East End Crossing

January 28, 2013

Private and Confidential
Executive Summary
Executive Summary

Introduction

- The East End Crossing is part of the broader Ohio River Bridges Project. The Ohio River Bridges Project will provide two new bridges across the Ohio River, the East End Bridge and the Downtown Bridge, and connecting roadways.

- The East End Crossing is a public-private-partnership tendered by the Indiana Finance Authority (“IFA”) for the development, design, construction, financing, operation and maintenance of a bridge facility and associated roadway and facilities across the Ohio River; connecting Clark County, Indiana and Jefferson County, Kentucky (the “Project”).

- The Project is structured under a long-term concession whereby WVB East End Partners, LLC (“WVB”) and IFA have entered into a concession agreement (the Project Agreement) with a term equal to the construction period (3.6 years) plus 35 years of operations.
Executive Summary

Introduction

- The project payment mechanisms are comprised of a series of Milestone Payments to be received both during the construction period and shortly after the achievement of Substantial Completion and monthly Availability Payments in the operation period.

- Availability-based PPP project with mitigated appropriation risk.
  - No traffic demand risk being undertaken by the Developer
  - Highly predictable, stable cashflow stream for 35 years post construction
  - Amounts owing by IFA will be made available by periodic appropriations of the General Assembly of the State of Indiana less Indiana Revenue Share (50%) of the Toll Revenues generated by both Ohio River Bridge
  - Fully inflation hedged – 20% of the annual availability payment subject to actual CPI (this amount is equal to expected inflation linked operating costs) with remaining 80% subject to a fixed 2.5% escalation
Executive Summary

Introduction

- Equity (approximately $82 million) will be contributed equally by the three owners of WVB – Walsh Investors, VINCI Concessions, and Bilfinger Project Investments North America.

- WVB will use senior debt financing (approximately $700 million) in the form of tax-exempt private activity bonds (“PABs”) including a short-term PABs tranche to bridge portions of the Milestone Payments to finance construction of the Project.

- Straight-forward operations and maintenance (“O&M”) obligations.
  - O&M obligations include the roadway construction works in Indiana, the main bridge, and the approach structure in Kentucky
Project Timetable

Private and Confidential
# Project Timetable

## Project Schedule

<table>
<thead>
<tr>
<th>Event</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFQ Issued</td>
<td>March 9, 2012</td>
</tr>
<tr>
<td>RFQ Responses Due - (six teams submitted)</td>
<td>April 9, 2012</td>
</tr>
<tr>
<td>Short List Announced - (four teams shortlisted)</td>
<td>April 25, 2012</td>
</tr>
<tr>
<td>RFP Issued</td>
<td>July 18, 2012</td>
</tr>
<tr>
<td>Proposal Due Date</td>
<td>October 26, 2012</td>
</tr>
<tr>
<td>Preferred Proponent Announcement</td>
<td>November 16, 2012</td>
</tr>
<tr>
<td>Commercial Close</td>
<td>December 27, 2012</td>
</tr>
<tr>
<td><strong>Target Financial Close</strong></td>
<td><strong>March 25, 2013</strong></td>
</tr>
<tr>
<td><strong>Substantial Completion</strong></td>
<td><strong>October 31, 2016</strong></td>
</tr>
</tbody>
</table>
Project Summary

Section 4 – This section is the Kentucky approach to the new East End Bridge and is the extension of I-265. This section’s major features include a 1,680 foot tunnel under the Drumanard Estate, a redesigned partial interchange at US 42, and an overpass crossing Harrods Creek.

Section 5 – This section is a new East End Bridge carrying traffic on I-265 and will include a new six-lane cable stay bridge crossing the Ohio River. The total length of the bridge is 2,510 feet, with a main span of 1,200 feet.

Section 6 – This section is the Indiana Approach to the new East End Bridge which will serve as an extension of I-265 from its current termination at IN 62 to the Ohio River and the new East End Bridge. The section will add a new, six-lane 4.1 mile section to the highway.
Project Partners

Project Sponsors and Stakeholders

Indiana Finance Authority

- Indiana Finance Authority ("IFA") is the procuring entity for the East End Crossing and will be the contracting party for the PPA.

- IFA was formed in 2005, as an amalgamation of the Indiana Development Finance Authority, the State Office Building Commission, the Indiana Transportation Finance Authority, the Recreational Development Commission, the State Revolving Fund Programs and the Indiana Brownfields Program.

- IFA's primary mission is to oversee State-related debt issuance and provide efficient, effective financing solutions to facilitate state, local government and business investments in Indiana.

