

U.S.\$300,000,000



Autopistas del Sol, S.A.

(a corporation organized under the laws of Costa Rica)

7.375% Senior Secured Notes due 2030

Autopistas del Sol, S.A. (the "Issuer"), a corporation (*sociedad anónima*) organized and existing pursuant to the laws of Costa Rica ("Costa Rica"), is offering U.S.\$300,000,000 aggregate principal amount of its 7.375% senior secured notes due 2030 (the "notes"). Interest on the notes will be payable on June 30 and December 30 of each year, commencing on June 30, 2017 (each such date, an "Interest Payment Date"). The notes will mature on December 30, 2030. Principal on the notes will be payable in semi-annual installments on each June 30 and December 30 occurring on or after May 31, 2017 to the registered holder of the outstanding notes on the last Business Day of the calendar month preceeding such date of payment, so that the weighted average life of the notes is 8.9 years. The Issuer may redeem the notes, in whole at any time or in part from time to time, prior to their maturity at a redemption price based on a "make-whole" amount described in this offering memorandum, plus accrued and unpaid interest to (but excluding) the redemption date, plus any additional amounts related thereto. Under certain circumstances, including a change of control, the Issuer may be required to redeem all or a portion of the notes at the redemption prices set forth in this offering memorandum.

The notes will be the senior secured obligations of the Issuer and will rank *pari passu* in right of payment with, and share equally and ratably in the Collateral (as defined herein), with all of the Issuer's other senior secured obligations secured by the Collateral, including the Local Notes (as defined below), except as expressly provided in the Financing Documents (as defined below), and will rank senior to all other unsecured obligations of the Issuer to the extent of the value of the Collateral.

The Issuer will be the only entity obligated with respect to the notes and the only security for payment of the notes will be the Collateral.

The Issuer intends to use the proceeds from the offering to repay amounts outstanding under the Bankia/BCIE Term Loan (as defined below), to pay the costs of unwinding certain derivative instruments, to fund certain reserve accounts, to the extent such reserve accounts are not otherwise covered by a letter of credit, to return capital to its Shareholders, through one or more Shareholder Distributions (as defined below), and to pay certain fees and expenses related to the issuance of the notes.

There is currently no public market for the notes. Approval-in-principle has been received from the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this offering memorandum. Approval-in-principle from, and admission of the notes to the Official List of, the SGX-ST, and approval-in-principle from, admission to the Official List of and the listing and quotation of the notes on the SGX-ST are not to be taken as an indication of the merits of the offering, the Issuer, Globalvia (as defined below), their respective associated companies (if any), its respective joint venture companies (if any) or the notes. The notes will be in denominations of U.S.\$200,000 each or integral multiples of U.S.\$1,000 in excess thereof. The notes will be traded on the SGX-ST in minimum board lot size of U.S.\$200,000 for so long as any of the notes are listed on the SGX-ST and the rules of the SGX-ST so require.

Concurrently with this international offering of notes, the Issuer is offering 6.80% Senior Secured Notes due 2027 (the "Local Notes") to certain investors in Costa Rica pursuant to a separate Costa Rican prospectus in a public offering approved by Costa Rica's General Superintendency of Securities (Superintendencia General de Valores, or "SUGEVAL"). For these purposes, the Issuer is registering the Local Notes with the National Registry of Securities and Intermediaries (*Registro Nacional de Valores e Intermediarios*) and listing the Local Notes on the Costa Rican National Stock Exchange (*Bolsa Nacional de Valores*). The Issuer cannot assure you that the offering of the Local Notes will be completed or, if completed, on what terms it will be completed. The offering of the notes pursuant to this offering memorandum is not contingent upon the closing of the offering of the Local Notes, and the offering of the Local Notes is not contingent upon the closing of the offering of the notes hereunder. The Local Notes are expected to share equally and ratably in the Collateral.

See "Risk Factors" beginning on page 27 to read about important factors you should consider before buying the notes.

Offering Price: 100.000%

The offering price set forth above does not include accrued interest, if any. Interest on the notes will accrue from May 31, 2017. If the notes are delivered after May 31, 2017, accrued interest must be paid by the purchaser until the time of delivery.

The notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or the securities laws of any other jurisdiction, and are being offered and sold in the United States only to qualified institutional buyers ("QIBs") in reliance on Rule 144A under the Securities Act ("Rule 144A") and to certain non-U.S. persons in transactions outside the United States in reliance on Regulation S under the Securities Act ("Regulation S"). Prospective purchasers that are QIBs are hereby notified that the seller of the notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. The notes are not transferable except in accordance with the restrictions described under "Notice to Investors".

The notes may not be publicly offered or sold in Costa Rica without the prior authorization of SUGEVAL and registration with the National Registry of Securities and Intermediaries (*Registro Nacional de Valores e Intermediarios*).

Citigroup Global Markets Inc. (the "Initial Purchaser") expects to deliver the notes only in book-entry form through the facilities of The Depository Trust & Clearing Company ("DTC") for the accounts of its direct and indirect participants, including Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, *société anonyme*, Luxembourg ("Clearstream") against payment in New York, New York on or about May 31, 2017.

Sole Global Coordinator and Bookrunner

Citigroup

Offering Memorandum dated May 24, 2017



TABLE OF CONTENTS

	<u>Page</u>
NOTICE TO INVESTORS	iii
NOTICE REGARDING COSTA RICAN SECURITIES	v
SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES	vi
AVAILABLE INFORMATION	vii
FORWARD-LOOKING STATEMENTS	viii
PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION	x
DEFINED TERMS	xiii
SUMMARY	1
RISK FACTORS	27
EXCHANGE RATES AND CONTROLS	47
USE OF PROCEEDS	48
CAPITALIZATION	49
SELECTED HISTORICAL FINANCIAL INFORMATION	50
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	52
BUSINESS DESCRIPTION	69
SUMMARY OF THE TRAFFIC CONSULTANT'S REPORT	88
SUMMARY OF THE INDEPENDENT ENGINEER'S REPORT	99
SUMMARY OF THE INSURANCE CONSULTANT'S REPORT	105
LEGAL AND REGULATORY FRAMEWORK	107
MANAGEMENT AND CORPORATE GOVERNANCE	110
OWNERSHIP	114
CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS	115
DESCRIPTION OF THE PRINCIPAL PROJECT DOCUMENTS	118
DESCRIPTION OF THE PRINCIPAL FINANCING DOCUMENTS	144
DESCRIPTION OF THE NOTES	215
BOOK ENTRY; DELIVERY AND FORM	237
CERTAIN INCOME TAX CONSIDERATIONS	241
CERTAIN ERISA CONSIDERATIONS	245
PLAN OF DISTRIBUTION	247
TRANSFER RESTRICTIONS	254
LEGAL MATTERS	258
INDEPENDENT AUDITORS	259
EXPERTS	260
INDEX TO FINANCIAL STATEMENTS	F-1
ANNEX A:	ANNEX A-1

TABLE OF CONTENTS
(continued)

	<u>Page</u>
APPENDIX A: TRAFFIC CONSULTANT'S REPORT	A-1
APPENDIX B: INDEPENDENT ENGINEER'S REPORT	B-1
APPENDIX C: INSURANCE CONSULTANT'S REPORT	C-1

NOTICE TO INVESTORS

In this offering memorandum, references to “the Issuer”, “Autopistas del Sol” and “the Company” refer to Autopistas del Sol, S.A., a *sociedad anónima* organized and existing pursuant to the laws of Costa Rica.

The Issuer is relying on an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. The notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable state securities laws pursuant to registration or exemption therefrom. By purchasing the notes, you will be deemed to have made the acknowledgments, representations, warranties and agreements described under the heading “Transfer Restrictions” in this offering memorandum. As a prospective purchaser of the notes, you should understand that you may be required to bear the financial risks of your investment for an indefinite period of time.

None of the U.S. Securities and Exchange Commission (the “SEC”), SUGEVAL, any other securities commission nor any other regulatory authority has approved or disapproved the offering of the notes nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy, adequacy or completeness of this offering memorandum. Any representation to the contrary is a criminal offense.

This offering memorandum has been made available solely to a limited number of QIBs in the United States and to investors outside the United States so that they can consider a purchase of the notes. The Issuer has not authorized its use for any other purpose. This offering memorandum may not be copied or reproduced in whole or in part. It may be distributed and its contents disclosed only to the prospective investors to whom it is provided. By accepting delivery of this offering memorandum, you acknowledge that the use of the information in this offering memorandum for any purpose other than to consider a purchase of the notes is strictly prohibited. These undertakings and prohibitions are for the Issuer’s benefit, and the Issuer may enforce them.

This offering memorandum is based on information provided by the Issuer and by other sources that the Issuer believes are reliable. The Issuer cannot assure you that this information is accurate or complete. This offering memorandum summarizes certain documents and other information and the Issuer refers you to such documents and other information for a more complete understanding of what is discussed in this offering memorandum. In making an investment decision, you must rely on your own examination of the Issuer, and of the terms of this offering and the notes, including the merits and risks involved. You should rely only upon information provided in this offering memorandum. The Issuer has not authorized anyone to provide you with different information. You should not assume that the information in this offering memorandum is accurate as of any date other than the date of this offering memorandum.

In connection with this offering, the Initial Purchaser acting as stabilizing manager, or any agent acting on its behalf, may over-allot or effect transactions with a view to supporting the market price of the notes at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there is no obligation on the Initial Purchaser or any agent acting on its behalf, to do this. Any stabilizing, if commenced, may be discontinued at any time and must be brought to an end after a limited period. For a description of these activities, see “Plan of Distribution”.

