advisor will review the recalculation and report to the Trustee on its findings.

Funds held in the RWRA which are not spent on Renewal Work in the year for which such funds were reserved (the "non-completed work") will be transferred by the Borrower from the RWRA to a subaccount from which payment for the non-completed work will be made following completion thereof.

Handback Requirement Reserve Account

On the date that is four full fiscal years prior to the expected end of the term of the PPP Agreement, amounts remaining in the RWRA shall be transferred to the Handback Requirements Reserve Account ("HRRR"). From and after such date, all amounts required to pay for Renewal Work will be funded into and out of the HRRR (amounts released from the HRRR being subject to the approval of Department) and the Borrower's obligation to fund the RWRA shall terminate. Beginning on the date that is 36 months prior to the expected end of the term of the PPP Agreement, if amounts on deposit in the HRRR are insufficient to pay the costs of the Handback Renewal Work, the Borrower shall, on a monthly basis, deposit into the HRRR an amount to fund such shortfall.

The Borrower shall be entitled to draw funds from the HRRR in such amounts and at such times as needed only to make progress and final

payments for Handback Renewal Work.

Required Equity Contribution

Subject to the TIFIA guidelines, the equity and subordinated debt that the Equity Sponsors are required to contribute to the Borrower pursuant to the Equity Contribution Agreement shall be in an aggregate amount sufficient to allow the Borrower to maintain a gearing ratio of [87.5:12.5].

Acceptable Credit Support

In the event that any Equity Sponsor does not contribute the full amount of its portion of the equity contributions on or before Financial Close, an on-demand letter of credit securing such Equity Sponsor's obligation to make its respective contribution will be available for drawing the full amount of any deficiency at Financial Close. Such letter of credit shall be an unconditional, irrevocable standby letter of credit or letters of credit issued by a bank or financial institution whose long-term unsecured and unguaranteed debt is rated "A-" or higher by Standard & Poor's or "A3" or higher by Moody's (a "Qualifying Institution"), or such other form of security as is acceptable to the Trustee. If an issuing bank is no longer a Qualifying Institution, the relevant Equity Sponsor shall cause the replacement of the letter of credit with a letter of credit issued by another Qualifying Institution within 60 days following such event; failure to replace shall constitute an Event of Default. The reimbursement obligations with respect to such letter of credit(s) shall not be recourse to the Borrower.

Proposal Security

Financing LC: The Borrower shall, no later than Commercial Close, deliver a letter of credit in a maximum aggregate amount of \$15 million in favor of the Department that complies in all respects with the requirements of the ITP.

Design-Builder Security Package

Performance and Payment Security:

PPP Agreement Performance Security and Payment Bonds (Phase 2 Only): The Design-Builder will obtain the Performance Security and the Payment Bond required to be procured pursuant to Sections 16.2.1 and 16.2.2 of the PPP Agreement, respectively, with respect to the DB Activities. The Trustee on behalf of the Bondholders shall be named an obligee of the performance bond.

Design-Builder Parent Guarantees: The Design-Builder shall, on the Effective Date, cause to be delivered to the Borrower the Design-Builder Parent Guarantees.

Design-Builder LC: The Design-Builder shall, on Financial Close, deliver a letter of credit issued by a Qualifying Institution in favor of the Borrower securing the performance of the obligations of the Design-Builder under the Design-Build Contract in an aggregate amount equal to 10% of the contract price, which shall step down to 5% on Substantial Completion and 2.5% at Final Completion, and shall terminate upon the expiration of the Warranty Period (as defined in the Design-Build Contract).² [If an issuing bank is no longer a Qualifying Institution, the Design-Builder shall cause the replacement of the Design-Builder LC with a letter of credit from another Qualifying Institution within 60 days following such event; failure to replace shall constitute an event of default under the Design-Build Contract.]

² The Underwriters have reviewed the credit support structure and view it positively; however, the Underwriters expect that the package will be subject to ratings agency review.

Equity Lock-Up Tests

Distributions to equity are permitted to be made out of a distribution account ("Distribution Account") as directed by the Equity Sponsors commencing on the first Calculation Date to occur following the Substantial Completion Date; provided that distributions shall not be permitted if, as of any Calculation Date:

- (1) the DSRA is not fully funded;
- (2) the DSCR was less than [1.10]x (or such other ratio as shall be agreed with the TIFIA JPO in the event that no Bonds are outstanding) in the most recently ended 12 month period;
- (3) the BLCR is less than [•]x (or such other ratio as shall be agreed with the TIFIA JPO in the event that no Bonds are outstanding) as of the relevant Calculation Date;
- (4) any Default or Event of Default has occurred and is continuing unwaived and un-remedied or would result from the making of such payment, or a termination event under the PPP Agreement has occurred and is continuing or would result from the making of such payment;
- (5) the Equity Support is no longer in full force and effect (unless all equity has already been contributed);
- (6) any required Security or Performance Support is not in place when required;
- (7) All TIFIA distribution tests have not been satisfied;
- (8) any payment obligation in respect of an amount in excess of a threshold to be agreed payable under the Trust Indenture has not been paid when due and continues to be outstanding; or
- (9) any transfer or distribution required to be made pursuant to the Cashflow Waterfall has not been made.

Cash otherwise available for distribution will be transferred to the Equity Lock-Up Account if any of the above Equity Lock-Up Tests are not satisfied. Cash held in the Equity Lock-Up Account will be released to the Distribution Account if the Equity Lock-Up Tests are met for two consecutive quarters. Cash held in the Equity Lock-Up Account may be used to fund a shortfall in any prior item in the Cashflow Waterfall.

Gearing

To ensure that, at all times after the disbursement from the Bond Proceeds Account and prior to the later of (i) receipt by the Borrower of the Milestone Payment and (ii) repayment of the Milestone Credit Facility, the Gearing Ratio shall be no greater than [87.5:12.5], immediately following payment by the Department of the Milestone Payment and repayment of the Milestone Facility, the Borrower may make an equity distribution to the Equity Sponsors of such amount as can be distributed or repaid so as to bring the Gearing Ratio back to [87.5:12.5] subject to satisfaction of the Equity Lock-Up Tests.

Governing Law

The Financing Documents shall be governed by the laws of the State of New York or the State of California as applicable.

C. TIFIA LOAN AND INTERCREDITOR TERMS

TIFIA Loan

[\$149,741,000] term loan facility drawn pro rata or up to 33% of Eligible Project Costs with Senior Debt provided by the TIFIA Lender pursuant to the Transportation Infrastructure and Finance Innovation Act and issued pursuant to a loan agreement between the TIFIA Lender and the Borrower (the "TIFIA Loan Agreement", and the loans issued pursuant thereto the "TIFIA Loan"). The terms of the TIFIA Loan shall be in substantially the form contained in the term sheet attached hereto as Exhibit A.

Defined Terms

"Bankruptcy Related Event" means (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or its debts, or of a substantial part of the assets of the Borrower, under any insolvency law, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Borrower for a substantial part of the assets of the Borrower, and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; or (b) the Borrower shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Borrower for a substantial part of the assets of the Borrower, or (ii) generally not be paying its debts (other than the Bonds and other debt to be identified unless amounts outstanding under the Bonds have been accelerated) as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts (other than the Bonds and other debt to be identified unless amounts outstanding under the Bonds have been accelerated generally as they become due, or (iii) make a general assignment for the benefit of creditors, or (iv) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, or (v) commence a voluntary proceeding under any insolvency law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any insolvency law, or (vi) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing clauses (i) through (v), inclusive, of this clause (b), or (vii) take any action for the purpose of effecting any of the foregoing; or (c) (i) all or a substantial part of the Collateral (other than equity interests) shall be sold or otherwise disposed of in a public or private sale or disposition pursuant to a foreclosure of the Liens thereon securing the Bonds, or (ii) all or a substantial part of the Collateral (other than equity interests) shall be transferred pursuant to a sale or disposition of such Collateral in lieu of foreclosure; or (d) (i) all or a substantial part of the equity interests shall be sold or otherwise disposed of in a public or private sale or disposition pursuant to a foreclosure of the Liens thereon securing the Bonds, or (ii) all or a substantial part of the equity interests shall be transferred pursuant to a sale or disposition of such Collateral in lieu of foreclosure, if in either case such action or exercise of rights or remedies results in the impairment of the Liens of the Collateral Agent in the Collateral (other than the equity interests).

