

Cordes To Seligman (“CTS1”)

A “Mountain State” Highway “Shortcut”

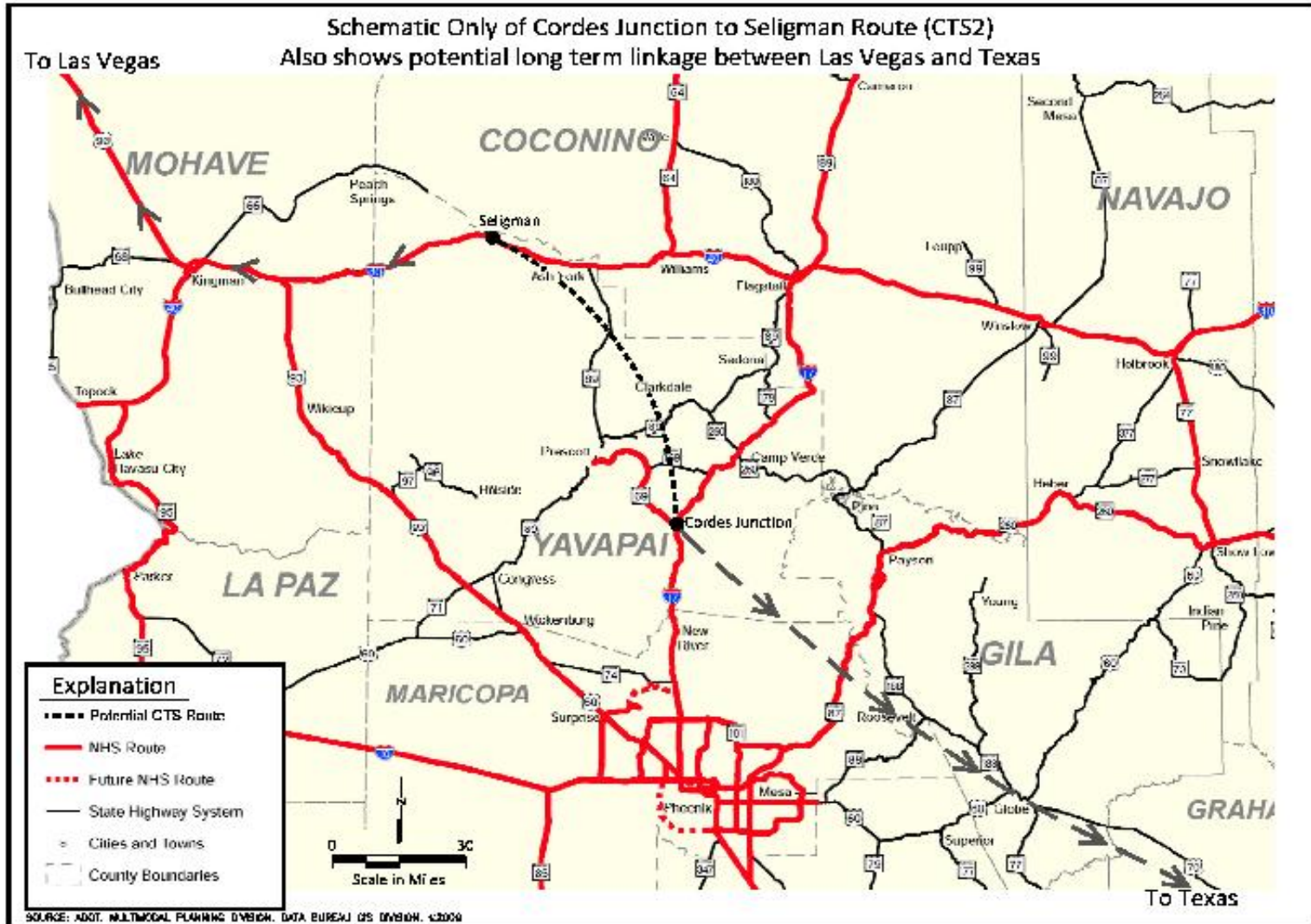
Arizona’s First Transport PPP A PPPP – “P4”

DRAFT DISCUSSION DOCUMENT

Short-Term, High-Yield Development Capital
Investment Opportunity

This is a summary and not an investment or securities solicitation that, in all cases, if made, would only be made to sophisticated, accredited investors. This would involve defined disclosure under specified terms, full documentation and would be accompanied by definitive financial projections.

The Project



The Project

- 90 miles of new road from Cordes Junction on I-17 NW to I-40 at Seligman
- Follows CYMPO's Eastern Corridor to build *“tomorrow's project”* – not *“today's”*
- Indicated cost of \$359 million
- Cuts 67 miles (and a 3,500 foot climb with multiple uphill grades in both directions) off existing 150-mile route via Flagstaff

Not Just a Road – A new System Model

- Will not retroactively toll an existing road
- The free Flagstaff choice would remain
- Structure could remove maintenance burden from ADOT for existing I-17 and I-40 using shadow tolls
- “HOT” lane from Cordes to Phoenix also could benefit Flagstaff and I-17 generally

The Dream Option

- Two world-class cement plants situated close to the route
- One newly commissioned in October 2010 with a rail link
- Cement potentially a more durable product given oil price effect on asphalt costs
- Two cement plants competing is a dream option – for all

Political Context – *“The Party List”*

Public Sector

- CYMPO
- Karen Fann
- Steve Pierce
- Andy Tobin
- Carol Springer
- Bill Feldmeier
- MAG
- Paul Gosar
- Clarkdale
- Seligman
- FMPO
- MAG

Private Sector

- 2 Cement Plants
- Central Arizona Partnership
- Independent Private Investors
- Fain Group
- Fann Group
- Engineering Group
- Legal
- Yavapai Regional Capital
- AGC