Neither the Issuer nor the Initial Purchaser is making any representation to any purchaser of the notes regarding the legality of an investment in the notes by such purchaser under any legal investment or similar laws or regulations. You should not consider any information in this offering memorandum to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding any investment in the notes.

The order and placement of information in this offering memorandum, including appendices, are not an indication of relevance, materiality or relative importance, and this offering memorandum, including the appendices, must be read in its entirety. The caption and headings in this offering memorandum are for convenience purposes only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provision or section of this offering memorandum.

The Issuer reserves the right to withdraw this offering of notes at any time, and the Issuer and the Initial Purchaser reserve the right to reject any commitment to subscribe for the notes in whole or in part and to allot to any prospective investor less than the full amount of notes sought by that investor. The Initial Purchaser and certain related entities may acquire for their own account a portion of the notes.

You must comply with all applicable laws and regulations in force in your jurisdiction and you must obtain any consent, approval, or permission required by you for the purchase, offer or sale of the notes under the laws and regulations in force in your jurisdiction to which you are subject or in which you make such purchase, offer or sale, and neither the Issuer nor the Initial Purchaser will have any responsibility therefor.

NOTICE REGARDING COSTA RICAN SECURITIES

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH COSTA RICA'S GENERAL SUPERINTENDENCY OF SECURITIES (*SUPERINTENDENCIA GENERAL DE VALORES*) AND, THEREFORE, THE NOTES ARE NOT AUTHORIZED FOR PUBLIC OFFERING IN COSTA RICA AND MAY NOT BE OFFERED, PLACED, DISTRIBUTED, COMMERCIALIZED AND/OR NEGOTIATED PUBLICLY IN COSTA RICA. DOCUMENTS RELATING TO THE OFFERING OF THE NOTES, AS WELL AS INFORMATION CONTAINED THEREIN, MAY NOT BE OFFERED PUBLICLY IN COSTA RICA, NOR BE USED IN CONNECTION WITH ANY PUBLIC OFFERING FOR SUBSCRIPTION OR SALE OF THE NOTES IN COSTA RICA.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a sociedad anónima organized and existing under the laws of Costa Rica. All of the Issuer's directors and officers and certain other persons named in this offering memorandum reside outside the United States. Substantially all of the Issuer's assets are located in Costa Rica, and all or a significant portion of the assets of the Issuer's directors and officers and certain other persons named in this offering memorandum are located outside the United States. None of the Issuer's directors or executive officers is a U.S. resident. As a result, it may not be possible for you to effect service of process within the United States upon such persons or to enforce against them or against the Issuer judgments obtained in U.S. courts or in other jurisdictions outside of Costa Rica.

In the terms and conditions of the notes, the Issuer will (1) agree that the courts of the State of New York and the federal courts of the United States, in each case sitting in the Borough of Manhattan, The City of New York, will have jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with the notes and, for such purposes, the Issuer will submit to the jurisdiction of such courts and (2) name an agent for service of process in the Borough of Manhattan, The City of New York. See "Description of the notes".

There is uncertainty as to the enforceability in Costa Rica, either in original actions or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated on the U.S. federal securities laws. See "Risk Factors—Risks Related to the Notes and to the Collateral—Holders of the notes may find it difficult to enforce civil liabilities against the Issuer or its managers, officers and controlling persons". Notwithstanding this fact, the Issuer understands that, subject to specific requirements described below, a final conclusive judgment for payment of a determined sum of money rendered by any court in the United States in respect of the notes would be recognized in Costa Rican courts (to the extent that Costa Rican courts may have jurisdiction) and such courts would enforce such judgment without any retrial or reexamination of the merits of the original action only if such judgment has been rendered in an *in personam* action (an action against the person based on a personal liability, as opposed to an action in rem for property) and has been previously ratified by the First Chamber of the Supreme Court of Costa Rica (*Sala Primera de la Corte Suprema de Justicia*) through an exequatur process, which is limited to the review to certain formal requirements set forth below and does not reconsider the merits, which is followed by an execution process (*ejecución de sentencia*) carried out by the competent Costa Rican court.

The execution process can only take place if the following requirements are met and *exequatur* is granted:

- The documents evidencing such judgment are in authentic form according to the laws of the relevant court and have been properly legalized by a consul of Costa Rica or apostilled pursuant to the 1961 Hague Convention on Legalization of Documents and translated into Spanish by an authorized translator from the Foreign Affairs Department (*Ministerio de Relaciones Exteriores y Culto de la República de Costa Rica*);
- the defendant has been summoned, represented or declared in default under the laws of the country where the judgment was rendered, and has been legally notified of the judgment;
- the underlying claim is not within the exclusive competence of the Costa Rican courts;
- there is no process underway in Costa Rica, nor a final judgment by a Costa Rican court, based on the same or substantially the same claim between the same parties;
- the judgment is final and enforceable in the country where the judgment was rendered; and
- the judgment is not contrary to the public policy of Costa Rica or any applicable Costa Rican law.

The United States and Costa Rica do not have a bilateral treaty providing for the automatic reciprocal recognition and enforcement of judgments in civil and commercial matters. The Costa Rican legal system is not based on precedents and exequatur decisions are made on a case by case basis, therefore, no assurance can be given that such ratification and execution would be obtained in a timely manner or at all or that a Costa Rican court would enforce a monetary judgment for violation of the U.S. federal securities laws.

AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with resales of notes, the Issuer has agreed that, upon the request of a holder of Rule 144A notes or Regulation S notes (during the distribution compliance period, as described in the legend included under “Transfer Restrictions”), it will furnish to such holder and any prospective purchaser designated by such holder the information required to be delivered under Rule 144A(d)(4) under the Securities Act if at the time of the request the Issuer is neither a reporting company under Section 13 or Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act. Any such request may be made to the Issuer in writing at its principal offices, located at San Rafael de Escazú, Estación de Peaje – Carretera Próspero Fernández, San José, Costa Rica.

Approval-in-principle has been received from the SGX-ST to have the notes listed and quoted on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this offering memorandum. Approval-in-principle for admission of the notes to the Official List of and quotation of the notes on the SGX-ST are not to be taken as an indication of the merits of the offering, the Issuer, Globalvía, their respective subsidiaries (if any), their respective associated companies (if any), their respective joint venture companies (if any) or the notes. The notes will be in denominations of U.S.\$200,000 each or integral multiples of U.S.\$1,000 in excess thereof. The notes will be traded on the SGX-ST in minimum board lot size of U.S.\$200,000 for so long as any of the notes are listed on the SGX-ST and the rules of the SGX-ST so require. For so long as the notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the notes may be presented or surrendered for payment or redemption, in the event that a Global Note (as defined herein) is exchanged for definitive notes. In addition, in the event that a Global Note is exchanged for certificated notes, an announcement for such exchange shall be made by or on behalf of the Issuer through the SGX-ST, and such announcement shall include all material information with respect to the delivery of the certificated notes, including details of the paying agent in Singapore, so long as the notes are listed on the SGX-ST and the rules of the SGX-ST so require.

FORWARD-LOOKING STATEMENTS

This offering memorandum contains forward-looking statements. Such forward-looking statements reflect, among other things, the Issuer's current expectations, estimations and anticipated results of operations, all of which are subject to known and unknown risks, uncertainties and other factors that may cause the Issuer's actual results, performance or achievements, to differ materially from those expressed or implied by such forward-looking statements. Therefore, any statements contained herein that are not statements of historical fact, including the projections and forecasts included as part of the Traffic Consultant's Report, the Independent Engineer's Report and the Insurance Consultant's Report attached hereto, as well as the information extracted from the original bid for the Project included in Annex A hereto, may be forward-looking statements and should be evaluated as such. Without limiting the foregoing, the words "believes", "expects", "estimates", "may", "intends", "will", "shall", "should" or "anticipates", or the negative thereof or other variations thereon or comparable terminology, or discussions of business goals, strategy, plans, intentions and income projections and forecasts, are intended to identify forward-looking statements. Although the Issuer believes these statements are based upon reasonable, current assumptions and expectations, no assurance can be given that the future results referred to by the forward-looking statements will be achieved. If one or more of the assumptions underlying the Issuer's forward-looking statements proves incorrect, then actual results, levels of activity, performance, income and achievements could differ significantly from those expressed in, or implied by, the forward-looking statements contained in this offering memorandum. Therefore, the Issuer cautions you not to place undue reliance on its forward-looking statements. These forward-looking statements are subject to various factors that could cause the Issuer's actual results to differ materially from the results expressed or anticipated in these statements. These factors include, among others:

- the Issuer's ability to derive income from its limited assets;
- operations and maintenance risks;
- a disruption of the electronic toll collection (the "ETC") system or other technical mismanagement;
- the impact of competing transportation facilities on the Toll Road (as defined below);
- the impact of projections and forecasts of future traffic flows and future operating or capital expenditures proving to be incorrect;
- the impact of natural and catastrophic events and conditions on the Toll Road;
- the Issuer's ability to maintain sufficient insurance coverage;
- the impact of disruptions to the Issuer's operations resulting from the Issuer's performance of ordinary course and required maintenance under the Concession Agreement;
- the impact of market factors affecting traffic volumes on the Issuer's toll collections (as defined below);
- the Issuer's ability to comply with applicable laws, rules and regulations and maintain required permits;
- the Issuer's ability to comply with comprehensive environmental and safety laws and regulations;
- the Issuer's ability to retain its key employees;
- limits on the toll rates that may be charged by the Issuer;
- the impact of required additional construction works;
- failure of the contractual mechanism for the reestablishment of the economic financial equilibrium of the Concession Agreement to cover the Issuer's lost income;
- the impact of insufficient funds available to the Grantor (as defined below) to comply with its obligations under the Concession Agreement and any delays related to the timing of the Grantor's payments;

- delays in the receipt, sufficiency and calculation of any termination payment amount in the event of termination of the Concession Agreement;
- the Grantor's right to intervene in the Issuer's activities;
- the Issuer's ability to react to changing business circumstances in light of the restrictive covenants in the documents governing the Issuer's debt;
- all income being earned in Costa Rica and the Issuer's assets being located in Costa Rica;
- the impact of economic and political developments in Costa Rica on the Issuer's business, financial condition and results of operations;
- the impact of changes to Costa Rican laws, regulations and enforcement activities;
- the recourse available to the holders of the notes being limited to the Issuer and the Collateral;
- the Issuer's ability to comply with the terms of the Concession Agreement; and
- the other factors described under "Risk Factors" and elsewhere in this offering memorandum.