The existence of one or more defaults by the Borrower in the payment of, or the inability of the Borrower to pay, any principal of or interest on the

TIFIA Loan as it becomes due shall not, by itself, be sufficient to establish that the standard set forth in the definition of Bankruptcy Related Event has been met. However, if, at any time when a default in the payment when due of any mandatory debt repayment of the TIFIA Loan shall have occurred and shall have continued without cure for a period of 12 months or more, the TIFIA Lender may determine that a Bankruptcy Related Event has occurred and is continuing, subject to the Bondholders' right to object to such determination, and the TIFIA Lender's subsequent right to commence an action in a court of competent jurisdiction seeking a determination as to whether a Bankruptcy Related Event has occurred and is continuing.

"Collateral" means (i) with respect to the Bonds, the right, title and interest of the Borrower in all of the current and future property and assets of the Borrower (and all equity interests of each Equity Sponsor in the Borrower and any intercompany debt issued by the Borrower and held by the Equity Sponsors) and (ii) with respect to the TIFIA Loan, the right, title and interest of the Borrower in all of the current and future property and assets of the Borrower (and all equity interests of each Equity Sponsor in the Borrower and any intercompany debt issued by the Borrower and held by the Equity Sponsor).

"Controlling Party" means the Bondholders holding more than a threshold of the aggregate outstanding principal amount of the Bonds to be agreed; provided that the Trustee may be designated the Controlling Party pursuant to its acting on the instructions of a threshold of the Bondholders to be agreed; provided, further that if no Bonds remain outstanding, then the owner of the TIFIA Bonds will be the Controlling Party.

"Intercreditor Agreement" means the agreement to be entered into among the Trustee, the TIFIA Lender and the Collateral Agent.

Subordination Terms

The TIFIA Loan (and any lien granted with respect thereto) will be subordinated to the Bonds (and any lien granted with respect thereto) in all respects, including, without limitation, with respect to payment of amounts owing thereunder and priority with respect to the liens on the Collateral, provided that, upon the occurrence and continuance of a Bankruptcy Related Event, the TIFIA Loan (and any lien granted with respect thereto) shall rank pari passu with the Bonds (and any lien granted with respect thereto), to the extent provided in the Intercreditor Agreement. Notwithstanding the foregoing, the Controlling Party shall maintain control of all decisions as referred to in Voting Considerations below.

Acceleration

The TIFIA Lender will not accelerate the maturity of the TIFIA Loan unless the maturity of the Bonds has been accelerated.

Voting Considerations

In making decisions and determinations with respect to the enforcement of rights and the exercise of remedies (including instructions to be given to the Collateral Agent) with respect to the Borrower, the Bonds, or any Liens on Collateral given by the Borrower, the Trustee and the TIFIA Lender agree that until such time as the Bonds and all amounts owing with respect thereto have been repaid in full, the Controlling Party shall make all such decisions and determinations (whether a Bankruptcy Related Event has occurred or not) and the Collateral Agent shall only take instructions from the Controlling Party.

Notwithstanding the foregoing, the TIFIA Lender may deliver a notice to

take enforcement action (to the extent described below, as applicable) to the Collateral Agent in connection with the following (a) upon any failure by the Borrower or the Collateral Agent to pay, transfer or apply any funds in accordance with the cashflow waterfall, which enforcement action being limited to exercise of rights and remedies to re-apply such funds in accordance with the cashflow waterfall, (b) upon any distribution of funds from the Project accounts, in violation of any restriction on such distribution set forth in the Financing Documents or the Intercreditor and Collateral Agency Agreement, which enforcement action shall be limited to the exercise of rights and remedies against the recipient of such funds or against any other party liable for such wrongful distribution and (c) upon any breach by the Borrower of any non-monetary covenant or term of the TIFIA Loan Agreement that results in an event of default (as defined therein) thereunder, bring suit against the Borrower seeking an order directing specific performance of such covenant or an order of injunction against the Borrower restraining it from any further breach of such covenant; provided, that in the case of a breach of covenant or term relating to the acquisition, construction, use, lease, ownership, operation, maintenance, repair, restoration or modification of the Project (excluding any such covenant or term relating to the preparation or distribution to the TIFIA Lender of notices, financial statements, reports or other documents, or rights of access of the TIFIA Lender to documents or other information), the TIFIA Lender shall first consult with the Controlling Party with respect thereto and shall not bring a suit relating thereto if the Controlling Party advises the TIFIA Lender in writing at the end of the consulting period that, in the determination of the Controlling Party, enforcement of the performance of such covenant or of restraining the Borrower from any further breach of such covenant, as the case may be, is not in the best interests of the Controlling Party.

The TIFIA Lender agrees that, with respect to any of its rights referred to above, (i) any net proceeds resulting from any permitted enforcement action shall be applied in accordance with the cashflow waterfall and (ii) any such enforcement action shall not include the exercise of any remedies against the Collateral or the filing of any involuntary petition in bankruptcy against the Borrower.

If a Bankruptcy Related Event occurs, in any bankruptcy proceeding the TIFIA Lender shall have all rights of a creditor of the Borrower, including, without limitation, the right to file proofs or claims of debt with respect to amounts owing to it (provided that if the TIFIA Lender does not file such claim within 30 days prior to the last date of filing thereof, any Controlling Party may (but shall not be required to) instruct the Collateral Agent to file any appropriate proof or claim on behalf of the TIFIA Lender), to appear and be heard as a creditor in such proceeding, to serve as a member of a committee of creditors, to file a plan of reorganization, to vote its claims in respect of any proposed plan of reorganization and, subject to the provisions referred to above, receive and retain any payment or distribution of assets or securities of the Borrower of any kind or character, whether in cash, securities or other property, made in or as a result of such proceeding pursuant to any plan of reorganization or otherwise. Notwithstanding the foregoing, each of the Trustee and the TIFIA Lender will use reasonable efforts to develop a plan for the course and conduct of any actions in such proceeding and agree to authorize or take such enforcement actions and to vote as a creditor in such proceeding as shall be directed by the Controlling Party, and the TIFIA Lender shall not take any action which is inconsistent with such written direction. In addition, if the Controlling Party requests that

the TIFIA Lender join in a direction notice seeking a lifting of the automatic stay and in commencing and pursuing a foreclosure action with respect to the Collateral, the TIFIA Lender will join in such direction notice and will not take any action that would hinder such action.

Right of Bondholders to Reschedule Payment of Bonds

The TIFIA Lender agrees that the principal of and/or interest on the Bonds may be rescheduled so as to defer any dates required for the payment of all or any portion of the interest and/or principal on the Bonds (including principal that becomes due on the Maturity Date).

The failure of the Borrower or the Issuer, or the inability of the Borrower or the Issuer, to pay any interest or principal on the Bonds or to cause the optional redemption of Bonds in accordance with any schedule of required optional redemptions shall not, by itself or solely in combination with any breach or inability of the Borrower to pay principal and/or interest on the TIFIA Loan when due, be sufficient to establish that the standard set forth in clause (B) of the definition of Bankruptcy Related Event has been met, if the interest or principal payment has been deferred or rescheduled or the redemption schedule revised before the date otherwise required for such payment of interest or principal or optional redemption, subject to terms agreed among the parties.

No decisions or determinations with respect to any amendments, waivers or modifications of the provisions of the Financing Documents relating to the cashflow waterfall set out therein (including instructions to be given to the Collateral Agent), may be made or given without the consent of the Controlling Party and, if any such amendment, waiver or modification would be materially disadvantageous to the TIFIA Lender, the TIFIA Lender.

