

4.2.7 Changes in
Proposer's Organization

4.2.7. CHANGES IN PROPOSER'S ORGANIZATION AND KEY PERSONNEL

CHANGES IN PROPOSER'S ORGANIZATION

In the PQS, Cintra Concesiones de Infraestructuras de Transporte, S.A. (Cintra) was the only Equity Owner of the Proposer.

However, according to Cintra's Requests for Approval dated July 19 and August 2, and to Addendum #3 of the RFDP, the new Proposer will be "Cintra Concesiones de Infraestructuras de Transporte, S.A. and Zachry Construction Corporation as Equity Owners of a Proposer that has not yet been formed".

The following is the legal structure of the Proposer and Equity Owners:

- The Proposer will be formed as a Texas limited partnership, which will also be the Developer under the CDA.
- The Equity Owners are Cintra Concesiones de Infraestructuras de Transporte, S.A. ("Cintra"), a Spanish corporation, and Zachry Construction Corporation ("Zachry"), a Delaware corporation that is qualified to do business in Texas.
- Cintra's equity interest in the Proposer will be held by a Delaware corporation ("Cintra U.S.") to be formed as an indirect wholly owned subsidiary of Cintra. Cintra U.S. will be formed immediately prior to the formation of the Proposer.
- The Proposer will be a Texas limited partnership whose sole general partner (the "General Partner") will be a Texas limited liability company. The General Partner will be formed immediately prior to the formation of the Proposer and will hold a one (1%) percent partnership interest in the Proposer.
- The General Partner will have two members. One member will be Cintra U.S., which will hold an 85% membership interest in the General Partner. The other member will be Zachry, which will hold a 15% membership interest in the General Partner.
- The Proposer will have two limited partners. One limited partner will be Cintra U.S., which will hold an 84.15% partnership interest in the Proposer as a limited partner. The other limited partner will be an affiliate of Zachry, Capitol Construction, Inc., a Nevada corporation, which will hold a 14.85% partnership interest in the Proposer as a limited partner.
- The General Partner will be jointly and severally liable for any and all of the duties and obligations of the Proposer under the Proposal and under any contract arising therefrom. When formed, the General Partner can provide a letter to TxDOT confirming such liability.

CHANGES IN PROPOSER'S TEAM

In Section 1.1.3 of Cintra's PQS it was stated:

"1.1.3 Future teaming arrangements. Advisors, consultants and contractors required

Cintra will establish a first class team of external advisors who will give exclusive commitments to support the Consortium. Therefore many other members will join Cintra and Ferrovial Agroman

after this RPQS, subject to the approval of the Texas Department of Transportation Authority. These will surely include, at least, a lead US contractor, a lead US engineering firm and Texas minority firms.

We will contact several Foreign and Local Legal Firms for supporting legal advising as well as experienced Local and Foreign Technical Firms for supporting technical advising and carrying out the design (or part of it) of the Project.

The expertise of the Consortium's members will cover the whole scope of works, so every company will be involved in the issues it is used to manage and contribute to the common aim to the best of its ability. [...]"

Thus, and complying with what was stated in the PQS, a number of top companies have joined Cintra's Team for this project, including a lead US contractor, a lead US engineering firm and several Texas DBE firms.

Cintra, as equity member, and Ferrovial Agroman, as Major Participant for Construction, remain as members of the Team, and the following companies have been added to the Team:

- Zachry Construction Corporation both as Equity member and Major Participant for Construction
- Earth Tech, Inc., as Major Participant for Design and Planning
- PricewaterhouseCoopers, as lead financial advisor
- JP Morgan Securities, as Major Participant for arranging financing for the facilities
- Bracewell & Patterson, as legal advisor
- Pate Engineers, Inc., as engineering advisor
- Aguirre & Fields LP, as engineering advisor
- Rodriguez Transportation Group, as engineering advisor
- OTHON, Inc., as engineering advisor
- Railroad Industries Incorporated, as railways advisor
- Amey, as O&M railway advisor
- Mercator, as financial advisor
- Public Resources Advisory Group, as financial advisor
- Southwestern Capital Markets, as financial advisor
- National Corporate Network, as employment recruiter
- HRM Consultants, as ROW services

Therefore, it is not that this Proposal contains changes regarding the Proposer's organization, but that, as anticipated, the sponsor has added many new members to the organization forming a top quality multidisciplinary team.

CHANGES IN PROPOSER'S KEY PERSONNEL

Due to the very preliminary approach of the Proposer's PQS regarding the CDA phase, together with the efforts of showing the Proposer's complete business model, only a preliminary and indicative personnel structure was drafted. That draft included a team formed by a CEO, a Legal Counsel, an IT manager, a CFO, and other people responsible for public relations and TxDOT's customer service. This structure would be more suitable for the development of a specific facility as

a concession, than for performing the obligations that the Proposer is willing to undertake under the CDA.

As further and much more accurate planning and analysis have been carried out since the PQS submission, a completely new structure has been developed to maximize the flexibility of the team, optimize resources and at the same time maximize the benefit to TxDOT during the CDA.

The new organizational structure of the Proposer for the CDA is described in detail in the Project Management Plan.

This new structure comprises a Project Director (Fernando Redondo, with Cintra) that would lead a team formed by a Project Manager (Diego Marín, with Cintra), a Design & Construction Leader (to be determined, with Ferrovial Agroman), and a Project Quality Manager (Richard Klassen, with Zachry). Résumés of these key individuals, together with other key individuals identified in the proposal with other team members, are attached in the Appendix of this Proposal.