The most significant of such risks, uncertainties and other factors are discussed under the heading "Risk Factors", which you should read in their entirety before making an investment in the notes. However, please note that these factors are not exhaustive and other material risks, uncertainties and other factors may apply to the Issuer and its business and operation in the future which are not known to the Issuer as of the date of this offering memorandum.

Each investor in the notes offered in this offering memorandum will be deemed to have represented and agreed that it has read and understood the description of the assumptions and uncertainties underlying the projections and forecasts that are set forth in the Traffic Consultant's Report, Independent Engineer's Report and the Insurance Consultant's Report and to have acknowledged that the Issuer is under no obligation to update such projections and does not intend to do so.

The Issuer does not undertake any obligation to release publicly any revisions to such forward-looking statements after the date of this offering memorandum to reflect later events or circumstances or to reflect the occurrence of unanticipated events. These cautionary statements should be considered in connection with any written or oral forward-looking statements that the Issuer may issue in the future.

PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION

All references herein to “*colón*”, “*colones*” or “Costa Rican *colones*” refer to the lawful currency of Costa Rica. All references to “U.S. dollars”, “dollars”, “\$” or “U.S.\$” are to United States dollars. See “Exchange Rates and Controls” for information regarding exchange rates for the Costa Rican currency since 2012.

The financial information contained in this offering memorandum has been derived from the Issuer’s audited annual financial statements and notes thereto as of and for the fiscal years ended December 31, 2016, 2015, and 2014 (the “audited financial statements”) and from the Issuer’s unaudited condensed interim financial statements as of March 31, 2017 and for the three months ended March 31, 2017 and 2016 (the “unaudited condensed interim financial statements” and, together with the audited financial statements, the “financial statements”) included elsewhere in this offering memorandum. The audited financial statements have been audited by Deloitte & Touche, S.A., independent auditors, as indicated in their report thereon, included elsewhere in this offering memorandum. The audited financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard No. 34 (“IAS 34”).

The results of operations for interim periods are not necessarily indicative of the results that may be expected for the entire year.

Rounding Adjustments

Certain figures included in this offering memorandum have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an exact arithmetic aggregation of the numbers that precede them. Percentage figures included in this offering memorandum have not in all cases been calculated on the basis of such rounded figures but on the basis of such amounts prior to rounding. For this reason, certain percentage amounts in this offering memorandum may vary from those obtained by performing the same calculations using the figures contained herein or in the financial statements. Certain other amounts that appear in this offering memorandum may not sum due to rounding.

Industry and Market Data

The Issuer obtained the market and industry data and other statistical information used throughout this offering memorandum from the Issuer’s own research, surveys or studies conducted by third parties, independent industry or general publications and other sources. While the Issuer believes that each of these sources is reliable, they are subject to assumptions and liabilities and involve judgments and estimates and neither the Issuer nor the Initial Purchaser has independently verified such data, and therefore neither the Issuer nor the Initial Purchaser makes any representations as to the accuracy of such information. Similarly, although the Issuer believes its internal research is reliable, it has not been verified by any independent sources.

Issuer Operating Data

The Issuer calculates average daily traffic equivalent (“ADT Equivalent”) by tracking the total number of vehicles (by type of vehicle) that travel on each of the segments of the Toll Road and the toll payment stations these vehicles go through. The total distance traveled by the vehicles (by type of vehicle) is then divided by the number of days in the applicable period and by the total length of the applicable segment of the Toll Road. The resulting value equals the average number of vehicles per day traveling a distance that is equivalent to the full length of the applicable segment of the Toll Road.

The Issuer’s gross toll collections (“gross toll collections”) represents toll collections before any Co-participation payments and includes toll collections from (i) employees’ vehicles and the Issuer’s fleet (e.g. patrolling and maintenance vehicles and tow trucks) and (ii) exempted government and public service vehicles.

The Issuer’s net toll collections (“net toll collections”) represent toll collections net of any Co-participation payments. In addition, net toll collections does not include toll collections from (i) employees’ vehicles and the Issuer’s fleet and (ii) exempted government and public services vehicles. These vehicles are recorded as having gone

through the relevant toll collection barrier but no income is recorded because they are either exempted (government and public services vehicles) or the cost of their ETC transponder is fully absorbed by the Issuer (employees' vehicles and the Issuer's fleet). See note 35 to the audited financial statements and note 22 to the unaudited condensed interim financial statements for the calculation of net toll collections by period.

For purposes of calculating the net present value pursuant to the Concession Agreement, the Issuer considers the cash received from (i) gross toll collections or (ii) the Minimum Guaranteed Income payment from the Grantor, if applicable. Co-Participation payments are netted from gross toll collections; and toll collections from exempted government and public service vehicles are deducted because in those instances the Issuer does not recognize income. Toll collections from employees' vehicles and the Issuer's fleet are included in the calculation, even though the Issuer absorbs the full cost of the relevant ETC transponder. See "Summary—The Concession Agreement".

For more information about the Co-participation payments the Issuer makes to the Grantor pursuant to the terms of the Concession Agreement, see "Description of the Principal Project Documents—The Concession Agreement—Economic Matters—Government Co-participation and other payments to the Grantor". For more information about the Minimum Guaranteed Income payment the Grantor makes to the Issuer pursuant to the terms of the Concession Agreements, see "Description of the Principal Project Documents—The Concession Agreement—Economic Matters—Minimum Guaranteed Income".

Independent Consultants' Reports

Information in this offering memorandum regarding traffic in the Toll Road area was derived from the report dated January 2017 (the "Traffic Consultant's Report"), prepared by Diadro Consulting España, S.L., (the "Traffic Consultant" or "Diadro") an independent consultancy services company hired and compensated by the Issuer. The Traffic Consultant's Report is included as Appendix A to this offering memorandum. Information in this offering memorandum regarding engineering for the Issuer was derived from the report dated May 24, 2017 (the "Independent Engineer's Report"), prepared by Técnica y Proyectos S.A (the "Independent Engineer"), an independent technical consultancy service company, hired and compensated by the Issuer. The Independent Engineer's Report is included as Appendix B to this offering memorandum. Information in this offering memorandum regarding insurance for the Issuer was derived from the report dated December 15, 2016 (the "Insurance Consultant's Report"), prepared by Marsh S.A. (the "Insurance Consultant"), an independent technical consultancy service company, hired and compensated by the Issuer. The Insurance Consultant's Report is included as Appendix C to this offering memorandum. The projections contained in the Traffic Consultant's Report, the Independent Engineer's Report and the Insurance Consultant's Report are for reference purposes only, and accordingly, prospective investors are cautioned not to place undue reliance on these reports or, in each case, the projections contained therein. Under no circumstances should the inclusion of these projections in this offering memorandum be regarded as a representation or warranty by the Issuer, Globalvía, the Initial Purchaser or any other person with respect to the accuracy of the projections or the accuracy of their underlying assumptions or that the Toll Road will achieve the projected results. Each of the Traffic Consultant's Report, the Independent Engineer's Report and the Insurance Consultant's Report speaks only as of its respective date, and the occurrence of unanticipated events or any other events since that time that could render the projections inaccurate are not reflected in such reports. See "Risk Factors—Risks related to the Issuer's Business—Projections and forecasts of future traffic flows and future operating or capital expenditures may prove to be incorrect".

Investors may not rely upon the summaries and excerpts of the Traffic Consultant's Report, the Independent Engineer's Report and the Insurance Consultant's Report contained in this offering memorandum and should review the applicable full reports, which are subject to the limitations or disclaimers in such report or otherwise set forth in the disclaimers thereto. Without limiting the generality of the foregoing, the Traffic Consultant's Report, the Independent Engineer's Report and the Insurance Consultant's Report are expressly subject to the qualifications, assumptions made, procedures followed, matters considered and any limitations on the scope of work contained therein, as applicable. Investors should note that any summary included herein and the relevant reports attached hereto are provided only as of the dates set forth in each report and do not contemplate any event, circumstance or change with respect to the Concession (as defined below) or otherwise after such dates. See "Appendix A—Traffic Consultant's Report", "Appendix B—Independent Engineer's Report", and "Appendix C—Insurance Consultant's Report", as applicable.

Description of Principal Project Agreements and Financing Documents

This offering memorandum contains summary descriptions of material provisions of the Concession Agreement and various financing documents. Such descriptions do not purport to be complete or exhaustive. In addition, as with any contract or legal instrument, the terms thereof may be subject to interpretation. See “Description of the Principal Project Documents” and “Description of the Principal Financing Documents”.

DEFINED TERMS

The definitions contained herein are incorporated into and made a part of the offering memorandum, each as defined below. The definitions included below are not exhaustive, but rather only contain certain material definitions used herein.