No decisions or determinations with respect to any amendments, waivers or modifications of the provisions of the Intercreditor and Collateral Agency Agreement may be made without the consent of the Controlling Party, the TIFIA Lender and, if any such amendment, waiver or modification would be materially disadvantageous to the Collateral Agent, the Collateral Agent.

Exhibit A: TIFIA Loan Term Sheet

Attached

UNITED STATES DEPARTMENT OF TRANSPORTATION

Re: TIFIA Loan Term Sheet Template – [Project Name]
(TIFIA Application for Credit Assistance No. [_____])

Ladies and Gentlemen:

This TIFIA Loan Term Sheet, including Attachment 1 (collectively, the “**Term Sheet**”) constitutes the commitment of the United States Department of Transportation (hereinafter the “**Department**”) to proceed on an expedited basis to provide a secured loan (the “**TIFIA Loan**”) for the [Insert Project Name] (hereinafter the “**Project**”, as described below), pursuant to the Transportation Infrastructure Finance and Innovation Act of 1998 (“**TIFIA**”), §1501 *et. seq.* of Public Law 105-178 (as amended by Public Law 105-206 and Public Law 109-59) (the “**Act**”), as codified as 23 U.S.C. §601 *et seq.*

The Project consists of [Insert Project Description], to be developed, designed and constructed pursuant to a Concession Agreement, [dated as of _____] (the “**Concession Agreement**”) between _____ (the “**Borrower**”) and _____ (“_____”). Your current estimated total Project cost is \$_____.

While the Department’s commitment to provide the TIFIA Loan to the Project is based on your application received in _____, your presentation of _____, and the supplemental information you have submitted, the final terms of the TIFIA Loan will be specified in the TIFIA Loan Agreement (the “**TIFIA Loan Agreement**”). This Term Sheet establishes the parties, the maximum original principal amount of the TIFIA Loan, the dedicated repayment sources, the term, the method of determining the interest rate, and credit terms set forth in Attachment 1. The Term Sheet is a commitment of the Department to proceed on an expedited basis to provide the TIFIA Loan, subject only to the terms specified herein, and is subject to the completion of a due diligence review by [the TIFIA JPO] of the relevant traffic and revenue studies, senior loan documents, the Concession Agreement, a Subordination and Intercreditor Agreement, rating letters[, a Collateral Agency Agreement and such other documentation as the Department may require,] all on terms and conditions acceptable to the Department. This commitment is conditioned on your acceptance of the terms set forth herein [and insert additional conditions, if any]. This commitment expires on [45 days from date of execution].

Capitalized terms used in this Term Sheet and not otherwise defined shall have the respective meanings ascribed thereto in the TIFIA Template Loan Agreement, the form of which is attached hereto as Attachment 2.

If the terms and the provisions of this Term Sheet are acceptable, please countersign this Term Sheet in the space indicated below.

Sincerely,

UNITED STATES DEPARTMENT
OF TRANSPORTATION

By: _____

[_____]

Administrator
Federal Highway Administration

Date: _____

ACKNOWLEDGED AND AGREED TO:

[BORROWER]

By: _____

Title: _____

Date: _____

ATTACHMENT 1: TERMS FOR TIFIA LOAN AGREEMENT

THE TERMS SET FORTH HEREIN REPRESENT THE STANDARD TERMS FOR A TIFIA LOAN AGREEMENT THAT MUST BE ACCEPTED BY THE BORROWER IN ORDER TO PROCEED TO EXECUTION OF A TIFIA LOAN AGREEMENT ON AN EXPEDITED BASIS. .

TIFIA LENDER United States Department of Transportation (the “TIFIA “Lender”)

BORROWER The Borrower shall be _____ (the “Borrower”), [describe corporate entity].

PRINCIPAL AMOUNT OF TIFIA LOAN The TIFIA Loan shall be in an amount no to exceed \$_____ , provided that the maximum original principal amount of the TIFIA Loan shall not exceed the lesser of 33 percent of reasonably anticipated Eligible Project Costs, as defined in the Act or, if the TIFIA Loan does not receive an Investment Grade Rating, the amount of the Initial Senior Obligations.

DEDICATED REPAYMENT SOURCES The dedicated source of repayment of the TIFIA Loan shall be a lien on Project Revenues (as defined below).

SECURITY The security for the TIFIA Loan shall be a security interest in the Project Revenues [and liens and security interests in other assets as specified in this Term Sheet].

INTEREST RATE The TIFIA Loan shall bear interest at a fixed rate calculated by adding one basis point (.01%) to the rate of securities of a similar maturity as published on the execution date of the TIFIA Loan Agreement in the United States Treasury Bureau of Public Debt’s daily rate table for State and Local Government Series (SLGS) securities, currently located on the internet at www.treasurydirect.gov/govt/rates/slgs/slgs.htm. Interest will be computed on the Outstanding TIFIA Loan Balance (as well as on any past due interest) from time-to-time on the basis of a 365-day or 366-day year, as appropriate, for the actual number of days elapsed and will be compounded semi- annually; provided, however, in the event of a Payment Default, the Borrower shall pay interest on any overdue amount from its due date to the date of actual payment at the Default Rate.

DEFAULT RATE If the Borrower fails to pay when due interest on or principal of the TIFIA Loan, the Borrower shall pay interest on such overdue amount from its due date to the date of actual payment at an interest rate of 200 basis points (2.00%) above the TIFIA interest rate.

Draft TIFIA Loan Term Sheet Template as of 9/11/08

TERM The final maturity of the TIFIA Loan shall be [_____], but in any event not later than 35 years after the date of substantial completion of the Project.

ELIGIBLE PROJECT COSTS Eligible Project Costs shall include those costs defined in the Act, including costs associated with concession payments made to [agency], if any, by the Borrower, and prior Project expenditures for the three-year period preceding the application date of [_____].

Eligible Project Costs incurred prior to execution of the TIFIA Loan Agreement shall be verified by the TIFIA Lender and must be consistent with title 23 U.S.C. and 48 C.F.R. §31.105 relating to construction and architect-engineer contracts and the cost principles in subpart §31.2 of 48 C.F.R.

PROJECT REVENUES Project Revenues shall include (i) all income, tolls, revenues, rates, fees, charges, rentals, or other receipts derived by or related to the operation or ownership of the Project, including all amounts from joint development or leasing of air space lease rights, (ii) any revenues assigned to the Borrower and proceeds of the sale or other disposition of all or any part of the Project, and (iii) all income derived from Permitted Investments.

SECURITY AND PRIORITY The TIFIA Loan shall be secured by a second priority security interest in Project Revenues and liens and security interests in other project assets subordinate only to the lien of the Senior Obligations. The TIFIA Loan Agreement shall be secured by a first priority security interest in Project Revenues on parity with the lien of the Senior Debt Obligations upon the occurrence of a Bankruptcy Related Event.

The flow of funds will be as follows:*

1. Operating and Maintenance Expenses [may include revenue sharing amount payable to [State Agency];
2. Required Capital Expenditures;
3. Fees, costs and expenses due under Senior Loan Agreement and TIFIA Loan Agreement;
4. Interest portion of Senior Debt Service and Hedging Obligations;
5. Principal portion of Senior Debt Service and Hedging Termination Obligations, if any, from repayment of Senior Debt Service, Hedging Termination Obligations (other than Partially Subordinated Hedges) and Hedging Termination Obligations for tax, illegality or failure of Borrower to pay Hedging Obligations when due;
6. Interest portion of TIFIA Debt Service;
7. Principal portion of TIFIA Debt Service;

* May be modified depending on structure of TIFIA Loan and Project cash flows.

8. Deposits to Debt Service Reserve Account, if any and repayment of obligations to any provider of a liquidity facility held for the benefit of any Debt Service Reserve Account;
9. Deposits to Major Maintenance Reserve Account, if any;
10. Deposits to Hedging Acquisition Account, if any;
11. Discretionary Capital Expenditures;
12. Voluntary prepayments of Senior Loans and related Hedging Termination Obligations; and
13. Deposits to Distribution Account.