- The most recent IFA bonds issued in October 2012 were rated “AA+” by Fitch with a stable rating outlook.
Project Partners

Project Sponsors and Stakeholders

Kentucky Public Transportation Infrastructure Authority

- Kentucky Public Transportation Infrastructure Authority and IFA signed a Bi-State Development Agreement that addresses the relationship of the State of Indiana and the Commonwealth of Kentucky with respect to the Ohio River Bridges Project (Downtown Crossing and East End Crossing).

- Bi-State Development Agreement will address, among other things:
  - The sharing of tolling revenues and other user fees generated by the Ohio River Bridges Project
  - Tolling policy for the Ohio River Bridges Project
  - Operations and maintenance of some sections of the Ohio River Bridges Project after completion of construction
Project Partners

**Equity Sponsor – Walsh Investors, LLC**
- Walsh Investors is a partnership owned by the Walsh family, owners of The Walsh Group.
- The East End Crossing Project will represent Walsh Investors’ first long-term equity investment in a P3 transaction, demonstrating Walsh’s financial commitment to the Project and confidence in the IFA.

**Equity Sponsor – VINCI Concessions**
- VINCI Concessions with offices in the United States, Canada and Europe, is responsible for the development of investments and long-term asset management of privately financed transportation projects and is part of VINCI, one of the largest providers of construction-related services in the world.

**Equity Sponsor – Bilfinger Project Investments North America**
- Bilfinger Project Investments North America is a 100% subsidiary of Bilfinger SE, an internationally active engineering and services company.
- Bilfinger Project Investments North America is a major player in the development and operation of infrastructure projects around the world, having committed more than €400m of equity to over 40 P3 projects.
Project Partners

Lead Contractor – *Walsh Construction Company* - 60% JV PARTNER

- Walsh Construction, part of the Walsh Group, a 114–year old family owned business will be the managing design-build joint venture partner for the complete design and construction of the Project.

Lead Contractor - *VINCI Construction Grands Projets* - 40% JV PARTNER

- VCGP is a company organized in France with over 100 years of experience in construction of bridges, tunnels and highways, and has proven experience on major international projects similar in size, scope and complexity to The East End Crossing.

Lead Engineer & Design - *Jacobs*

- Jacobs is one of the world’s largest providers of professional technical services, including engineering, architecture, construction and operations and maintenance.
Project Partners

WVB East End Partners Organizational Chart
## Project Partners

### Project Advisors

<table>
<thead>
<tr>
<th>Advisor Role</th>
<th>WVB</th>
<th>IFA</th>
<th>Lenders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>Scotiabank</td>
<td>KPMG</td>
<td>N/A</td>
</tr>
<tr>
<td>Legal</td>
<td>Mayer Brown</td>
<td>Nossaman</td>
<td>Latham &amp; Watkins</td>
</tr>
<tr>
<td></td>
<td>Bingham Greenebaum Doll</td>
<td>Ice Miller</td>
<td></td>
</tr>
<tr>
<td>Technical</td>
<td>(In-House Experts)</td>
<td>Parsons Transportation Group</td>
<td>Granherne (KBR)</td>
</tr>
<tr>
<td>Insurance</td>
<td>Willis</td>
<td>N/A</td>
<td>Moore McNeill</td>
</tr>
<tr>
<td>Tax</td>
<td>Ernst &amp; Young</td>
<td>N/A</td>
<td>Ernst &amp; Young</td>
</tr>
<tr>
<td>Model Audit</td>
<td>Operis</td>
<td>Operis</td>
<td>Operis</td>
</tr>
</tbody>
</table>
Contractual Previsions
Contractual Previsions

Material Agreements

- **Project Agreement:** The Public-Private Agreement (“PPA”) will run through Commercial Close until the end of the Concession which includes the construction period (until October 31, 2016) and a 35 year operations period.
  
  - PPA includes typical provisions including compensation upon termination for various circumstances including termination for convenience, failure to reach financial close, IFA default, concessionaire default and due to force majeure/relief events

- **Design-Build Contract:** WVB will pass down its obligations related to the construction work to the DBJV through the Design-Build Contract.
  
  - Walsh Construction and VCGP have joint and several liability to WVB
  - Cost overruns and delays are covered by protections within the Design-Build Contract
  - DBJV will provide a security package

- **Operation & Maintenance Obligations:** WVB will self-perform, with the assistance of specialty subcontractors, all O&M obligations.
Contractual Previsions

Design Build Contract

- Design-Build Contract passes down WVB’s design and construction obligations under the PPA to the DBJV.

