Soybean Association
Chicago Meeting

August 4, 2015

Infrastructure Opportunities in PPP in US Water Infrastructure and with the United State Army Corps of Engineers

Richard M. Ornitz, Chairman
InfraLinx Capital LLC
Senior Counsel – Dentons US LLP
Richard.ornitz@infralinx.com
203-515-1948

P3 Activity Global Snapshot

**Brazil.** P3 investment opportunities - $6.3B of investment in transport, waste and water and prison

**British Columbia.** 20% of new infrastructure done through P3s

**Ontario.** 30 hospital infrastructure P3s over the next 5 years

**Ireland.** Over 100 P3 projects in wastewater

**Portugal.** 31 hospitals to be privatized under P3 – value of $28B

**Ireland.** 31 hospitals to be privatized under P3 – value of $28B

**Texas.** One of the world’s largest transportation P3 programs

**American Recovery and Reinvestment Act.** $120B in infrastructure funding

**Illinois and Virginia.** Market innovations in P3

**New Trends:** Design-Build, Performance Based Contracts

**UK.** Largest schooling P3 program: more than 105 educated PFI deals with value of £3.6 billion. Transport accounts for 7% of PFI deals with 50% capital value of PFI projects. Defense accounts for 9% of signed PFI deals; 56 deals by 205

**Netherlands.** World leader in P3 for social housing/urban regeneration

**France.** $1.25B in prison projects

**Italy.** 25% of P3 projects undertaken in transportation sector

**Spain.** $113B or 1/3 of investment in roads and rail to be done through P3s by 2020

**India.** $35.5B in highway P3 projects

**Africa.** 14% of energy, transport, and water projects through private infrastructure firms during 1990-2004; higher than rest of developing world

**Australia.** Transport sector – first to use P3. 25% of P3s are related to transport
Data Collection & Analysis

Governments should look at the sectors where P3s have been especially successful in other countries:

- **UK**: schools, hospitals, prisons and defense facilities and roads.
- **Canada**: energy, transport, environment, water, waste, recreation, information technology, health and education.
- **Greece**: transport projects: airport and roads.
- **Ireland**: road and urban transport systems.
- **Australia**: transport and urban regeneration.
- **Netherlands**: social housing and urban regeneration.
- **Spain**: toll roads and urban regeneration.
- **U.S.**: projects, which combine environmental protection, commercial success and rural regeneration.

Source: Deloitte and Touche USA LLP
Global Infrastructure: Challenge and Opportunity — 2013 – 2030 (excluding telecom)

*Challenge*: Global infrastructure needs – $57 trillion (not telecom)

*Opportunity*: How infrastructure spending could be reduced

Risk Transfer in Value for Money

Model #1
Public Sector Comparator (PSC)
Total estimated costs to the public sector of delivering an infrastructure project using traditional procurement processes

Model #2
Adjusted Shadow Bid (ASB)
Total estimated costs to the public sector of delivering the same project to the identical specifications using AFP

Diagram:
- **Total PSC = $107.0**
  - A: Base Costs = $60.0
  - B: Financing Costs = $18.0
  - C: Retained Risks = $20.0
  - D: Ancillary Costs = $12.0
- **Total ASB = $100.0**
  - A: Base Costs (including Premium) = $60.0
  - B: Financing Costs = $17.0
  - C: Retained Risks = $7.0
  - D: Ancillary Costs = $14.0

Value for Money = $7.0
Challenges to Government Include

- Generally higher costs, in terms of the returns on equity and debt financing demanded by investors, as a kind of risk premium
- Internal project development process
- Constraints on project sponsors’ flexibility
- Limits on Government ability to change the business environment for projects
- Stakeholder issues
- Internal turfs/politics and domains
- Education curve/culture change
- Fear
- Leadership/champion/vision
### U.S. Infrastructure Needs:
#### American Society of Civil Engineers Report Card