In the event [applicable state agency] revenue sharing payments are subordinate to any debt service obligation in the flow of funds, the TIFIA Lender will require that such payments also be subordinate to TIFIA debt service.

The TIFIA Lender shall approve the priority status of the Borrower's obligations under any hedging contracts entered into in connection with the Senior Obligations.

BANKRUPTCY RELATED EVENT

Bankruptcy Related Event means (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any of its debts, or of a substantial part of the assets of the Borrower, under any Insolvency Law, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Borrower for a substantial part of the assets of the Borrower, and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; or (b) the Borrower shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Borrower or for a substantial part of the assets of the Borrower, or (ii) generally not be paying its debts as they become due unless such debts are the subject of a bona fide dispute, or become unable to pay its debts generally as they become due, or (iii) make a general assignment for the benefit of creditors, or (iv) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition with respect to it described in clause (a) of this definition, or (v) commence a voluntary proceeding under any Insolvency Law, or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief under any Insolvency Law, or (vi) file an answer admitting the material allegations of a petition filed against it in any proceeding referred to in the foregoing subclauses (i) through (v), inclusive, of this clause (b), or (vii) take any action for the purpose of effecting any of the foregoing; or (c) (i) all or a substantial part of the Collateral (other than the Equity Interests) shall be sold or otherwise disposed of in a

public or private sale or disposition pursuant to a foreclosure of the Liens thereon securing the Senior Obligations, or (ii) all or a substantial part of the Collateral (other than the Equity Interests) shall be transferred pursuant to a sale or disposition of such Collateral in lieu of foreclosure; or (d) (i) all or a substantial part of the Equity Interests shall be sold or otherwise disposed of in a public or private sale or disposition pursuant to a foreclosure of the Liens thereon securing the Senior Obligations, or (ii) all or a substantial part of the Equity Interests shall be transferred pursuant to a sale or disposition of such Collateral in lieu of foreclosure, if in either such case such action or exercise of rights or remedies results in any release or impairment of the Liens of the Collateral Agent in the Collateral (other than the Equity Interests) granted for the benefit of the TIFIA Lender or (e) the Collateral Agent shall transfer, pursuant to directions issued by the Administrative Agent, funds or deposit in any of the Project Accounts upon the occurrence and during the continuation of an Event of Default under the Senior Loan Documents for application to the prepayment or repayment of any principal amount of the Senior Obligations pursuant to the Collateral Agency Agreement or otherwise (other than any transfer from any Project Account to another Project Account and any disposition of funds pursuant to and in accordance with the Collateral Agency Agreement).

REQUIRED RESERVE FUNDS

The TIFIA Lender may require a Debt Service Reserve Account, a Major Maintenance Reserve Account, a rate stabilization fund and other reserves depending on the specific requirements of the Project.

SUBSTANTIAL
COMPLETION DATE

The Substantial Completion Date for the Project is the date on which [applicable project segment] is open to tolled vehicular or passenger traffic.

TIFIA DEBT SERVICE

Repayment of the TIFIA Loan shall be structured as follows:*

1. Capitalized Interest Period - deferred interest and principal payments from the Effective Date to the fifth anniversary of the Substantial Completion Date.
2. Interest Only Period – mandatory interest payments from end of Capitalized Interest Period to the end of the 10th consecutive Payment Period. Principal of the TIFIA Loan may be deferred during this period.
3. Fixed Level Payment Period – mandatory fixed level payments of principal of and interest on the outstanding

* May be modified depending on structure of TIFIA Loan and Project cash flows.

balance of the TIFIA Loan from the end of the interest only period to Final Maturity.

CONDITIONS PRECEDENT

In addition to the Conditions Precedent set forth in Section 13 of the Template Loan Agreement attached hereto as Attachment 2, the TIFIA Loan Agreement shall not become effective and the TIFIA Lender shall have no obligation to disburse any loan proceeds to the Borrower until each of the following additional conditions precedent shall have been satisfied:

[To be determined after completion of due diligence review.]

**REPRESENTATIONS AND
WARRANTIES OF BORROWER**

In addition to the Representations and Warranties of the Borrower set forth in Section 14 of the Template Loan Agreement attached hereto as Attachment 2, the TIFIA Loan Agreement shall not become effective and the TIFIA Lender shall have no obligation to disburse any loan proceeds to the Borrower unless the Borrower shall agree to represent and warrant that as of the date of execution of the TIFIA Loan Agreement and as of each date on which any disbursement of the TIFIA Loan is made:

[To be determined after completion of due diligence review.]

**RESTRICTED PAYMENTS
(I.E. PAYMENTS TO EQUITY
FROM SURPLUS FUNDS)**

There shall be no distribution of any kind of surplus funds to the Borrower or any Equity Sponsor prior to Substantial Completion of the Project.

After Substantial Completion, there shall be no distribution of any kind of surplus funds to the Borrower or any Equity Sponsor unless and until (i) payment of TIFIA Debt Service is current and (ii) the Total Debt Service Coverage Ratio is equal to at least 1.20 for the preceding Calculation Period and is projected to be at least 1.20 in the next Calculation Period.

PROJECT EQUITY

The Equity Sponsors that are funding equity commitments shall provide binding obligations for the Equity Contribution on the Effective Date.

A standby letter of credit or equivalent support acceptable to the TIFIA Lender shall be required for equity commitments to be made subsequent to the Effective Date.

**NEGATIVE AMORTIZATION
OF TIFIA LOAN**

On the Effective Date, the Base Case Financial Plan shall not reflect amortization of Senior Indebtedness until all currently accruing TIFIA interest is paid.

Draft TIFIA Loan Term Sheet Template as of 9/11/08

NET CASH FLOW

Net Cash Flow, for any period, shall mean an amount equal to (i) aggregate Project Revenues for such period less the sum of (ii) the Operations and Maintenance Expenses, Major Maintenance Costs, all Capital Expenditures and deposits to the Major Maintenance Reserve Account for such period.

RATE COVENANT

Rates and charges shall be set such that Net Cash Flow in any year will produce (i) a Senior Debt Service Coverage Ratio at least equal to 1.25 in such year and (ii) a Total Debt Service Coverage Ratio at least equal to 1.10 in such year.

The TIFIA Lender shall require a remedial plan if Net Cash Flow is inadequate to comply with the Rate Coverage Test.

TOTAL DEBT SERVICE
COVERAGE RATIO

Total Debt Service Coverage Ratio shall mean, for the period specified, the ratio of Net Cash Flow to Senior Debt Service and TIFIA Debt Service.

PREPAYMENT

TIFIA Loan may be prepaid in whole or in part (and, if in part, the principal installments and amounts thereof to be prepaid shall be determined by the Borrower; provided, however, that such prepayments shall be in the principal amounts of \$1,000,000 or any integral multiple thereof), at any time or from time to time, without penalty or premium, by paying to the TIFIA Lender such principal amount of the TIFIA Loan to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment.

Accelerated prepayment from excess revenues may be required by the TIFIA Lender in the event the TIFIA Loan is not repaid on a fixed level basis.

ADDITIONAL SENIOR DEBT

Additional indebtedness on a parity with the Initial Senior Obligations may be incurred as described below, provided no Event of Default under the Senior Loan Agreement or the TIFIA Loan Agreement has occurred or is occurring. Except for additional indebtedness for the purpose of Project completion, an investment grade rating is required and certain coverage tests must be met.

1. To complete the Project, provided the Borrower certifies to the TIFIA Lender and the Independent Engineer certifies that the additional investment is necessary for project completion and the requested amount is sufficient for project completion. However, the aggregate amount may not, without the prior written consent of the TIFIA Lender, exceed 5% of the maximum principal amount of the Initial Senior Obligations.
2. To refurbish, upgrade, modify, expand or add to the Project is allowed, provided such debt has an investment

grade rating and the borrower certifies to the TIFIA Lender, and the Independent Engineer confirms, that (i) there will be no fundamental change in the use of the Project; (ii) the proceeds of such Additional Senior Obligations, together with other funds available, shall be sufficient for the proposed purpose; and (iii) either (a) the additional investment is not expected to have a Material Adverse Effect, or (b) the Total Debt Service Coverage Ratio for each Calculation Period during the term of the Additional Senior Obligations and the TIFIA Loan is not less than 1.15 (based on a certified revenue forecast prepared by the Traffic Consultant).