- Fixed-price, date-certain Design-Build Contract with the DBJV.
  - Transfers substantially all construction risk to Walsh Construction and VCGP
  - Lump sum Design –Build Contract price of $763 million
  - Fixed Construction term of 3.6 years (Substantial Completion on October 31, 2016)
  - The integrated DBJV has joint and several liability to WVB
  - DBJV will self-perform a significant amount of the construction work (approximately 75% by value)
Contractual Previsions

Design Build Contract

- **DB Security Package Summary**
  - Performance letter of credit: 7.5% of DB Contract price, stepping down at Substantial Completion and Final Acceptance and terminating at the end of the Warranty Period.
  - PPA Payment Performance Security: payment security in an amount equal to 5% of the DB Contract price and performance security in an amount equal to 25% of the DB Contract price in the form of a surety bond.

- **Parent Company Guarantee**

- **Liquidated Damages (“LDs”) Regime**

- **Warranty and Latent Defects Period**
  - Warranty Period: 24 Months
  - Latent Defects: 10 years
Operations, Maintenance and Lifecycle
Operations, Maintenance and Lifecycle

Overview

- Due to the straightforward O&M obligations, WVB chose to self perform O&M obligations with the support of VINCI Concessions technical expertise.

- WVB will perform lifecycle work relating to various elements of the facility including pavement surfaces, new bridges and existing structures.

- The O&M team was fully involved in the design process with the DBJV to optimize design and to accurately anticipate future maintenance work.
Operations and Maintenance

- O&M responsibilities include performing operations and maintenance and rehabilitation work starting from Kentucky 841 in Section 4 from the north abutment of Harrods Creek Bridge then continuing northwesterly on SR 265 to the end of construction west of SR 62 and Port road interchange, Indiana in Section 6 - a total of 5.3 miles.
  - patrolling and incident response
  - winter maintenance
  - roadway repair
  - guardrail repair

- Exclusions
  - The operation and maintenance of the Electronic Toll Collection System and the Information Telecommunication Systems
  - The maintenance of the Drumanard Tunnel in Section 4
Financing Structure
Financing Structure

**Funding Background**

- The IFA will be contractually obligated to make the payment of the Milestone Payments and Availability Payments to the Developer pursuant to the PPA.

- IFA will enter into an agreement (the “**Milestone Agreement**”) with INDOT pursuant to which the INDOT will agree to make payments to IFA in an amount equal to the Milestone Payments owed by IFA under the PPA.

- IFA will enter into an agreement (the “**Use Agreement**”) with INDOT, pursuant to which INDOT will agree to make payments to IFA in an amount equal to the Availability Payments owed by IFA under the PPA.

- Payments owed by INDOT in the Use Agreement shall be reduced by toll revenue (50% of the aggregate toll revenues - representing Indiana’s Share) generated by the Ohio River Bridges Project (Downtown Crossing and East End Crossing).
Financing Process and Structure

**Project Milestone Payments**

- $392.0 million payable shortly after the achievement of certain construction related milestones:

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Description</th>
<th>Expected Completion Date</th>
<th>Amount ($mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Complete Main Span Pier Foundations</td>
<td>August 2014</td>
<td>$25</td>
</tr>
<tr>
<td>2</td>
<td>Complete Tunnel Excavation &amp; Initial Liner</td>
<td>July 2015</td>
<td>$80</td>
</tr>
<tr>
<td>3</td>
<td>Complete Main Span Towers</td>
<td>October 2015</td>
<td>$45</td>
</tr>
<tr>
<td>4</td>
<td>Complete Indiana East End Roadway from Old Salem Road Northwest to and including the SR 62/Port Road/SR 265 Interchange</td>
<td>October 2015</td>
<td>$45</td>
</tr>
<tr>
<td>5</td>
<td>Complete KY 841 construction between I-71 and US 42</td>
<td>July 2016</td>
<td>$50</td>
</tr>
<tr>
<td>6</td>
<td>Complete Final Tunnel Liner</td>
<td>May 2016</td>
<td>$26</td>
</tr>
<tr>
<td>7</td>
<td>Complete Main Span Superstructure Erection</td>
<td>May 2016</td>
<td>$26</td>
</tr>
<tr>
<td>8</td>
<td>Substantial Completion</td>
<td>October 2016</td>
<td>$95</td>
</tr>
</tbody>
</table>

**Total Milestone Payments**

- $392

- A portion of the Milestone Payments payable by the IFA to the Developer will be utilized to fund construction
Financing Process and Structure

The financial structure consists of the following debt tranches:

- **Senior Debt: Short Term Private Activity Bonds** – Approximately $210 Million
  - Proceeds available to pay for costs during the construction period
  - Fully repaid upon receipt of final Milestone Payment estimated to occur shortly after the achievement of Substantial Completion

- **Senior Debt: Long Term Private Activity Bonds** – Approximately $485 Million
  - Proceeds available to pay for costs during the construction period
  - Repaid from the monthly Availability Payments to be received over the 35-year operation period
  - Debt Service Reserve Account sized at six-months of Long Term PABs debt service funded at Financial Close
  - Interest-only period followed by a fully amortizing structure