“A&R Payment and Guarantee Trust” means the Costa Rican trust under which the Collateral is held, which is administered for the benefit of the Secured Parties and which the Issuer believes to be bankruptcy remote.

“A&R Payment and Guarantee Trust Accounts” has the meaning set forth under the heading “Description of the Principal Financing Documents—A&R Payment and Guarantee Trust Agreement—A&R Payment and Guarantee Trust Accounts”.

“A&R Payment and Guarantee Trust Agreement” has the meaning set forth under the heading “Description of the Principal Financing Documents—A&R Payment and Guarantee Trust Agreement”.

“Actual Toll Income” means, as of any date of calculation, the toll income of the Project for the immediately preceding Calculation Period based on the actual traffic of the Project during such Calculation Period and toll fares in constant US\$ year 2000, after having deducted all corresponding payments to the Grantor.

“AADT” means annual average daily traffic.

“ADT Equivalent” has the meaning set forth under the heading “Presentation of Financial and Certain Other Information”.

“audited financial statements” means the Issuer’s audited annual financial statements and notes thereto as of and for the fiscal years ended December 31, 2016, 2015 and 2014.

“Bankia/BCIE Term Loan” means the credit agreement (*contrato de crédito*), dated as of December 20, 2007, entered into among the Issuer, as borrower, Bankia, S.A.U. (formerly known as Caja de Ahorros y Monte de Piedad de Madrid) and Banco Centroamericano de Integración Económica, as lenders, and Banco Centroamericano de Integración Económica, as agent, as amended.

“CAGR” means compound annual growth rate.

“Calculation Agent” means Scotiabank de Costa Rica, S.A.

“Calculation Period” means each six-month period commencing on January 1 or July 1 of a calendar year and ending on the following June 30 or December 31, respectively, *provided* that the first Calculation Period shall commence on the Closing Date and end on the earlier to occur of the following June 30 or December 31 thereafter.

“California Bearing Ratio” means a measure of the mechanical strength of the natural ground, where tilted farmland equates to roughly 3%, and limestone to approximately 100%.

“Cash Flow Hedge” means a hedge of the exposure to variability of cash flows of a recognized asset, liability or forecasted transaction.

“Church Plans” means plans as defined under section 3(33) of ERISA that have not made an election under section 410(d) of the Code.

“Closing Date” means May 31, 2017.

“Code” means the U.S. Internal Revenue Code of 1986, as amended.

“Collateral” has the meaning set forth under the heading “Summary—The Offering—Collateral”.

“Collateral Agency Agreement” has the meaning set forth under the heading “Description of the Principal Financing Documents—Collateral Agency Agreement”.

“Complementary Agreement” has the meaning set forth under the heading “Description of the Principal Project Documents—Complementary Agreement”.

“Concession” means the right to operate, manage, maintain, rehabilitate, toll and expand the Toll Road and related services for the Concession Period granted pursuant to the Concession Agreement by the Grantor to the Issuer.

“Concession Agreement” means the *Contrato de Concesión de Obra Pública* dated December 18, 2001, between the Issuer and the Grantor, as amended by the first, second, third and fifth amendments dated June 24, 2003, June 10, 2004, March 9, 2006 and October 4, 2007, respectively and supplemented by the Complementary Agreement dated July 1, 2008 and the Transaction Agreement dated July 30, 2015.

“Concession Period” means the current maximum term ending on July 9, 2033, 25 years and six months from January 9, 2008, the date of the Issuer received the initiation order from the Grantor.

“Consubstantial Investments” has the meaning set forth under the heading “Description of the Principal Project Documents—The Concession Agreement—New Investments and Substantial Investments”.

“Costa Rican Concessions Law” means the *Ley General de Concesión de Obras Públicas con Servicios Públicos*, Law N° 7762, as amended, and related regulations.

“Costa Rican Financial Administration Act of the Republic and Public Budgets” means the *Ley de Administración Financiera de la República y Presupuestos Públicos*, Law N° 8131, as amended.

“Co-participation” has the meaning set forth under the heading “Description of the Principal Project Documents—The Concession Agreement—Government Co-participation and other payments to the Grantor”.

“CRC Revenue Account” has the meaning set forth under the heading Description of the Principal Financing Documents—A&R Payment and Guarantee Trust Agreement—A&R Payment and Guarantee Trust Accounts—USD Revenue Account and CRC Revenue Account”.

“Current NPV” has the meaning set forth under the heading “Description of the Principal Project Documents—The Concession Agreement—Overview”.

“Davivienda” means Banco Davivienda (Costa Rica) S.A.

“Davivienda Agreement” has the meaning set forth under the heading “Description of the Principal Project Documents—Davivienda Toll Collection Services Agreement”.

“Debt Service Reserve Account” has the meaning set forth under the heading “The Offering”.

“Diadro” means Diadro Consulting España, S.L.

“DI-M&S” means M&S DI - M&S Desarrollos Internacionales, S.A., one of the Issuer’s direct shareholders.

“EIR” means the effective interest rate, as defined under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Principal Trends Affecting the Issuer’s Results of Operations”.

“Environmental Licenses” has the meaning set forth under the heading “Business Description—Environmental”.

“ERISA” means the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations thereunder.

“ETC QuickPass Agreement” means that certain tolling services agreement dated May 27, 2010, as amended, between the Issuer and the ETC Service Provider in respect of the management of the QuickPass transponder system for toll payments in respect of the Concession.

“ETC Peajes” means ETC Peajes Electrónicos, S.A.

“ETC Service Contract” means the ETC QuickPass Agreement and the Davivienda Agreement or any replacement ETC contract.

“ETC” means electronic toll collection.

“Financial Asset” has the meaning set forth under the heading Management’s Discussion and Analysis of Financial Condition and Results of Operations—Principal Trends Affecting the Issuer’s Results of Operations.

“financial statements” means, collectively, the Issuer’s audited financial statements and the unaudited condensed interim financial statements.

“Financing Documents” has the meaning set forth under the heading Description of the Principal Financing Documents—Intercreditor and Security Sharing Agreement.

“Fitch” means Fitch Ratings, Inc.

“GDP” means gross domestic product.

“Globalvía” means Global Vía Infraestructuras, S.A.

“Globalvía Inversiones” means Globalvía Inversiones, S.A.U.

“Governmental Plans” means plans as defined under section 3(32) of ERISA.

“Grantor” means the Consejo Nacional de Concesiones de Costa Rica.

“gross toll collections” has the meaning set forth under the heading “Presentation of Financial and Certain Other Information—Issuer’s Operating Data”.

“Hedge Agreement” means the interest rate swap agreement, dated as of December 20, 2007, between the Issuer and Bankia, S.A.U. (formerly known as Caja de Ahorros y Monte de Piedad de Madrid).

“IASB” means International Accounting Standards Board.

“IFRIC” means International Financial Reporting Committee.

“IFRIC 12” means Interpretation No. 12, Service Concession Agreement, issued by IFRIC.

“IFRS” means International Financial Reporting Standards.

“Indenture” means that certain Indenture, to be dated as of the date of the issuance of the notes, between the Issuer and the Indenture Trustee.

“Indenture Trustee” means Citibank, N.A.

“Indenture Trustee Accounts” means the U.S. dollar denominated trust accounts, each of which shall be maintained by the Indenture Trustee for the benefit of the holders with the Indenture Trustee as “the sole entitlement holder” (as such term is defined in Section 8-102(a)(7) of the New York UCC): (i) the “IT Note Proceeds Account”; (ii) the “Indenture Notes Debt Service Reserve Account”; (iii) the “Payment Account”; and (iv) any “Series Payment Account” established, pursuant to the Indenture.

“Independent Engineer” means Técnica y Proyectos, S.A.

“Independent Engineer’s Report” means the report dated May 24, 2017, prepared by the Independent Engineer and included as Appendix B to this offering memorandum.

“Initial Purchaser” means Citigroup Global Markets Inc.

“Insurance Consultant” means Marsh, S.A.

“Insurance Consultant’s Report” means the report dated December 15, 2016, prepared by the Insurance Consultant and included as Appendix C to this offering memorandum

“inspecting engineer” has the meaning set forth under the heading “Description of the Principal Project Documents—The Concession Agreement—Government Co-participation and other payments to the Grantor”.

“Intercreditor Agent” means Citibank, N.A.

“Intercreditor Agreement” has the meaning set forth under the heading “Description of the Principal Financing Documents—Intercreditor and Security Sharing Agreement”.

“IRS” means the United States Internal Revenue Service.

“Issuer” means Autopistas del Sol, S.A.

“Issuer’s Loan to Shareholders” has the meaning set forth under the heading “Certain Relationships and Related Party Transactions”.

“Local Clearing Agent” means InterClear Central de Valores, S.A.

“Local Notes” means the debt instruments denominated in U.S. dollars to be issued under Costa Rican law by the Issuer pursuant to the Local Prospectus and the Local Notes Offering Resolution.

“Local Notes Offering Resolution” means the *acuerdo de emisión* dated April 6, 2017, pursuant to which the Shareholders unanimously agreed that (i) the Issuer issue the Local Notes, setting forth therein the terms and conditions of the Local Notes as well as the rights and obligations of the holders of the Local Notes in connection thereto, (ii) the Local Noteholder Agent shall act as agent of the holders of the Local Notes.

“Marsh” means Marsh, S.A.

“Minimum Guaranteed Income” has the meaning set forth under the heading “Description of the Principal Project Documents—The Concession Agreement—Economic Matters—Minimum Guaranteed Income”.

“Model Auditor” means Ernst & Young, or any other reputable financial model auditor and tax auditor appointed to act in such capacity from time to time.

