

PROPOSAL LETTER

Proposer Name: Cintra Concesiones de Infraestructuras de Transporte, S.A. and Zachry Construction Corporation, as Equity Owners on behalf of a Proposer that has not yet been formed

Proposal Date: August 23, 2004
Texas Department of Transportation
Texas Turnpike Authority Division
125 East 11th Street – Fifth Floor
Austin, TX 78701
Attn.: Mr. Ed Pensock, P.E.



The undersigned and above referenced (“**Proposer**”) submits this detailed proposal (this “**Proposal**”) in response to that certain Request for Detailed Proposals (as amended, the “**RFDP**”) issued by the Texas Department of Transportation (“**TxDOT**”), an agency of the State of Texas, dated April 29, 2004, to plan, develop, acquire, design, construct, finance, maintain, and operate a combination of Facilities (in whole or in part) which together constitute the TTC-35 High Priority Corridor (the “**Project**”), as more specifically described herein and in the documents provided with the RFDP (the “**RFDP Documents**”). Initially capitalized terms not otherwise defined herein shall have the meanings set forth in the RFDP and the RFDP Documents.

In consideration for TxDOT supplying us, at our request, with the RFDP Documents and agreeing to examine and consider this Proposal, the undersigned undertake:

- A. to keep this Proposal open for acceptance for one hundred and eighty (180) days after the Proposal Date without unilaterally varying or amending its terms and without any member or partner withdrawing or any other change being made in the composition of the partnership/joint venture/limited liability company/consortium on whose behalf this Proposal is submitted, without first obtaining the prior written consent of TxDOT, in TxDOT’s sole discretion; and
- B. if this Proposal is accepted, to provide security for the due performance of the Comprehensive Development Agreement (“**CDA**”), if required, as stipulated in the CDA and the RFDP.

If selected by TxDOT, Proposer agrees to: (a) discuss the terms of the CDA with TxDOT in good faith and in accordance with the requirements of the RFDP, (b) enter into the CDA and satisfy all other conditions to award of the CDA; and (c) perform its obligations as set forth in the CDA.

Enclosed, and by this reference incorporated herein and made a part of this Proposal, are the following:

- Executive Summary
- Proposer Information, Certifications and Documents
- Development Proposal
- Price Proposal

Proposer acknowledges receipt, understanding and full consideration of all materials posted on the Project website (<http://www.dot.state.tx.us>) and the following Addenda and the final set of questions and answers to the RFDP:

1. Addendum #1 to RFDP and Q&A Matrix issued on June 9, 2004;
2. Addendum #2 to RFDP and Q&A Matrix issued on July 12, 2004; and
3. Addendum #3 to RFDP and Q&A Matrix issued on August 4, 2004.

Proposer certifies that it has carefully examined and is fully familiar with all of the provisions of all of the RFDP Documents, reviewed all materials posted on the Project website, and is satisfied that such provisions provide sufficient detail regarding the Obligations (as defined in the RFDP) to be performed, has notified TxDOT of all internal inconsistencies of which it is aware; that it has carefully checked all the words, figures and statements in this Proposal; that it has conducted such other field investigations and additional design development which are prudent and reasonable in preparing this Proposal, including a thorough review of all of the RFDP Documents; and that it has notified TxDOT of any deficiencies in or omissions from any RFDP Documents or other documents provided by TxDOT prior to the date hereof.

Each of the undersigned represents that all statements made about it in the PQS previously delivered to TxDOT (as amended and resubmitted) are true, correct and accurate as of the date hereof, except as otherwise specified in the enclosed Proposal and Proposal forms. Proposer agrees that such PQS, except as modified by the enclosed Proposal and Proposal forms, is incorporated as if fully set forth herein.

Proposer understands that TxDOT is not bound to accept the lowest priced Proposal or any Proposal TxDOT may receive.

Proposer further understands that all costs and expenses incurred by it in preparing this Proposal and participating in the RFDP process will be borne solely by the Proposer, except any payment for work product which may be paid in accordance with the RFDP.

Proposer agrees that TxDOT will not be responsible for any errors, omissions, inaccuracies or incomplete statements in this Proposal.

This Proposal shall be governed by and construed in all respects according to the laws of the State of Texas.

Proposer's business address: In care of Zachry Construction Corporation, 3601 South Congress Ave., Bldg. C-302, Austin, Texas 78704.

State or Country of Incorporation/Formation/Organization: See Additional Requirements herein.

The undersigned Equity Owners are submitting this Proposal on behalf of a Proposer that has not yet been formed. Each of the undersigned confirms that there are no conditions to formation of the Proposer other than notification by TxDOT that it intends to accept this Proposal. Each of the undersigned agrees to take all steps necessary to form the Proposer and any intermediary Equity Owners, immediately following receipt of such notification, and further covenants not to make any changes to the material terms of the draft underlying documents submitted to TxDOT herewith, without TxDOT's prior written consent. The Equity Owners agree to ensure that further assurances are provided to TxDOT by the Proposer after it is formed, as may be reasonably requested by TxDOT, regarding the Proposer's acceptance of this Proposal.

EQUITY OWNER A

CINTRA CONCESIONES DE INFRAESTRUCTURAS
DE TRANSPORTE, S.A.

By:  _____

Print Name: Diego Marin

Title: Project Manager

EQUITY OWNER B

ZACHRY CONSTRUCTION CORPORATION

By:  _____

Print Name: Fred Lueck

Title: Vice President, Heavy Civil Construction

ADDITIONAL REQUIREMENTS:

- A. The Proposer will be formed as a Texas limited partnership, which will also be the Developer under the CDA.
- B. The following is the legal structure of the Proposer and Equity Owners.
- 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 address is: Plaza Manuel Gomez Moreno, No. 2, Edificio Alfredo Mahou, Madrid 28020, Spain. Zachry's address is: 527 Logwood Avenue, San Antonio, Texas 78221
 - 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.
 - Pursuant to Section 4.2.17 of the RFDP, the Proposal includes a letter signed by Cintra committing to provide security that meets the

requirements of Section 4.2.17 prior to or concurrently with the execution of the CDA.

- C. Attached to the Proposal are copies of certified resolutions from the governing bodies of Cintra and Zachry, respectively, evidencing that the persons signing this Proposal and any letters submitted by the Equity Owners pursuant to this Proposal have authority to do so.
- D. The Proposer designates Fernando Redondo and Klaus M. Brown as the persons authorized to enter into discussions on its behalf with TxDOT in connection with the RFDP, the Project, and the CDA.
- E. The Agreement of Limited Partnership for the Proposer and the Limited Liability Company Regulations for the General Partner include an express provision stating that in the event of a dispute between or among partners or members, as applicable, no partner or member, as applicable, shall be entitled to stop, hinder, or delay work on the Project. The location of these provisions is identified on the cover pages of the Agreement of Limited Partnership for the Proposer and the Limited Liability Company Regulations for the General Partner submitted to TxDOT as part of the Proposal.
- F. Pursuant to the RFDP and the CDA, once the Proposer/Developer is formed and executes the CDA, the Equity Owners will not have any liability to TxDOT except to the extent provided in any security delivered by an Equity Owner.