#### Estimated 5-Year Investment Needs in Billions of Dollars 6 years ago

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>5-YEAR NEED (BILLIONS)</th>
<th>ESTIMATED ACTUAL SPENDING*</th>
<th>AMERICAN RECOVER AND REINVESTMENT ACT (PL III-005)</th>
<th>FIVE-YEAR INVESTMENT SHORTFALL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aviation</td>
<td>87</td>
<td>45</td>
<td>1.3</td>
<td>(40.7)</td>
</tr>
<tr>
<td>Dams</td>
<td>12.5</td>
<td>5</td>
<td>0.05</td>
<td>(7.45)</td>
</tr>
<tr>
<td>Drinking Water and Wastewater</td>
<td>255</td>
<td>140</td>
<td>6.4</td>
<td>(108.6)</td>
</tr>
<tr>
<td>Energy</td>
<td>75</td>
<td>34.5</td>
<td>11</td>
<td>(29.5)</td>
</tr>
<tr>
<td>Hazardous Waste and Solid Waste</td>
<td>77</td>
<td>32.5</td>
<td>1.1</td>
<td>(43.4)</td>
</tr>
<tr>
<td>Inland Waterways</td>
<td>50</td>
<td>25</td>
<td>4.475</td>
<td>(20.5)</td>
</tr>
<tr>
<td>Levees</td>
<td>50</td>
<td>1.13</td>
<td>0</td>
<td>(48.87)</td>
</tr>
<tr>
<td>Public Parks and Recreation</td>
<td>85</td>
<td>36</td>
<td>0.835</td>
<td>(48.17)</td>
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<tr>
<td>Rail</td>
<td>63</td>
<td>42</td>
<td>9.3</td>
<td>(11.7)</td>
</tr>
<tr>
<td>Roads and Bridges</td>
<td>930</td>
<td>351.5</td>
<td>27.5</td>
<td>(549.5)</td>
</tr>
<tr>
<td>Discretionary grants for surface transport</td>
<td></td>
<td></td>
<td>1.5</td>
<td></td>
</tr>
<tr>
<td>Schools</td>
<td>160</td>
<td>125</td>
<td>0**</td>
<td>(35)</td>
</tr>
<tr>
<td>Transit</td>
<td>265</td>
<td>66.5</td>
<td>8.4</td>
<td>(190.1)</td>
</tr>
<tr>
<td><strong>2.122 trillion</strong>*</td>
<td><strong>903 billion</strong></td>
<td><strong>71.76 billion</strong></td>
<td></td>
<td>(1.176 trillion)</td>
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<tr>
<td><strong>Total Need **** $2.2 trillion</strong></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

*Today even after stimulus, 3.6 trillion by 2020*
US Infrastructure Historically Dominated by Munis

Municipal Issuance Volume

Municipal Finance Since 2000

Insured percentage has fallen to single digits, making the market more credit sensitive

Record supply in 4Q10 combined with fiscal austerity has lead to a large decrease in 2011 new issuance

Chris Mauro (212) 618 7729 chris.mauro@rbccm.com
Why PPP in America

• Rationale
  – Municipal financing limited:
    • Cities broke
    • Balance sheet constraints
    • Credit rating constraints
  – Efficiency gains: value for money
  – A rising tide

• Expected benefits
  – Reduced life-cycle costs
  – Increased life-cycle benefits
  – More efficient allocation of risks
  – Reduced government risk
  – Faster implementation
  – Improved service quality
  – Additional revenue/profit sharing
Market Update
P3 Transactions Currently in Procurement

1. LaGuardia Airport Authority of NY/NJ
   Size: $1.9B
   Bid submission May 2014
   Preferred bidder to be announced

2. Long Beach Civic Center
   Long Beach City Council
   Size: $200m
   Preferred bidder announced Dec 2014

3. Indianapolis Courthouse
   City of Indianapolis
   Size: $500m
   Preferred bidder announced Dec 2014

4. Purple Line
   Maryland DOT
   Size: $2.2B
   Proposals due August 2015

5. SH 288
   Texas DOT
   Size: $320m
   Preferred bidder announced Feb 2015

6. Illiana Expressway (IL)
   Illinois DOT
   Size: $1.0B
   Project put on hold in Jan 2015 following change in Governor