“MOPT” means the Costa Rican Ministry of Public Works and Transport (*Ministerio de Transporte y Obras Públicas de Costa Rica*).

“Moody’s” means Moody’s Investors Service, Inc.

“Net Insurance Proceeds” means an amount equal to (a) any Insurance Proceeds received by the Issuer under any casualty Insurance Policy in respect of a covered loss thereunder, minus (b) any actual and reasonable costs incurred by the Issuer in connection with the adjustment or settlement of any claims of the Issuer in respect thereof.

“net toll collections” has the meaning set forth under the heading “Presentation of Financial and Certain Other Information—Issuer Operating Data”.

“New Investments” has the meaning set forth under the heading “Description of the Principal Project Documents—The Concession Agreement—New Investments and Consubstantial Investments”.

“Note Purchase Agreement” means that certain Note Purchase Agreement, to be dated as of the date on which the pricing of the notes occurs, between the Issuer and the Initial Purchaser.

“notes” means the Issuer’s 7.375% senior secured notes due 2030 offered hereby.

“NPV” has the meaning set forth under the heading “Description of the Principal Project Documents—The Concession Agreement—Overview”.

“Onshore Collateral Agent” means Banco Improsa. S.A.

“Onshore Trustee” means Scotiabank de Costa Rica, S.A.

“Original NPV” has the meaning set forth under the heading “Description of the Principal Project Documents—The Concession Agreement—Overview”.

“Plan” means employee benefit plans that are subject to Title I of ERISA, plans to which Section 4975 of the Code applies, or entities that are deemed to hold assets of either such employee benefit plan or plan.

“Procurement Law” means the Costa Rican *Ley de Contratación Administrativa*, Law N° 7494 and its related Regulation.

“Project” means the operation, management, maintenance, rehabilitation, tolling and expansion of the Toll Road and related services in accordance with the Concession Agreement.

“Promotora” means PI Promotora de Infraestructuras, S.A., one of the Issuer’s direct shareholders.

“Rating Agencies” means Fitch and/or Moody’s for international ratings, and Fitch for local ratings.

“Refinancing Transaction” has the meaning set forth under the heading “Summary—Refinancing Transaction”.

“Road Safety Award” has the meaning set forth under the heading “Description of the Principal Project Documents—The Concession Agreement—Adjustments Relating to the Operation of the Toll Road—Road Safety Award”.

“San José-San Ramón Route” or “SJSR” refers to the combination of routes CR-1 and CR-3, competing mainly with Section I of the Toll Road.

“SDC” means Infraestructura SDC Costa Rica, S.A., one of the Issuer’s direct shareholders.

“Secured Parties” means the Indenture Trustee, the Indenture Designated Agents, the Intercreditor Agent, the Onshore Trustee, the Onshore Collateral Agent, the Local Noteholder Agent, the Local Clearing Agent, the Transfer Agent, the Registrar, the Paying Agent, the Calculation Agent, the holders of the notes and of the Local Notes and the holders of any Project Debt that may accede (directly or through an agent) to the Intercreditor Agreement.

“Settlement Agreement” has the meaning set forth under the heading “Description of the Principal Project Documents—The Concession Agreement—Overview”.

“SGX-ST” means the Singapore Exchange Securities Trading Limited.

“Shareholder Distribution” means any dividend or other shareholder distribution method through which the Issuer will return capital to its Shareholders in connection with this offering, including the Issuer’s Loan to Shareholders.

“Shareholders” means Promotora, SyV, SDC and DI-M&S, the Issuer’s direct shareholders.

“STT” means S.T.T. Group de CR S.A.

“STT Toll Collection Agreement” means that certain toll collection agreement dated October 18, 2012 between the Issuer and STT in respect of the provision of toll collection services in respect of the Project.

“SyV” means SyV CR Valle del Sol, S.A., one of the Issuer’s direct shareholders.

“Toll Road” means the 76.8 kilometer toll road in Costa Rica between the cities of San José and the Port of Caldera.

“Traffic Consultant” means Diadro Consulting España, S.L.

“Traffic Consultant’s Report” means the report dated January, 2017, prepared by the Traffic Consultant and included as Appendix A to this offering memorandum.

“Transaction Agreement” has the meaning set forth under the heading “Description of the Principal Project Documents—Transaction Agreement”.

“Typsa” means Técnica y Proyectos, S.A.

“unaudited condensed interim financial statements” means the Issuer’s unaudited condensed interim financial statements as of March 31, 2017 and for the three months ended March 31, 2017 and 2016.

“U.S. CPI” means the Consumer Price Index – United States City Averages for All Urban Consumers, All Items, as published by the United States Department of Labor, Bureau of Labor Statistics.

“USD Revenue Account” has the meaning set forth under the heading Description of the Principal Financing Documents—A&R Payment and Guarantee Trust Agreement—A&R Payment and Guarantee Trust Accounts—USD Revenue Account and CRC Revenue Account”.

“U.S. GAAP” means Generally Accepted Accounting Principles.

“U.S. Holder” means a beneficial owner of a Note that, for U.S. federal income tax purposes, is (i) an individual citizen or resident of the United States, (ii) a corporation created in or organized under the laws of the United States or any state or political subdivision thereof, (iii) an estate the income of which is subject to U.S. federal income tax regardless of its source, or (iv) a trust (A) the administration of which is subject to the primary supervision of a U.S. court and with respect to which one or more U.S. persons have the authority to control all substantial decisions of the trust or (B) that has in effect a valid election under applicable U.S. Treasury regulations to be treated as a U.S. person.

SUMMARY

This summary highlights selected information appearing elsewhere in this offering memorandum. This summary does not contain all of the information that is important to you or that you should consider in making an investment decision. Therefore, you should read this entire offering memorandum carefully, including the sections titled “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the financial statements and related notes thereto appearing elsewhere in this offering memorandum before making an investment decision in the notes.

Autopistas del Sol

Business

The Issuer is the only private toll road operator in Costa Rica and the operator of a toll road (the “Toll Road”) that runs approximately 76.8 kilometers from San José, the country’s capital and most populous city, to the Port of Caldera, the launch point for both cruise and freight ships on the Pacific coast. The strategic Toll Road has a strong operational track record and is comprised of three distinct segments: (i) Section I, covering 14.2 kilometers from San José to Ciudad Colón, (ii) Section II, covering 38.8 kilometers from Ciudad Colón to Orotina and (iii) Section III, covering 23.8 kilometers from Orotina to the Port of Caldera, each of which constitutes the only toll road currently in operation in its respective geographic area. The Toll Road has over seven years of operating history. All of the Issuer’s assets are located in Costa Rica and substantially all of its income is derived from the operation of the Toll Road. As of March 31, 2017, the Issuer had 109 employees.

History

The Issuer is a sociedad anónima organized and existing pursuant to the laws of Costa Rica. The shareholders of the Issuer are PI Promotora de Infraestructuras, S.A. (“Promotora”), SyV CR Valle del Sol, S.A. (“SyV”), Infraestructura SDC Costa Rica, S.A. (“SDC”) and M&S DI-M&S Desarrollos Internacionales, S.A. (“DI-M&S”), and together with Promotora, SyV and SDC, the “Shareholders”). Globalvía Inversiones, S.A.U., is the sole owner of each of the Shareholders. Global Vía Infraestructuras, S.A. (“Globalvía”) indirectly owns all of the issued and outstanding shares of the Issuer through its 100% ownership in Globalvía Inversiones, S.A.U.

Globalvía is an international leader in infrastructure management, active in the management and operation of toll roads and railways. Globalvía manages over 1,500 kilometers of toll roads in Costa Rica, the United States of America, Mexico, Chile, Spain, Portugal and Ireland. Globalvía has significant toll road management and maintenance experience managing toll roads globally. Globalvía has managed and operated the Issuer since November 2011. As of the date hereof, Globalvía employs approximately 1,256 people and, in 2015, approximately 60% of its revenues were generated outside of Spain, with 45.2% of such revenue generated in Latin America and 15.7% in the rest of Europe.

On May 14, 2001, the Grantor awarded the Concession to the Cartellone – Acosol consortium, a consortium comprised of SNC Lavalin de Costa Rica, S.A. and Jose Cartellone Construcciones Civiles, S.A. Subsequently, and in accordance with the requirements established by the General Law on Concessions of Public Works with Public Services, No. 7762 (the “LCOP”), the Cartellone – Acosol consortium formed a corporation named Concesiones Viales, S.A. (“COVISA”) to enter into to the Concession Agreement. On December 18, 2001, the Grantor and COVISA executed the Concession Agreement.

On March 9, 2006, SNC-Lavalin de Costa Rica, S.A., Jose Cartellone Construcciones Civiles, S.A. and COVISA assigned their rights and obligations under the Concession Agreement to the Shareholders and the Issuer. The Issuer was incorporated under Costa Rican law with a share capital of U.S.\$2,500,000 and the exclusive purpose of executing the Project as set forth in the Concession Agreement. Such assignment had been authorized by the Office of the General Comptroller of Costa Rica pursuant to Resolution 15601 dated November 29, 2005.

On January 8, 2008, the Issuer received the contract initiation order from the Grantor, and construction of the Toll Road commenced. The Toll Road became partially operational on June 7, 2009, and the construction phase was substantially completed on July 30, 2015, after all three sections of the Toll Road were in operation

Toll Road Traffic and Gross Toll Collections

The map below shows the trajectory of the Toll Road and its three distinct segments, Sections I, II and III, each of which has its own characteristics and traffic patterns.