3. To refinance the Senior Obligations for savings so long as (i) the Additional Senior Obligations have an Investment Grade Rating, (ii) the net proceeds (after deducting any deposits required to satisfy the Debt Service Reserve Required Balance and costs of issuance not to exceed 2% of the principal amount of such Additional Senior Obligations) do not exceed the principal amount outstanding and being refinanced of the Senior Loan and (iii) Senior Debt Service, after the incurrence of such Additional Senior Obligations, in each year for the remaining term of the TIFIA Loan is less than Senior Debt Service forecast for each year in the Base Case Projection on the Effective Date.
4. Other Additional Senior Obligations to add to, refinance or replace the existing Senior Obligations for purposes not covered in 1-3 above, so long as (i) at least fifty percent of the net proceeds (after repayment of any outstanding Senior Obligations refinanced with such Additional Senior Obligations and after any deposits required to satisfy the Debt Service Reserve Required Balance and costs of issuance not to exceed 2% of the principal amount of such Additional Senior Obligations) of each such Additional Senior Obligations is used to prepay the TIFIA Loan; (ii) the Additional Senior Obligations have an Investment Grade Rating; and (iii) the Total Debt Service Coverage Ratio, after giving effect to such Additional Senior Obligations, is 1.25 or more for each year of the remaining term of the TIFIA Loan (based on actual revenues for the prior 12 month period and a revenue forecast certified by the Traffic Consultant).

Subject to the above provisions, the remaining balance of such net proceeds of any such Additional Senior Obligations may, at the option of the Borrower, be distributed to the Equity Sponsors.

PERMITTED INVESTMENTS

Permitted Investments shall include those listed in the

Template Loan Agreement and such additional investments as shall conform with Nationally Recognized Rating Agency guidelines.

Amounts on deposit in any Project Account during the period on or before one year after the Substantial Completion Date and amounts on deposit in the Debt Service Reserve Account and other reserves shall be held uninvested or invested in Permitted Investments; provided, however, that in no event shall this restriction apply to amounts on deposit in any operating reserve account.

HEDGING

Qualified Hedge must be in place at all times while Senior Loan bears interest at Variable Interest Rate.

Initial Qualified Hedge must terminate not less than stated maturity date of Initial Senior Obligations and must have notional amount not less than 98% of the principal amount of Senior Obligations projected to be Outstanding.

Must always have a Qualified Hedge with notional amount not less than 98% of principal amount of Senior Obligations projected to be Outstanding and (x) at least 75% of notional amount must have termination date not earlier than final maturity of TIFIA Loan and (y) the balance must be for at least one year.

Must be, together with Bank Lending Margin, less than or equal to the Loan Underwriting Rate.

TIFIA consent required for process for selecting Subsequent Qualified Hedges and third party fair price certificate required.

Hedge Acquisition Account required for Subsequent Qualified Hedges.

TIFIA DISBURSEMENTS

Disbursements shall be made monthly to the Borrower to reimburse Eligible Project Costs incurred in connection with the Project pursuant to requisition procedures set forth in the TIFIA Loan Agreement and the Borrower's compliance with disbursement conditions. All disbursement requests must be received by the TIFIA Lender on or before the first Business Day of a calendar month in order to obtain a disbursement by the fifteenth day of such calendar month or if either such day is not a Business Day, the next succeeding Business Day. In no event shall disbursements be made more than once each month.

The Borrower shall provide an annual, cumulative schedule of projected disbursements prior to the Effective Date, such schedule to be included in the TIFIA Loan Agreement. The

Borrower may modify such schedule upon written notice to the TIFIA Lender.

Monthly disbursements shall be on a pro rata basis with disbursements of the proceeds of the Senior Obligations, unless otherwise agreed to by the TIFIA Lender and Borrower.

EVENTS OF DEFAULT AND
REMEDIES

Events of Default under the TIFIA Loan Agreement shall include, but not be limited to, the following:

1. The Borrower shall fail to pay any principal amount of or interest on the TIFIA Loan when and as the payment thereof shall be required under the TIFIA Loan Agreement or the Note or on the Final Maturity Date (each a "Payment Default").
2. Any of the Borrower's representations, warranties or certifications under the TIFIA Loan Agreement, the Senior Loan Agreement, or other related Agreement(s) is materially false or misleading, or the Borrower fails to comply with any covenants or agreements under the TIFIA Loan Agreement or the Senior Loan Agreement, in each case after a permitted 30 day cure period provided, however, that if it is not possible to correct such breach within such 30-day period, it shall not constitute an Event of Default if corrective action is instituted by the Borrower within such period and diligently pursued until such breach is corrected.
3. The occurrence of a "Development Default" under the Concession Agreement.
4. An acceleration occurs with respect to the Senior Obligations or any other indebtedness of the Borrower that is senior to or on a parity with the TIFIA Loan.
5. The occurrence of a material default by the Borrower under any other documents executed in connection with the Project and the occurrence thereof shall cause a material adverse effect on the Borrower's ability to comply with its obligations under the TIFIA Loan Agreement subject to an appropriate cure period to be determined in the TIFIA Loan Agreement.
6. A Bankruptcy Related Event occurs.
7. The Project shall be abandoned, or the operation of the Project shall cease for an extended period (other than for force majeure or other reasons covered by insurance).

8. A judgment in excess of \$1 million and not otherwise covered by insurance is rendered against the Borrower and remains undischarged for 30 days.
9. A Change of Control shall have occurred.
10. Borrower fails to maintain its existence as a _____.
11. Any Equity Contribution shall fail to be made when due as required by [Equity Contribution Agreement].
12. The Concession Agreement expires or terminates or for any reason ceases to be in full force and effect.

Upon an Event of Default under the TIFIA Loan Agreement, the TIFIA Lender may take any one or more of the following actions, at its sole option and discretion:

1. For a Development Default, all obligations of the TIFIA Lender to make disbursements are immediately deemed terminated.
2. For failure to make an Equity Contribution, the TIFIA Lender may direct the Collateral Agent to draw on any line of credit securing such obligation.
3. For a Bankruptcy Related Event, all obligations of the TIFIA Lender to make disbursements are immediately deemed terminated and all amounts due under the TIFIA Loan Agreement, the Note and other TIFIA loan documents shall automatically become due and payable.
4. Whenever any Event of Default shall have occurred and be continuing, the TIFIA Lender (a) may institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid under the TIFIA Loan Agreement, the Note or the other TIFIA Loan documents, (b) may prosecute any judgment or final decree against the Borrower, (c) shall have all the rights and remedies of a secured creditor under the UCC and (d) may take whatever action by law or in equity as may appear necessary or desirable to collect the amounts payable by the Borrower, then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower, including termination of the TIFIA Loan Agreement.
5. Whenever any Event of Default shall have occurred and be continuing, the TIFIA Lender may suspend or debar the Borrower from further participation in any Government program administered by the TIFIA Lender

and to notify other departments and agencies of such default.

6. No action pursuant to an Event of Default shall relieve the Borrower from its obligations pursuant to the TIFIA Loan Agreement, all of which shall survive any such action.

INDEMNIFICATION

The Borrower shall indemnify and hold the TIFIA Lender harmless from and against any and all claims by reason of the execution and delivery of the TIFIA Loan Agreement and related documents, except as may result from Lender's gross negligence or willful misconduct or failure to honor the terms of the TIFIA Loan Agreement.