7. Illiana Expressway (IN)
   Indiana DOT
   Size: $300m
   Bidders shortlisted
   Project put on hold following the decision taken by Illinois’s governor

8. Michigan Freeway
   Lighting P3
   Michigan DOT
   Size: n/a
   Preferred bidder to be announced in Q2 2015

9. PennDOT Wireless
   Telecom
   Pennsylvania DOT
   Size: n/a
   RFP to be issued in 2015

10. UC Merced Campus
    Expansion
    US Merced
    Size: $1B
    RFP to be issued in Q4 2015

11. PennDOT CNG - fuelling stations project
    Pennsylvania DOT
    Size: n/a
    Proposal due by mid 2015

12. Chatham County Courthouse
    Chatham County-Georgia
    Size: n/a
    RFQ issued April 15

13. Denver International Airport
    Great Hall
    Denver International Airport
    Size: 500m
    RFQ issued Jan 15

14. UMass Boston Student Housing project
    Size: $133m
    RFQ issued in Dec. 2014

15. Georgia - I-285/GA 400
    Highway rehabilitation
    Size: $1.05B
    Bidders shortlisted in Feb 2015, RFP issued

16. Florida-ECU/UA
    Waste Processing Facility
    Size: $30-70m
    Bidders shortlisted in Jan 2015

17. University of Kansas
    University of Kansas
    Size: n/a
    Bidders shortlisted in Feb 2015

Key:

- Tolluser
- AP
- Undecided

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## Top 10 U.S. P3 Deals 2011-2013

<table>
<thead>
<tr>
<th>#</th>
<th>Transaction Name</th>
<th>Type</th>
<th>Sector</th>
<th>Subsector</th>
<th>Date</th>
<th>Year</th>
<th>Amount USD (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Midtown Tunnel Project (Virginia)</td>
<td>Greenfield</td>
<td>Transport</td>
<td>Bridges and tunnels</td>
<td>4/13/2012</td>
<td>2012</td>
<td>2,100</td>
</tr>
<tr>
<td>2</td>
<td>Goethals Bridge P3</td>
<td>Greenfield</td>
<td>Transport</td>
<td>Bridges and tunnels</td>
<td>11/8/2013</td>
<td>2013</td>
<td>1,500</td>
</tr>
<tr>
<td>3</td>
<td>US Route 460 Corridor Improvements (Virginia)</td>
<td>Greenfield</td>
<td>Transport</td>
<td>Roads</td>
<td>12/20/2012</td>
<td>2012</td>
<td>1,400</td>
</tr>
<tr>
<td>4</td>
<td>North Tarrant Expressway Segments 3A and 3B</td>
<td>Greenfield</td>
<td>Transport</td>
<td>Roads</td>
<td>9/19/2013</td>
<td>2013</td>
<td>1,350</td>
</tr>
<tr>
<td>5</td>
<td>Puerto Rico Highway Package Phase One (PR-22, PR-5)</td>
<td>Brownfield</td>
<td>Transport</td>
<td>Roads</td>
<td>9/21/2011</td>
<td>2011</td>
<td>1,136</td>
</tr>
<tr>
<td>6</td>
<td>I-95 HOV/HOT Lanes Projects (Virginia)</td>
<td>Greenfield</td>
<td>Transport</td>
<td>Roads</td>
<td>7/31/2012</td>
<td>2012</td>
<td>923</td>
</tr>
<tr>
<td>7</td>
<td>Georgia Northwest Corridor (NWC) P3</td>
<td>Greenfield</td>
<td>Transport</td>
<td>Roads</td>
<td>11/14/2013</td>
<td>2013</td>
<td>840</td>
</tr>
<tr>
<td>8</td>
<td>Louisville-Southern Indiana Ohio River Bridges Project (East End, Indiana)</td>
<td>Greenfield</td>
<td>Transport</td>
<td>Bridges and tunnels</td>
<td>3/28/2013</td>
<td>2013</td>
<td>763</td>
</tr>
<tr>
<td>9</td>
<td>Luis Munoz Marin International Airport</td>
<td>Greenfield</td>
<td>Transport</td>
<td>Airports</td>
<td>2/27/2013</td>
<td>2013</td>
<td>615</td>
</tr>
<tr>
<td>10</td>
<td>Ohio State University (OSU) Parking Facility</td>
<td>Greenfield</td>
<td>Transport</td>
<td>Car parks</td>
<td>9/21/2013</td>
<td>2012</td>
<td>535</td>
</tr>
</tbody>
</table>