As of March 31, 2017, approximately 90% of the traffic on the Toll Road consisted of light vehicle commuter traffic.

Historical Traffic Volumes

Traffic volumes on the Toll Road have consistently increased since operation of Section I commenced in 2009, primarily due to real estate and industrial development along the Toll Road, increased commercial activity at the Port of Caldera, general population and GDP growth and a lack of equally convenient alternatives to the Toll Road. For the three-month period ended March 31, 2017, the total traffic volume on the Toll Road consisted of 21.1 million vehicles, an increase of 7.4% from 19.6 million vehicles for the same three-month period in 2016. In 2016, 2015 and 2014, the total traffic volume on the Toll Road consisted of approximately 79.0 million vehicles, 75.6 million vehicles and 69.2 million vehicles, respectively. This represents an increase in total traffic volume on the Toll Road of 9.2% from 2014 to 2015 and 4.6% from 2015 to 2016.

Future traffic volumes are projected to increase as a result of urbanization, strong macroeconomic indicators and expanding regional commerce. Traffic volumes in the portion of the Toll Road located in urban areas are projected to increase in line with economic growth as forecasted by the urban management plan of the greater San José metropolitan area. Meanwhile, traffic volumes in the western portion of the highway are projected to increase in line with Costa Rica's national GDP.

The Toll Road experienced a rapid increase in traffic volume, particularly during the early years of operation when a significant ramp up effect occurred. The completion of the La Guacima and Atenas interchanges in 2011 and later the Ciudad Colón toll station in 2012 contributed to the strong early growth rates. These additions marked the completion of Section II of the Toll Road, enabling users to drive from San José to the Port of Caldera without exiting the Toll Road. The San Rafael toll station, which allows users in the western part of the San José metropolitan area to avoid slower, more residential routes, experienced a 37.4% increase in traffic volume in 2011, the most significant of all toll stations. Traffic growth has since begun to normalize to lower rates, with traffic volume growing 9.2% in 2015. Lower growth in 2014 and 2013 was also reflective of slower economic growth in Costa Rica in those years, which has since reversed. As the Concession matures, long term growth rates are projected to continue to stabilize to rates more in line with the projected 4% annual GDP growth of Costa Rica. This slightly lower projected growth is projected to result in more stable and predictable net toll collections and more stable and predictable cash flows.

Historical Gross Toll Collections

The Issuer's income is almost exclusively derived from the collection of tolls. For the three-month period ended March 31, 2017, the Toll Road generated U.S.\$ 19.4 million in gross toll collections, an increase of 9.9% from U.S.\$ 17.7 million for the same three-month period in 2016. In 2016, 2015 and 2014, the Toll Road generated U.S.\$70.6 million, U.S.\$67.7 million and U.S.\$60.8 million, respectively, in gross toll collections, representing growth rates of 11.3% from 2014 to 2015 and 4.3% from 2015 to 2016. For the three-month period ended March 31, 2017 and 2016, Sections I and II together accounted for 85.7% and 84.7%, or U.S.\$ 16.7 million and U.S.\$ 15.0

million, respectively, of the Issuer's gross toll collections. In 2016, 2015 and 2014, Sections I and II together accounted for 85.4%, 85.4% and 85.3%, or U.S.\$60.3 million, U.S.\$57.7 million and U.S.\$51.8 million, respectively, of the Issuer's gross toll collections.

The Table below indicates gross toll collections obtained from each section of the Toll Road for the years indicated.

Annual Gross Toll Collections by Section

	Year ended December 31,			Three months ended March 31,	
	2014	2015	2016	2017	2016
Section I	\$22.4MM (36.9%)	\$24.4MM (36.0%)	\$24.9MM (35.3%)	\$6.9MM (35.3%)	\$6.1MM (34.3%)
Section II	\$29.4MM (48.4%)	\$33.4MM (49.3%)	\$35.4MM (50.1%)	\$9.8MM (50.4%)	\$8.9 MM (50.4%)
Section III	\$8.9MM (14.7%)	\$9.9MM (14.6%)	\$10.3MM (14.6%)	\$2.8MM (14.3%)	\$2.7MM (15.3%)
Total	\$60.8MM (100%)	\$67.7MM (100%)	\$70.6MM (100%)	\$19.4MM (100%)	\$17.7MM (100%)

The Toll Road's top two income-generating toll collection points, Escazú and San Rafael, are located on Section I and Section II, respectively, and are in close proximity to San José and Ciudad Colón, respectively. For the three-month periods ended March 31, 2017 and 2016, gross toll collections from the Escazú and San Rafael toll collection points together accounted for approximately 57.4% and 54.1%, or U.S.\$ 11.2 million and U.S.\$9.6 million, respectively, of the Issuer's gross toll collections. In 2016, 2015 and 2014, gross toll collections from the Escazú and San Rafael toll collection points together accounted for approximately 55.7%, 55.8% and 55.8%, or U.S.\$39.3 million, U.S.\$37.8 million and U.S.\$33.9 million, respectively, of the Issuer's gross toll collections. This represents a growth rate of 11.5% from 2014 to 2015 and 4.0% from 2015 to 2016.

The Concession Agreement

The Concession has a term of 25 years and six months from the date of the initiation order, which occurred on January 9, 2008. The Concession can be terminated early if the net present value of gross toll collections (for calculation purposes Co-participation payments are netted and toll collections from exempted government and public service vehicles are deducted) (calculated in November 29, 2000 constant U.S. dollars and at an annual discount rate of 11.62% (the "NPV") reaches the maximum NPV quoted. In the original bid for the Project submitted on May 14, 2001, the maximum NPV quoted was U.S.\$258 million (the "Original NPV"). In 2015, pursuant to a Settlement Agreement with the Grantor, the Original NPV was increased to U.S.\$301.4 million (the "Current NPV"). The NPV is calculated on a monthly basis.

Under the terms of the Concession Agreement, the Issuer bears the risk of estimating gross toll collections, net toll collections, the construction costs and equipment, operating and maintenance expenses used in projecting traffic and the NPV. Exceptions to this assumption of risk include the provisions in the Concession Agreement relating to restoring the "economic financial equilibrium of the Concession Agreement" and the provisions relating to the payment of the Minimum Guaranteed Income. These provisions are described in more detail under "Description of the Principal Project Documents—Economic Financial Equilibrium Adjustments" and "—Economic Matters—Minimum Guaranteed Income", respectively.

The Issuer is responsible for obtaining any financing needed for the performance of its obligations under the Concession Agreement. The Issuer can place in trust, pledge or encumber all income derived from the operation of the Project, as well as any payments it receives from the Grantor pursuant to the Concession Agreement. In addition, the Issuer's shareholders are authorized to transfer 100% of the Issuer's share capital to the Payment and

Guarantee Trust as described under “Description of the Principal Project Documents—Concession Agreement—Payment and Guarantee Trust”.

Refinancing Transaction

As described under “Use of Proceeds”, the Issuer intends to use the net proceeds from the sale of the notes and the Local Notes to (i) repay amounts outstanding under the Bankia/BCIE Term Loan and pay certain costs associated with such repayment, (ii) fund certain reserve accounts, to the extent such reserve accounts are not otherwise covered by a letter of credit; (iii) pay certain fees and expenses related to the issuance of the notes and the Local Notes; (iv) fund the Issuer’s Loan to Shareholders, (v) return capital to its Shareholders, through one or more Shareholder Distributions, and (v) general corporate purposes. These transactions are referred to collectively, as the “Refinancing Transaction”.

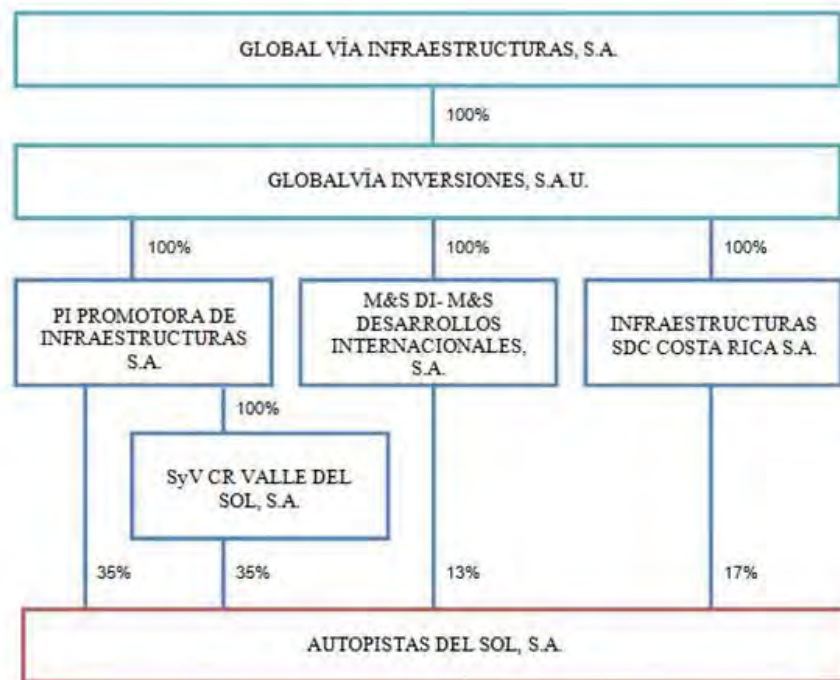
As of the date of this offering memorandum the debt obligations outstanding to be repaid pursuant to the Refinancing Transaction consists of U.S.\$203.9 million under the Bankia/BCIE Term Loan and approximately U.S.\$22.5 million under the Hedge Agreement (including certain costs incurred in connection with the cancellation of the Hedge Agreement).