ASSIGNABILITY AND SALE

The Borrower may have the right to sell or assign its rights in and to the Project, the Concession Agreement and any subsequent lease of the Project as well as its rights and obligations under this Term Sheet and the TIFIA Loan Agreement provided such sale or assignment in and of itself is not expected to result in any material change in the amount of revenues projected to be received from the operation of the Project and is upon terms and conditions which are acceptable to the TIFIA Lender in its sole discretion and subject to such additional terms and conditions as the TIFIA Lender may require.

SALE OF TIFIA LOAN

One year after the Substantial Completion Date, the TIFIA Lender may sell the TIFIA Loan or any portion thereof to another entity or offer the TIFIA Loan into the capital markets. In making such sale or offering of the TIFIA Loan the TIFIA Lender shall not change the original terms and conditions of the TIFIA Loan or the Intercreditor Agreement without the prior written consent of the Borrower. The TIFIA Lender shall provide at least sixty (60) days notice to the Borrower of any intention to sell or offer the TIFIA Loan. The TIFIA Lender and the Borrower agree that for so long as any Senior Loans remain outstanding, the provisions in the TIFIA Loan Agreement which provide that the TIFIA Loan will be deemed to be and will automatically be on parity with the Senior Loans upon a Bankruptcy Related Event shall be of no force or effect following the sale of the TIFIA Loan to any third party other than for a sale made to a U.S. federal government agency or instrumentality, in which event, the U.S. federal government shall have the same benefits with respect to a Bankruptcy Related Event as the TIFIA Lender.

INFORMATION AND REPORTING OBLIGATIONS

The TIFIA Loan Agreement shall set forth the Borrower's information and reporting obligations.

The TIFIA Lender shall also be provided with such information as is required, from time to time, to be provided

to the Senior Lender pursuant to the Senior Loan Agreement or as is provided to the rating agencies.

DOLLARS

All references to dollar amounts in this Term Sheet are references to United States dollars.

FEES AND EXPENSES

The Borrower shall be responsible for paying to the TIFIA Lender the following fees and expenses:

1. Commencing in Federal Fiscal Year (FFY) [____] and continuing thereafter each year throughout the term of the TIFIA Loan Agreement, the Borrower shall pay to the TIFIA Lender a loan servicing fee on or before the [insert date]. The TIFIA Lender shall establish the amount of this annual fee, and the Servicer shall notify the Borrower of the amount, at least 30 days before payment is due.

In establishing the amount of the fee, the TIFIA Lender will adjust the previous year's base amount utilizing the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100, or its successor(s), published by the Bureau of Labor Statistics, or its successor(s). For the FFY [____] calculation, the TIFIA Lender will use the FFY [____] base amount of \$[____], which applies to other TIFIA borrowers, as the previous year's base amount. The TIFIA Lender will calculate the percentage change in the CPI-U, before seasonal adjustment, from [____] of the previous year to [____] of the current year and will then adjust the previous year's base amount in proportion to the CPI percentage change. To calculate the amount of the fee, the TIFIA Lender shall round the current year's base amount using increments of \$500. Results with the ending integers between 250-499 or between 750-999 shall be rounded upward, and results with the ending integers between 001-249 or between 501-749 shall be rounded downward. The CPI adjustments in the following years shall begin with the base amount, not the rounded fee.

2. The Borrower agrees, whether or not the transactions hereby contemplated shall be consummated, to reimburse the TIFIA Lender on demand from time to time on and after the date hereof for any and all reasonable fees, costs, charges and expenses actually incurred by it (including the reasonable fees, costs and expenses of counsel and other advisors) in connection with the negotiation, preparation, execution, delivery and performance of the TIFIA Loan Agreement and the other Related Documents and the transactions hereby and thereby contemplated, including without limitation, reasonable attorney's, engineer's, and planning fees and professional costs,

including all such fees, costs and expenses actually incurred as a result of or in connection with the enforcement of or attempt to enforce any provision of the TIFIA Loan Agreement or any of the other Related Documents; any amendment or requested amendment of, or waiver or consent or requested waiver or consent under or with respect to, the TIFIA Loan Agreement or any of the other Related Documents, or advice in connection with the administration of the TIFIA Loan Agreement or any of the other Related Documents or the rights of the TIFIA Lender thereunder; and any work-out, restructuring or similar arrangement of the obligations of the Borrower under the TIFIA Loan Agreement or the other Related Documents during the pendency of one or more Events of Default.

3. The obligations of the Borrower under the TIFIA Loan Agreement shall survive the payment or prepayment in full or transfer of the Note, the enforcement of any provision of the TIFIA Loan Agreement or the other Related Documents, any such amendments, waivers or consents, any Event of Default, and any such workout, restructuring or similar arrangement.

PRESIDIO PARKWAY

Diligence Documents



The following documents have been reviewed as part of the lenders due diligence:

1. Orrick PPPA Summary
2. Lenders Technical Report
3. Lenders Insurance Report
4. DB Heads of Terms

The Model Auditor Letter and Sensitivity Report have also been reviewed by GLP's Financial Advisor and is attached as part of the diligence documents.

1.5. TIFIA

SUBORDINATED LONG TERM DEBT (TIFIA LOAN)

GLP understands that the Project has been invited to submit an application to the TIFIA JPO. The benefits of TIFIA financing are the low cost of capital and the flexibility in repayment. GLP has utilized the TIFIA assumptions referenced in Appendix D, Section (f) in the development of the Financial Plan for the Presidio Parkway Project and the TIFA Term Sheet referenced in the RFP is attached to the bond term sheet provided in Section 1.4 as Exhibit A. GLP views TIFIA debt as being a cornerstone of the Financial Plan. GLP and its advisory team have been responsible for numerous successful TIFIA applications including applications for the Port of Miami Tunnel, IH-635 (LBJ Freeway), North Tarrant Express, Capital Beltway HOT Lanes Project and the Pocahontas Parkway.

As outlined above in Section 1.1, Plan of Finance – Potential Availability Payment Improvements, GLP and its advisory team believe that there are opportunities to reduce the MAP through structural changes to the proposed TIFIA terms and would like to consider negotiations with the relevant parties upon selection as preferred proponent to discuss these changes.

The TIFIA Loan proceeds will be used to pay TIFIA-eligible costs only, which have been assumed per the RFP. The TIFIA Loan will be drawn monthly to pay construction costs following certification of such costs by an independent engineer provided that the total amount of principal draws on the TIFIA facility does not exceed 33% of the eligible costs limitation. The financial model assumes that equity is contributed and applied first and that senior PAB proceeds will be drawn to pay any amounts that would otherwise result in a breach of the 33% threshold.

The TIFIA Loan will be secured by and repaid with Project revenues generated from Availability Payments. During the operations period, the TIFIA lender will be the sole debt creditor with a first priority lien over the Project security.

Noting that an investment grade rating is required for any debt senior to the TIFIA Loan, a minimum rating of BBB- on the proposed TIFIA Loan will allow the TIFIA Loan commitment to be the only outstanding debt during the operating period. An investment grade rating will be sought from a nationally recognized rating agency and will be provided as a condition precedent to Financial Close on the TIFIA Loan as required by the TIFIA JPO.

GLP believes that, as currently structured, the credit aspects of the Financial Plan are consistent with published rating criteria, investment grade market precedent and market experience of GLP, the financial, legal & technical advisors and the Core Lenders. It is GLP's opinion that the Project's primary legal documents, construction program and security package, operating assumptions, and financial structure meet or exceed investment grade criteria.

PRESIDIO PARKWAY

FINANCIAL PROPOSAL

GLP has incorporated customary TIFIA covenants including:

- No release to equity of any kind until TIFIA debt service (mandatory and scheduled) is current when capitalized interest period has ended;
- Adequate funding of the Debt Service Reserve Account;
- A minimum 1.40x Combined Debt Service Ratio is achieved for both the year preceding the distribution date and the year of distribution (with these distributions to exclude any excess funds from the Milestone Payment not used to repay PABs); and
- No amortization of senior debt until all currently accruing TIFIA interest is being paid.