**Other notable P3 projects**

- Tappan Zee Bridge (New York)  | Greenfield | Transport | Bridges and tunnels | 10/31/2013 | 2013 | 3,140 |

Sources: Infra-deals.com, viewed December 17, 2013, and PwC analysis
Tide may be rising

- Indianapolis Justice Facility
- Rapid Bridge Replacement Project Pennsylvania
- Purple Line LRT (?)
- Denver Airport Great Hall
- Indianapolis Airport Waste Water
- Merced University/California
- Florida, Virginia and Colorado Roads
- Portsmouth Bypass P3
- UMASS Dormitory
- Middletown Water & Sewer
- I4 Florida
- I77 NCDOT
Representative Basic US Finance Models

Type

- Public Finance
  - Tax exempt
  - Taxable
- Private Finance
  - Private Equity/nonrecourse
    - Syndicate debt
    - Public/private placement debt
    - Sale Leaseback
    - Corporate/Recourse
  - Non-for profit (501(3)(c))

Cost of Capital

- Lower
- Slightly higher
- Highest
- Lower to Moderate
- Moderate
- Lowest
P3/P4 Revenue Generation Models

- Private partner investment and operating capital
- Public partner contribution/benefit
- User payments
- Availability payments
- Secondary revenues
- Creative solutions
- Upstream/downstream ancillary businesses
- Land development rights
- Ad valorem taxes
Continuum of Public-Private Partnership

Source: Development Equity Associates (2012)
Risk Transfer

- Project Development Agreement
- Design / Build
- Design / Build / Finance
- Design / Build / Finance / O&M
- Concession

Risk Transfer
Generic PPP Project Sequence

1. **Decision to Enter PPP Process**
   - Determine the Priority Projects

2. **Sector Diagnostic and Sector Road Map**
   - Define Project Team Internal and External Advisors
   - Select PPP Option

3. **PPP Preparation/Feasibility**
   - Legal Regulatory
   - Technical
   - Institutional
   - Commercial/Financial/Economic
   - Procurement Process

4. **Publication/Announcement**

5. **PPP Prequalification**

6. **Prepare Bidding Package**
   - Terms of Reference
   - Draft Contract
   - Bidding Requirements

7. **Conduct Procurement**

8. **Bid Evaluation and Award**

9. **Negotiation and Contract Signing**

**Key Considerations**

- Underperforming sector
- Assess sector constraints
- Identify sector goals
- Set tasks and timetable
- Identify expertise needed
- Identify Gov’t champion
- Review options vis-à-vis sector constraints and goals
- Enabling environment for PPP in terms of policy and operating environment
- Determine project design
- Ensure feasibility and sustainability
- Assign risks
- Identify and train for new roles
- Solicit market interest/feedback on project
- Refine bid package
- Develop draft contract
- Final definition of process
- Train staff in procurement
- Transparent process
- Put financing in place
- Start transition arrangement

• 60 Billion $ backlog of projects
• 4.8 billion $ annual appropriation
• Assets / Responsibilities / Opportunities
  – Dams/hydropower
  – Locks
  – Waterways/Dredging
  – Parks
• Senior command willingness to explore public private partnership
• 3 + 15
• WRDA incentive
P3 Pilots