The Costa Rican National Council of Concessions (*Consejo Nacional de Concesiones de Costa Rica*)

The Issuer’s counterparty to the Concession Agreement, the Grantor, is a decentralized government entity under the Ministry of Public Works and Transport, which has the legal authority to manage the funds and budgets, and to execute the agreements necessary to fulfill its functions. The Grantor was created by means of the General Law on Concession of Public Works with Public Services, Law No. 7762 of April 14, 1998, which is responsible for, among other things, managing the concessions for public works and services. The Grantor is composed of three administrative bodies, a board of directors which is chaired by the Minister of Public Works, a Technical Secretariat responsible for all contract management, including work supervision, and an internal auditor which oversees the work of the Technical Secretariat and its board. Additionally, the Grantor has the authority to (i) approve, reject or amend the public bidding process for public services concessions; (ii) ensure that the Technical Secretariat performs its inspection and control functions of awarded public services concessions; and (iii) review and approve the audit reports related to the management and operation of the concession funds.

Ownership Structure

The following diagram provides an overview of the Issuer’s ownership structure as of the date of this offering memorandum. This diagram does not show all legal entities through which the Issuer’s ultimate shareholders hold equity in the Issuer.



Key Investment Considerations

The Issuer believes the principal key investment considerations in connection with the notes are as follows:

Costa Rican Socioeconomic Trends Support Continued Growth and Increased Vehicle Use. The government of Costa Rica, which is rated Ba2 by Moody’s and BB by Fitch, has implemented policies designed to maintain political stability, promote economic growth and advance social development. As a result of these policies, Costa Rica has experienced steady economic growth at an average rate of 4.2% since 2005, attaining one of the lowest poverty rates in Latin America, at 21.7% of the total population. The Costa Rican government has provided health services to every citizen and democratically elected its government continuously since 1949. The country is one of the most politically stable countries in the Caribbean and Central America, performing better on all measures of governance indicators than its average peer, according to the World Bank Governance Indicators. The combination of political and economic stability, a large population of skilled workers and a variety of free trade zones make Costa Rica an attractive country for foreign investment and continued economic growth. Costa Rica has developed one of the highest levels of foreign direct investment by establishing free trade zones. In addition, Costa Rica has experienced a steady population growth over the past decade, from 4.3 million people in 2006 to 4.8 million people in 2015. The population is also highly urban, with 76.8% of the total living in cities, growing at an annual rate of 2.7% from 2010 through 2015. Approximately 27.6% of the population owns a private car and that figure is projected to grow by 42.5% in the next five years. The Issuer believes this positive population trend and continued economic growth are projected to increase future vehicle traffic, particularly in San José, in which 31.3% of Costa Rica’s total population is located.

Strategic and Critical Component of Costa Rica’s Transportation Network. The Toll Road provides important links between San José, Costa Rica’s capital, and the Port of Caldera on the Pacific Coast, serving key industrial and commercial regions along its route, including seven municipalities. San José is Costa Rica’s most populous city and, as of June 3, 2011, the date of the last census available, contained approximately 31.3% of Costa Rica’s estimated population. The Port of Caldera is one of six ports in Costa Rica and serves as the launch point for both cruise and international freight ships. It is also a principal tourist destination with proximity to major attractions, including Los Sueños, Jaco, Puntarenas, Tortuga Island and the Carara National Park. The Toll Road

also provides access to Guanacaste, La Fortuna and Manuel Antonio beach, some of the most important Costa Rican tourist destinations on the Pacific coast. Connecting the country's capital and one of its major ports, the Toll Road represents a key item in Costa Rica's development strategy for the transfer of merchandise, the movement of tourists and the day-to-day use of the urban sectors within its area of influence. The operation of the Toll Road is closely aligned with the Costa Rican government's objectives, supporting the country's economic and infrastructure development and encouraging the growth of domestic and international travel to and within Costa Rica.

Stable Growth in Traffic Volumes and Gross Toll Collections. Gross toll collections have grown every year since June 7, 2009, when the Issuer started operating the Toll Road. In 2015, when Costa Rica's real GDP grew by 3.7%, gross toll collections grew by 11.3%. Historical traffic and gross toll collections data for the Toll Road reflect sustained growth with limited volatility in the areas serviced by the Toll Road. From 2010 to 2016, traffic volumes and gross toll collections grew at compound annual growth rates ("**CAGRs**") of 12.2% and 14.3%, respectively. In addition, actual traffic on the Toll Road for the period between 2010 and 2016 has exceeded original projections by approximately 58%, primarily as a result of (i) industrial and commercial development throughout the length of the Toll Road and (ii) overall growth in real estate development along Sections I and II. As the Concession matures, long term growth rates are projected to stabilize over time to rates more in line with the projected approximately 4% annual GDP growth of Costa Rica, continuing to result in stable and predictable gross toll collections.

Strong Competitive Position of the Toll Road. The Toll Road has no equally safe and convenient competing routes or modes of transportation. The only alternate route to travel the entire distance between San José and the Port of Caldera is a route that combines route CR-131 and the San José-San Ramón Route, untolled roads with many traffic signals and heavy congestion and which the Issuer believes have limited opportunities for expansion. Additionally, there are limited public transportation alternatives that cover the distance between San José and the Port of Caldera as well as within the San José metropolitan area. The Issuer estimates that during peak hours, commuters can save approximately 60 minutes by travelling the entire length of the Toll Road from San José to the Port of Caldera, rather than travelling on the San José-San Ramón Route. The Issuer estimates that during off-peak traffic times, a user can save approximately 35 minutes. Congestion on most other roads has increased due to a 68% increase in the number of vehicles in circulation between 2003 and 2014. In addition, due to the Issuer's continuous monitoring of the Toll Road, and provision of vehicle rescue and relief services and an emergency medical service, the Issuer believes the Toll Road provides a safer and better maintained road than other roads in Costa Rica. While Costa Rica has an extensive road network, most roads date back to the pre-economic crisis of the 1980s and only 28% are paved. According to national surveys, 62% of roads are in "deficient" or "very deficient" condition, while only 5% are in "good condition". Poor alternate routes encourage drivers to choose the limited number of faster, safer, well maintained roads, such as the Toll Road.

- **Inflation-Linked and FX Adjusted Toll Rates.** Under the Concession Agreement, toll rates charged on the Toll Road are adjusted on March 31, June 30, September 30 and December 31 to reflect changes in the *colón*-U.S. dollar exchange rate and on December 31 to reflect changes in the U.S. CPI. Toll rates may be adjusted before the next scheduled date, if the U.S. CPI or *colón*-U.S. dollar exchange rate varies by 5% or more as compared to the rates used as the basis for the most recent toll rate increase. In addition, the Concession Agreement provides that the Issuer and the Grantor may renegotiate the maximum toll rates or the manner in which they are calculated to re-establish the economic financial equilibrium of the Concession Agreement. Toll rates may also be adjusted pursuant to the Road Safety Award and to alleviate congestion at peak traffic hours. See "Description of the Principal Project Documents—The Concession Agreement—Rates and Rate Adjustments" for additional detail.
- **Favorable Contractual Framework.** The Concession Agreement provides robust credit protections and a supportive regulatory framework. Under the Concession Agreement, which has up to 16 years remaining, the Collateral is held in the A&R Payment and Guarantee Trust, a Costa Rican trust administered for the benefit of the Secured Parties and which the Issuer believes to be bankruptcy remote. All of the Issuer's income derived from the Toll Road is deposited into the Revenue Account within the A&R Payment and Guarantee Trust and, along with any other moneys deposited into the Revenue Account, are subject to the priority of payment requirements established in the Indenture. All of the other tangible and intangible assets of the Issuer, subject to certain exceptions described herein, and all of the shares of the Issuer held by its Shareholders, are also held in the A&R Payment and Guarantee Trust and pledged as collateral for the

Secured Parties as part of the A&R Payment and Guarantee Trust. In addition, as described herein, upon the occurrence of certain unforeseen events outside of the Issuer's control that negatively impact its returns, the Issuer may request a renegotiation of the Concession Agreement with the Grantor to maintain the economic financial equilibrium that was in place when the Concession Agreement was executed. See "Description of the Principal Project Documents—The Concession Agreement—Economic Financial Equilibrium Readjustments". Additionally, if the Concession Agreement is terminated for reasons outside of the Issuer's control, the Issuer must be compensated for any unamortized costs plus 50% of lost earnings. See "Description of the Principal Project Documents—The Concession Agreement—Suspension and Termination of the Concession—Permanent Termination of the Concession Agreement".

- **Experienced Transportation Infrastructure Operator with Access to Global Best Practices.** The Issuer believes it has highly qualified and experienced professionals with extensive knowledge of the transportation sector in Costa Rica and globally who implement the Issuer's business strategies. In addition, Globalvía is one of the world's largest transportation infrastructure developers and operators in terms of number of concessions. The Issuer's access and exposure to Globalvía's international, regional and local relationships, and its breadth of experience in Europe and Latin America, enables the Issuer to benefit from and implement the best practices and technologies available worldwide, including internal audit and quality control procedures that are used in 28 other concessions across the Americas and Europe.
- **Well Maintained Road and Safety Practices.** The Toll Road is well maintained and complies with all maintenance requirements set out in the Concession Agreement. Maintenance criteria are assessed annually, with maximum allowed thresholds for ruts, cracking, slip resistance, and surface irregularity. Surface deformation, detachment of aggregates and open potholes are not allowed. The Issuer is committed to continued maintenance and operational enhancements to ensure safety, including regular inspections to ensure safety in daily operations. The Issuer employs the staff and equipment necessary to respond to emergencies and attend to users and any incidents. In addition to 24/7 monitoring by cameras operated from the control center, roadway teams patrol constantly and provide assistance as needed. A platform crane and heavy vehicle crane are also available to move vehicles. The Issuer has taken several steps to promote road safety through public messaging and free vehicle inspections for users, in addition to required safety measures. The Issuer has improved superelevation on dangerous curves on the Toll Road, implemented micromilling in localized areas to increase friction, installed rumble strips along the QuickPass lanes to reduce speed and placed additional cat's eyes along the route to improve visibility. The Concession Agreement also includes an incentive to ensure user safety by awarding the Issuer a non-cumulative 5% increase in toll rates for reducing injuries or deaths over consecutive years. For more information on the Road Safety Award, see "Description of the Principal Project Documents—The Concession Agreement—Adjustments Relating to the Operation of the Toll Road—Road Safety Award".