The Concessionaire will be the borrower for the TIFIA loan. The interest rate on the TIFIA loan is assumed at 4.50 percent. The first interest payment on the TIFIA loan is scheduled for March 2015. Principal repayments are scheduled to begin in March 2018 and final maturity is scheduled for December 2042.

Per Appendix D, Section (f) of the ITP, GLP has assumed the following in relation to TIFIA in the Financial Plan:

Assumption

Interest Rate 4.5%

Capitalized Interest Period No longer than the period from Financial Close to the 5th anniversary of Substantial Completion.

Interest Only Period No longer than the period from the end of the Capitalized Interest Period to the 10th anniversary of Substantial Completion.
Repayment of the principal of the TIFIA loan may be deferred during this period.

Drawdown On a pro rata basis with disbursements of the proceeds of the senior debt obligations and after equity contributions.

Debt Service Reserve A reserve to be maintained at a level equal to the total TIFIA debt service over the forthcoming 12 month period, including principal and interest. Reserve to be fully funded by Substantial Completion.¹

¹ As mentioned above in Section 1.1 GLP's Financial Plan incorporates the funding of the DSRA at Financial Close instead of Substantial Completion (as per TIFIA requirements within the ITP), in the amount required under the TIFIA assumptions provided in the ITP. This early funding will provide additional benefits to the PABs bondholders and upon repayment of the PABs at Substantial

PRESIDIO PARKWAY

FINANCIAL PROPOSAL

Repayment Profile	Mandatory fixed level payments of principal and interest on the outstanding balance of the TIFIA loan beginning no later than the end of the Interest Only Period.
Final Maturity Date	No later than the 28th anniversary of the Baseline Substantial Completion Date.
Phase I Eligible Project Costs	\$353 million
Fees and Expenses	Subsidy amount: 5% of the par amount of the total TIFIA loan amount
Credit processing fee:	\$400,000
Annual servicing fee:	\$11,500
TIFIA application costs	\$50,000
Principal Amount of TIFIA Loan	The lesser of 33% of total eligible costs, as defined by the TIFIA guidelines, for Phase I and Phase II, and the amount of initial senior debt obligations.
Average Life	19.7 years
Reserve Accounts	<p><u>Debt Service Reserve Account (DSRA):</u> As described above in Footnote 1, the DSRA will be funded at Financial Close with an amount equal to 12 months of debt service on a forward-looking basis.</p> <p><u>Renewal Work Reserve Account ("RWRA"):</u> The RWRA will be funded with Project Revenues in an amount equal to:</p> <ul style="list-style-type: none">• 100% of the next year's major maintenance expenses• 66% of the 2nd year's major maintenance expenses• 33% of 3rd year major maintenance expenses• 33% of 4th year major maintenance expenses• 33% of 5th year major maintenance expenses <p><u>O&M Reserve Account (OMRA):</u> The OMRA will be cash funded at commencement of operations with proceeds from the Milestone</p>

Completion, TIFIA will hold a first priority interest in the funds in the DSRA.

Payment or equity, equal to at all times to 6 months' projected O&M costs.

Seismic Event Reserve Account (SERA): The SERA will be funded with cash at Substantial Completion in an amount equal to the Seismic Event Deductible.

Handback Requirement Reserve Account (HRRRA): On the date that is four full fiscal years prior to the expected end of term, amounts remaining in the RWRA shall be transferred to the HRRRA. Beginning on the date that is 36 months prior to the expected end of term, if amounts in the HRRRA are insufficient to pay costs of handback, deposit will be made into the HRRRA on a monthly basis to fund the shortfall.

1.6. REFINANCING

NO REFINANCING RISK

The TIFIA debt proposed under GLP's Financial Plan allows for long term repayment at a fixed rate based on one basis point above the State and Local Government Securities Series rate for a comparable tenor at the date of Financial Close. Between the low cost of capital and the long-dated maturity of the TIFIA debt, this is the most efficient form of finance available in the market and will help to ensure a long term source of debt capital regardless of the condition of the capital markets at the time of Financial Close. There will be no requirement to refinance at any stage during the life of the Agreement, thus providing the Sponsors with comfort that any factors influencing the financial markets after Financial Close will not affect the deliverability and ongoing performance of the Project.

1.7. HEDGING STRATEGY

No hedging is required relative to the fixed rate debt. The construction proceeds will be invested consistent with the proposed draw schedule to minimize reinvestment risk.

1.8. TAXATION

(I) ANALYSIS OF TAXATION APPLICABLE TO THE GOLDEN LINK PARTNERS

GLP has provided an overview of all of the taxation assumptions made in relation to both the Construction Period and the Operating Period, including federal, State and local taxes.

Equity Capitalization

- a) The Model assumes that an affiliate of HOCHTIEF, a Delaware-organized, regularly-taxed C corporation, and an affiliate of Meridiam (together with HOCHTIEF, the “Investors”), a Delaware-organized limited partnership treated as a partnership for Federal Tax purposes, each contribute one-half of the equity (“Equity”) capitalization to GLP, a newly-created, California-organized limited liability company treated as a partnership for Federal Tax purposes, in exchange for a 50% interest in GLP. The Model assumes the Equity is contributed on the date of Financial Close.

Debt Capitalization

- b) The Model assumes that all Debt instruments used in the capital structure of GLP will be considered as debt of GLP for Federal Tax purposes. The Model also assumes all deductions attributable to the Debt will be proportionately allocated among the Investors.
- c) The Model assumes that interest paid on the Debt will not be subject to U.S. gross basis withholding tax. Additionally, the Model assumes that the interest paid on the Debt is fully deductible for Federal Tax purposes.

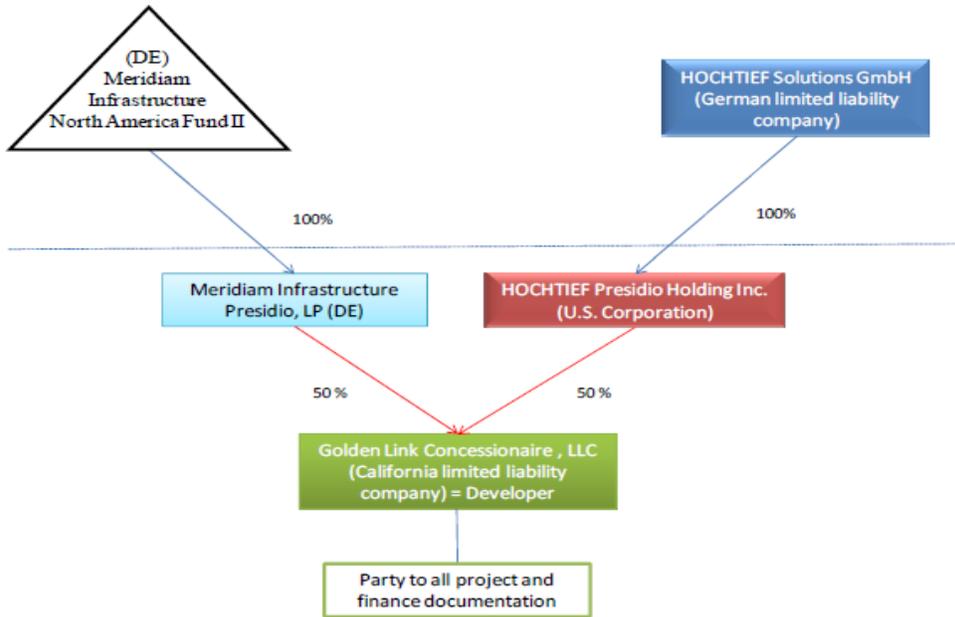
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(II) GLP STRUCTURE

A diagram illustrating the proposed structure of GLP from a tax perspective, including any subsidiary relevant to the taxation position of GLP and/or the Financial Model is provided as Figure 1.