P3 Procurement Starts with 1st RFI
Conceptual Structure of a PPPP

Tax (TRZ?) Increment on Real Property Value

Tonnage or Cargo Value Fees

Wetland/C Banking Fees

Dedicated Revenue

USACE

Transaction Support & Appropriations

Services Agreement

Sabine Neches Navigation District

Bond Docs

Debt Service

Public Debt Facilities

Project Company (DBOF SPV)

Revenue Pledge

Concession Agreement

Project Equity

Project Debt Facilities

Shareholder Agreement

Cash Distributions

Third Party Equity

Payments

EPC Contract

Dredging Contractor

Shareholder Agreement

Cash Distributions

Loan Agreement

Loan Repayments
Potential Project Finance Structure & High-Level Cash Flows

- Project Cost (Traditional delivery): $1.2 billion
- Project Cost (PPPP): $1.0 B (assume conservatively, 15% savings to account for risk associated with first-time transaction)
- Cost of Annual Maintenance Dredging: $30 million
- Financing Assumptions:
  - Equity: 30% ($300 million)
  - Debt: 70% ($700 million) @ 4.5%; coverage ratio = 1.15
  - Required IRR on Equity: 12%
  - Project term: 30 years
- Annual Levelized Revenue Requirement (per model): $111 million
- Potential Revenue Sources (notional; others in addition or in lieu also possible):

<table>
<thead>
<tr>
<th>Source</th>
<th>Base</th>
<th>Rate</th>
<th>Year 15 Annual Revenue (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ad Valorem Cargo Fee</td>
<td>$4,320</td>
<td>.015</td>
<td>$65</td>
</tr>
<tr>
<td>Real Property Tax Increment</td>
<td>$47</td>
<td>40%</td>
<td>$19</td>
</tr>
<tr>
<td>Wetlands/C Banking Fees</td>
<td>2,000</td>
<td>$30,000</td>
<td>$2</td>
</tr>
<tr>
<td>USACE Appropriations</td>
<td></td>
<td></td>
<td>$25</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>$111</td>
</tr>
</tbody>
</table>
USACE P3/P4 Revenue Generation Models

- Private partner investment and operating capital
- Public partner contribution/benefit
- User payments
- Availability payments
- Secondary revenues
- Creative solutions
- Upstream/downstream ancillary businesses
Representative US Precedent Deals —
The Good, The Bad and the Ugly

**Good:**
- I-595, Long Beach Courthouse,
- Denver RTD, Chicago Skyway,
- Baltimore Seagirt Marine Terminal,
- Puerto Rico PR-22, Pennsylvania Bridge Replacement,
- Portsmouth Bypass

**Bad:**
- Alligator Alley, BART Light Rail I,
- Florida High Speed Rail, Chicago Parking, Mid-Currituck Bridge,
- Jackson Airport Connector, Southport

**Ugly:**
- Pennsylvania Turnpike, Midway Airport
“Despite the insolvency of the Indiana Toll Road Concession Company (ITRCC), we view privatization of the Indiana Toll Road (ITR) as largely successful for a number of reasons. First, the ITR is more valuable today than it was in 2006 in large part because of the intrinsic value of the asset itself. The state monetized its asset to invest in priority public infrastructure projects. Operationally, the road actually proved resilient despite a difficult economic environment. Last, the private sector assumed the risk of the aggressive capital structure and the public was largely insulated from the bankruptcy. Going forward, we think more states will consider long-term leases of infrastructure assets as they grapple with ways to rebuild and reinvest in infrastructure. Moreover, we believe the lessons learned from ITR are very instructive to state transportation officials, lenders and investors.”
Critical Success Factors

- Proper enabling legislation/framework
- Political leadership
- Stakeholder analysis/support
- Fair and balanced procurement process
- Public vision
- Open mindedness/value of private money
- Best value financing vehicle
- Comprehensive but simple documentation
- One size does not fit all
- Definable project
- Knowledgeable/experienced advisors
- Progressive critical path
- Reasonable expectations on all sides
- Reasonable project economics
- Fair risk allocation
- Leadership and focus
The Ultimate Key to Success: Risk Allocation

Key = A Fair and Balance Risk Allocation with Proper Responsibility and Reward to all Parties, Resulting in a Successful Project providing Public Benefit
A. Risks/Risk Perspective

B. Pennsylvania Rapid Bridge Replacement Project

C. InfraLinx Capital
The parties will need to consider the allocation of three principal kinds of risks:

- Government and Regulatory Risks
- Financial and Economic Risks
- Technical, Construction and Operational Risk
# Risk Perspectives of Participants

<table>
<thead>
<tr>
<th>Party</th>
<th>Goals</th>
<th>Seeks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concessionaire</td>
<td>• Recover development expenses</td>
<td>• Low cost debt</td>
</tr>
<tr>
<td></td>
<td>• Management fees</td>
<td>• Control of Contractor/Subcontractor Participation</td>
</tr>
<tr>
<td></td>
<td>• Cash returns on operations</td>
<td>• Efficient use of tax benefits</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Refinancing flexibility</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Time and excuse for delays</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Sufficient access to funding</td>
</tr>
<tr>
<td>Operator</td>
<td>• Fees</td>
<td>• Sufficient Funds</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Limited Price Risk</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Liability Protection</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Host Government Support</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Project as Part of System</td>
</tr>
<tr>
<td>Lender</td>
<td>• Minimum Financial Risk</td>
<td>• Reliable Sources of Revenue</td>
</tr>
<tr>
<td></td>
<td>• Timely Repayment of Principal and Interest</td>
<td>• Sufficient Equity</td>
</tr>
<tr>
<td></td>
<td>• Fees</td>
<td>• Sufficient capital to Finance Project</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Senior Collateral Position and/or Control</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Satisfactory Intercreditor Agreement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Limited Market Risk</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Credit Support as Necessary</td>
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</table>
# Risk Perspectives of Participants

<table>
<thead>
<tr>
<th>Party</th>
<th>Goals</th>
<th>Seeks</th>
</tr>
</thead>
</table>
| Host Government/Agency    | • Well constructed road/airport at an affordable price  
• Balance of public and private interests  
• Proper operation of road  
• Ultimate ownership of road  
• Integration of road into transit system  
• Security in the event of default | • Reliable concessionaire  
• Adequate and affordable financing  
• Performance guarantee  
• Timely completion  
• Review and approval controls  
• Compliance with concession law  
• Safety and maintenance  
• Environmental sensitivity  
• Community sensitivity |
Project Background

Pennsylvania Rapid Bridge Replacement Project
The Rapid Bridge Replacement Project will be the first P3 project for the Commonwealth
- Project approved by the Commonwealth's Public Private Transportation Partnership Board in September 2013

The project includes the design, demolition, construction, financing, and routine maintenance and lifecycle maintenance for 558 structurally deficient bridges across Pennsylvania
InfraLinx Capital LLC (ILX) provides project development and P3 advisory services to all parts of the infrastructure market. Its proven success at risk allocation and creation of a balanced and fair alignment of interests has a long proven track record of success in over $100 billion of closed transactions. Through arrangements with selected financial institutions, InfraLinx US is also able to refer its clients’ infrastructure projects to sources of capital provided by these broker dealers and arrangers.

InfraLinx Capital Germany, Switzerland and Warsaw is an integrated infrastructure finance boutique that provides financial advisory, equity and debt raising, and development advisory services to a variety of public and private sector clients.
InfraLinx serves as a bridge between the public and private sectors; it works with governments, engineering companies, technology suppliers, construction companies, financiers, and other infrastructure industry participants to advance major infrastructure initiatives from the procurement phase until financial close.