Figure 1



(III) ASSUMPTIONS RELATING TO PROJECT

- d) The Model assumes that the payments made to GLP by the Department consist of two primary categories: the Milestone Payment and the Availability Payments (collectively the “Department Payments”). The Milestone Payment is a one-time payment payable at Substantial Completion. The Model assumes that the Department begins making the MAPs to GLP upon Substantial Completion of the Project. The Model further assumes that, pursuant to the Agreement, 20% of the MAPs paid from Substantial Completion to Final Acceptance will be held back by the Department as security. The Model assumes that all such amounts held back are still considered paid for Federal Tax purposes as though such amounts had not been held back.
- e) The Model assumes that GLP will invest certain excess funds during the Construction Period, generating interest income. The Model assumes that GLP will invest certain excess funds during the O&M Period, also generating interest income. The Model assumes such interest income is taxable and U.S.-sourced.
- f) Section 2.3.1 of the Agreement contemplates a payment to the Department by GLP (“Department Fee”) equal to \$1 million in consideration for GLP’s rights granted by the Agreement and to be used as a stipend paid to unsuccessful proposers. The Model assumes

such payment is treated the same way for Federal Tax purposes as the developer fees, as described below in assumption “s”.

(IV) TAX ASSUMPTIONS

General

- g) Sections 465 and 469 restrict, inter alia, closely-held corporations from utilizing losses against income generated from other activities. The Model assumes the inapplicability of Sections 465 and 469.
- h) The Model assumes the Investors will utilize their respective allocable shares of the losses generated from the Project during the Construction Period solely against future income derived from the Project. Further, the Model assumes that no limitations under Section 382 apply to restrict the use of net operating losses (“NOL”) carry forwards as a result of a change of ownership of any of the Investors
- i) The Model assumes the inapplicability of Section 470. Section 470 limits deductions attributable to property leased to and used by governments, foreign and/or other tax-exempt entities. The Model assumes that GLP leases no property to the Department or other government entity or other tax-exempt entity.²
- j) The Model assumes that estimated semi-annual Tax payments are made at the end of each June and December, rather than their appropriate due dates of April 15, June 15, September 15 and January 15.
- k) The Model assumes that no items of income, expense, or loss are recognized by the Investors other than their respective shares of the profits and losses allocated from GLP.

Partnership Tax

- l) The Model assumes that GLP will at all times: (i) be classified as a partnership for Federal Tax purposes and (ii) not be subject to Federal Tax. The Model also assumes that all items of GLP income, gain, deduction, loss, and credit will be proportionately allocated to its partners in accordance with their respective interests in GLP (i.e., 50% each)
- m) The Model assumes that GLP will be organized or chartered in only one U.S. state and will not be dually chartered.
- n) The Model assumes that no items of income, expense or loss are recognized by GLP other than the profits and losses arising from the Project.
- o) The Model assumes that GLP and the Department will not be treated as having formed a partnership for Federal Tax purposes and that the Department is not a partner in GLP for

² As noted, the Project Agreement, in Section 2.1.3, contemplates a Lease in the form provided as Appendix 3 to the Project Agreement. Pursuant to the Lease, the Department purports to lease the Premises to Developer. The existence of the Lease would not appear to trigger application of Section 470 to the Project because 1) as discussed below, the Lease does not appear to constitute a true lease for Federal Tax purposes, and 2) in any event, it purports to be a lease of the Premises *from* the Department (a tax-exempt entity) to Developer, whereas Section 470 applies to leases *to* tax-exempt entities.

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Federal Tax purposes.

Construction Revenues and Expenses

- p) The Model assumes that revenues and expenses properly allocable to Construction are accounted for under the “percentage of completion method” (“PCM”) applicable to “long-term contracts” under Section 460. The Model also assumes that the income for the portion of the total contract price that corresponds to the percentage of the entire contract that has been completed during the taxable year is included in taxable income for that year.

O&M Revenues and Expenses

- q) The Model assumes that revenues and expenses properly allocable to O&M are accounted for under general accrual principles, in accordance with Sections 451 and 461 and their associated Treasury Regulations. Department Payments properly allocable to O&M are included in income when all the events have occurred which fix the right to receive the Department Payments and the amount thereof can be determined with reasonable accuracy. The Model assumes that the CP O&M revenue is taken into income annually using the cost of such portion of the CP O&M plus a profit margin. Expenses are deducted as incurred.

Finance and Equity Return Revenues

- r) The Model assumes that the Department Payments allocated to Finance/Equity Return are segregated between the Finance component of the Agreement (based on GLP’s cost to finance the receivable from the Department for the completed Construction but not yet paid) and Equity Return (consisting of residual cash flows). The Finance component revenues are included as income under general accrual principles, commencing upon Substantial Completion of the Construction. The residual cash flows comprising the Equity Return bucket are included in income as and when payable (allocable portion of the MAPs) under the Agreement.

Lease

The Model assumes that the Lease of Premises contemplated by the Agreement is not a “true lease” for Federal Tax purposes; but, rather, merely grants GLP non-exclusive access to the Premises for the purpose of performing its service obligations under the Agreement.

Capitalization

The Model assumes that debt-related service fees and expenses are allocated to specific loans, are capitalized and amortized over the term of debt to which they relate, with amortization commencing on Financial Close. To the extent that amortization amounts (and/or annual fees) relate to Construction debt, such amounts are accounted for as Construction expenses during the Construction Period for purposes of applying the PCM. The Model assumes Construction debt for these purposes consists of that portion of the Debt giving rise to “interest during construction,” as described below.

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The Model assumes that interest expense and related debt costs incurred during construction ("IDC") related to the Construction component of the Agreement are taken into account under the PCM. The Model assumes with respect to the Debt generating the IDC, that a portion of the Construction expenditures are financed by the Milestone Bond ("traced debt") and the balance is funded by the TIFIA Debt ("non-traced debt") under the "avoided cost method."³

The Model assumes that that the developer fees payable to affiliates of Clients (other than the Investors), other expenses (e.g., professional service fees) of a general nature properly allocable to the bid process and the Department Fee are allocated to Construction, to O&M, and to Finance, in accordance with the allocation of the Department Payments.⁴

Alternative Minimum Tax

- s) The Model assumes that no preference or adjustments under Sections 55, 56 or 57 apply to the AMT computation.⁵
- t) AMT NOLs are limited to 90% of the alternative minimum taxable income determined before the AMT NOL deduction and the deduction allowed under Section 199.6 Due to the 90% limitation, generally, most years which include an NOL carry back or carry forward deduction will require the payment of AMT

STATE AND LOCAL TAXES

General

- u) It is our understanding that all of GLP's property and employees will be located in San Francisco, California. Further, GLP will not have any activities in states or localities other than San Francisco, California. Based on the foregoing, the Model assumes that GLP should only be subject to taxes imposed by California, San Francisco and the County of San Francisco.

California Income and Franchise Tax

- v) California generally adopts the Federal Tax treatment of limited liability companies. Therefore, for purposes of California income/franchise tax, California will treat GLP as a partnership for purposes of the state's income/franchise tax. Except as discussed below, a partnership is not subject to California income/franchise tax.
- w) For purposes of the Model, it is assumed that GLP will not withhold California income/franchise tax on any distributions as the Investors will report such income on their California income/franchise tax returns.

³ Treas. Reg. Section 1.263A-9.

⁴ The Model assumes that none of such fees and costs is allocated to the Equity Return bucket as the same constitutes a residual cash flow bucket.

⁵ Any potential AMT depreciation adjustment required by Section 56(a)(1) with respect to the Equipment is not accounted for as the Model does not otherwise depreciate the Equipment.

⁶ Section 56(d)(1)(A)(i).

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California Sales/Use Tax

- x) California imposes sales and use tax on the purchase of tangible personal property and certain services, unless a valid exemption certificate is provided to the buyer by the seller. GLP will not own any property, plant or equipment used in the Project as it will engage the design-build joint venture (“DBJV”) to perform the necessary construction to complete the Project.

Real and Personal Property Tax

- y) Although the Project contemplates a Lease being created, which may, in normal circumstances, be sufficient to create a possessory interest in real property. A possessory interest tax would fall under the definition of an ad valorem tax. Thus the Model does not include an amount for ad valorem tax.