In appropriate transactions ILX will invest in infrastructure or related projects through our own or our investors’ capital and/or through private equity vehicles or publicly-traded investment trusts or funds organized, advised and/or managed by ILX.
Sample: InfraLinx Infrastructure Value Chain

Timeline

1. Planning
   - Set up of project plan and desired outcomes
   - Refine business case and evaluate PPP viability
   - Feasibility studies
   - RFQ support
   - Teaming Agreement
   - Equity contribution
   - Merchant Bank as capital investor in certain transactions

2. Regulation
   - Establish regulatory framework to ensure a robust PPP process

3. Design and evaluate
   - Identify needs and establish priorities for projects
   - Identify suitability of the project for PPP structure
   - Create preliminary financials and budget
   - Define expropriation process and permits

4. Tender / Private Initiative
   - Identify potential bidders
   - Documents tender process
   - Design evaluation criteria and prepare RFP document
   - Project Risk Assessment

5. Financing
   - Asset Management during design & construction phase
   - Financial structuring
   - Financial modeling
   - Balanced Financing Agreements

6. Execution
   - Asset Management during operations phase or handover
   - Risk allocation
   - Project returns
   - Due diligence
   - Closing

7. Operation
   - 3-4 years
   - +20 years

Tasks

6 months
6-12 months
3-4 years
+20 years

6 months
CORE MANAGEMENT TEAM
Richard Ornitz is a seasoned and recognized infrastructure and investment market leader having done these projects over many years on most every continent as each an engineer, lawyer, investment banker and investor. Prior to serving as Chairman of InfraLinx, he has worked with and represented global contractors and concessionaires of most nationalities, governments, investment banks, banks, multilateral finance institutions and also served and continues to serve on the UN and US advisory boards for development of this market globally. In the early days he also served on the US Secretary of State private advisory board and learned his international deal doing at Cravath Swaine et Moore and then as a senior member of management of Degussa, a fortune 100 Germany global company based in Frankfurt Germany.

Richard has a reputation as a creative problem solver and deal doer, who understands the perspectives and legitimate needs of the various parties in these deals, brings them together and makes it happen while also structuring and sourcing the most efficient capital including any needed credit enhancements.
• **Harald Junke** is a senior investment banker and project finance specialist, focused on infrastructure transactions. His specialty is transportation, which includes aviation and maritime as well as road and rail projects. Harald brings in-depth knowledge of the European transportation market and has worked in senior project finance positions with a variety of German and international financial institutions. In addition, he was responsible for the development and management of direct asset portfolios for one of Germany's largest private banks from which he retired in 2010 to join InfraLinx Capital as a senior partner.

• Between 2001 and 2010, Harald arranged and managed assets in North America, Europe, China and Southeast Asia, focusing on the development of complex risk mitigation schemes to open emerging markets to German private investment vehicles.
Matt Kennedy

- **Matt Kennedy** is a founder of Kennedy Merchant Partners (KMP) and has worked in over 20 countries on six continents. Previously, Matt served in senior roles in the Obama Administration at the Department of Commerce, Department of the Treasury and the White House. As the Director of the Office of Strategic Partnerships at Commerce, Matt worked closely with the Overseas Private Investment Corporation and Export-Import Bank of the United States to develop innovative public-private partnerships with leading Trade organizations and several Fortune 500 business.

- Prior to his service in government, Matt managed Senator Edward M. Kennedy's 2006 reelection campaign and the MoneySite, a nonprofit financial services initiative that leverages tax preparation as a vehicle to create personal financial plans for low-income households. Matt graduated from Stanford University with a B.S. in management science and engineering, where he was also captain of the lacrosse team, and holds an M.B.A. from Harvard University. He sits on the boards of the Robert F. Kennedy Center for Justice and Human Rights and the John F. Kennedy Presidential Library Foundation.
ILX Office Locations

All ILX entities

- InfraLinx Capital LLC (New York, Boston)
- InfraLinx Capital (Germany) Limited (Frankfurt, London)
- InfraLinx Suisse sàrl (Geneva, London)
- InfraLinx Capital s.p.z.o.o. (Warsaw, London)

operate under a joint partnership framework, sharing the brand/logo and the internet domain (www.infralinx.com).