Enhanced Project Liquidity. To allow for the timely payment of debt service, the Project will be supported by (a) 6-month Debt Service Reserve Accounts in U.S. dollars, which will be established upon the closing of the offering pursuant to the Indenture and shall maintain a balance equal to the sum of (i) the next six months of debt service under the notes (including principal and interest) and (ii) the next six months of debt service under the Local Notes (including principal and interest), and (b) three-month O&M Reserve Accounts in U.S. dollars that will be funded at closing pursuant to the A&R Payment Guarantee Trust Agreement and the Indenture and maintain a balance equal to the next three months of budgeted Base O&M Costs and Major Maintenance Expenses (to the extent already contemplated in the Independent Engineer's report) in accordance with the then-current annual budget.

Strategies

The Issuer's goal is to consolidate and maximize the value and profitability of the Concession through the implementation of the following key strategies:

- **Increase Current Income Base.** The Issuer seeks to expand continually its gross toll collections by undertaking marketing initiatives to increase awareness of, and educate users on, the benefits offered by the Toll Road, including time and distance savings compared to established alternative routes. These initiatives include (i) targeted advertising campaigns aimed at promoting the Issuer's corporate social responsibility

and Toll Road safety (including continuous monitoring of the Toll Road and provision of vehicle and relief services and emergency medical services), (ii) participation at transportation industry workshops and conventions and (iii) the installation of road signs that direct traffic toward the Toll Road.

- ***Optimize Costs.*** The Issuer strives to reduce its operating expenses through a number of initiatives, including the following: (i) adjusting the shifts of its toll collectors and toll collection capacity according to traffic, so as to minimize overtime and its related expenses, (ii) frequently reviewing and updating its annual maintenance plan, in particular with respect to paving and lighting, (iii) increasing its electronic toll collection capabilities and (iv) renegotiating its contracts and subcontracting resource or capital-intensive activities.

Maximize the use of QuickPass Electronic Toll Collection. The Issuer aims to promote the use of QuickPass, its remote toll collection system, to increase its operating efficiency, including through (i) an increase in the amount of vehicles per hour crossing through toll collection points, (ii) a decrease in cost per user of the Toll Road and (iii) decrease in direct cash transfers. As of March 2017, QuickPass penetration at the Atenas, Pozón, San Rafael and Escazú toll gates had reached 44%, 43%, 52% and 56%, respectively, having increased 16%, 19%, 8% and 8%, respectively, over penetration rates as of March 2016. Additional electronic toll booths have been added at each of these toll gates to accommodate the increased use of QuickPass.

Highlights from Independent Consultants' Reports

In connection with the offering of the notes, the Issuer has obtained a Traffic Consultant's Report, an Independent Engineer's Report and an Insurance Consultant's Report to assess the Project. The projections contained in the Traffic Consultant's Report, the Independent Engineer's Report and the Insurance Consultant's Report are for reference purposes only, and accordingly, prospective investors are cautioned not to place undue reliance on these reports or, in each case, the projections contained therein. Investors should review the full reports which are subject to the limitation and disclaimers therein. For more information, see "Summary of the Traffic Consultant's Report", "Summary of the Independent Engineer's Report", "Summary of the Insurance Consultant's Report", "Appendix A—Traffic Consultant's Report", "Appendix B—Independent Engineer's Report", and "Appendix C—Insurance Consultant's Report".

Traffic Consultant's Report Highlights

The Traffic Consultant prepared a Traffic Report that includes traffic projections and a discussion of key attributes of the Project. The Traffic Consultant reviewed and prepared its own traffic projections and analysis based on its own measurements and observations. The Traffic Consultant considers its projections to be reasonable. For key findings of the report, please see "Summary of the Traffic Consultant's Report".

Independent Engineer's Report Highlights

The Independent Engineer reviewed information provided by the Issuer and reports produced by other consultants with respect to the Project in order to prepare the Independent Engineer's Report. Based on its review, the Independent Engineer concluded, among other things, that (i) there are specific areas with exudation and loss of texture, cleared and leveled areas do not present exceptionally high geo-technical risks, the general condition of the infrastructure of the Toll Road is one of mild damage that does not compromise resistance capacity in the short-term, (ii) the Toll Road is in good condition, and (iii) the Toll Road may not be able to accommodate increased traffic anticipated in traffic studies. The preliminary study to enlarge the roadway was underway as of the date of the Independent Engineer's Report. For greater detail on the key findings of the Independent Engineer's Report see "Summary of the Independent Engineer's Report".

Insurance Consultant's Report Highlights

The Insurance Consultant concluded that the Issuer's insurance program complies with the requirements set forth in the Concession Agreement, is in line with what it would expect for a project of similar size and nature and provides standard market coverage for the risks identified. For greater detail on the key findings of the Insurance Consultant's Report see "Summary of the Insurance Consultant's Report".

The Local Notes offering

Concurrently with this international offering of notes, the Issuer will offer 6.80% Senior Secured Notes due 2027 to certain investors in Costa Rica pursuant to a separate Costa Rican prospectus in a public offering approved by SUGEVAL. For these purposes, the Issuer is registering the Local Notes with the National Registry of Securities and Intermediaries and listing the Local Notes on the Costa Rican National Stock Exchange. The size of the Local Notes offering may be increased or decreased depending on market conditions, or the Issuer may decide not to undertake that offering. The offering of the Local Notes is not contingent upon the closing of the offering of the notes hereunder. Accordingly, the Local Notes, if issued, will remain outstanding regardless of whether this offering is completed. The Local Notes are expected to share equally and ratably in the Collateral.

The Issuer's Principal Headquarters

The Issuer's corporate headquarters are located at San Rafael de Escazú, Estación de Peaje – Carretera Próspero Fernández, San José, Costa Rica.

The Offering

The following is a brief summary of certain terms of the offering. It is not intended to be complete and it is subject to important limitations and exceptions. For a more complete understanding of the terms of the notes and the Collateral, including certain definitions of terms used in this summary, see “Description of the notes”.

The notes	The notes will be offered in the United States to “qualified institutional buyers” in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended (the “ <u>Securities Act</u> ”), and outside the United States to non-US persons in reliance on Regulation S under the Securities Act.
The Local Notes	<p>Concurrently with the notes offering, the Issuer is offering a debt instrument and may offer an additional debt instrument as part of an issuance program to be issued under a notes issuance program (<i>programa de emisiones</i>) (the “<u>Local Notes Program</u>”) pursuant to a Costa Rican prospectus (<i>prospecto de emisión</i>) and offered in Costa Rica in reliance on the Regulations on Public Offerings of Securities, as amended (<i>Reglamento sobre Oferta Pública de Valores</i>) and the Securities Market Regulatory Act, as amended (<i>Ley Reguladora del Mercado de Valores</i>). The notes may not be offered or sold in Costa Rica or any other jurisdiction except in compliance with the securities laws thereof. Under the Local Notes Program the Issuer may issue additional series of Local Notes.</p> <p>The “<u>Principal Amount Outstanding</u>” at any time shall mean the aggregate principal amount outstanding of the notes and the Local Notes and any Project Debt, as applicable, at such time.</p>
Issuer	Autopistas del Sol S.A.
Project	The <i>Proyecto Carretera San José-Caldera</i> being operated by the Issuer pursuant to the Concession Agreement, pursuant to which the Grantor has granted to the Issuer the concession to build, operate and maintain the Toll Road.
Maturity Date	December 30, 2030.
Issue Price	100.000%, plus accrued interest, if any, from May 31, 2017.
Interest Rate	The notes will bear interest from and including May 31, 2017, at a rate of 7.375%
Interest Payment Dates	June 30 and December 30 of each year, <i>provided</i> that, if such date is not a Business Day, such Interest Payment Date shall be the immediately succeeding Business Day, payable semi-annually in arrears beginning on June 30, 2017.
Amortization	Installments of principal on the notes will be payable annually on each June 30 and December 30 <i>provided</i> that, if such date is not a Business Day, such Interest Payment Date shall be the immediately succeeding Business Day, commencing on June 30, 2017, in accordance with the amortization schedule set forth under “Description of the Notes—Payments on the notes—Principal”.
Ranking	The notes will be the senior secured obligations of the Issuer and will rank <i>pari passu</i> in right of payment with, and share equally and ratably in the Collateral (as defined herein), with all of the Issuer’s other senior secured obligations secured by the Collateral, including the Local Notes, except as

expressly provided in the Financing Documents (as defined below), and will rank senior to all other unsecured obligations of the Issuer to the extent of the value of the Collateral.

Collateral

All obligations of the Issuer under the notes will be secured by a first priority security interest in the following:

(a) a transfer in fiduciary domain (*propiedad fiduciaria*) of all of the payment rights under the Project Documents (including, to the fullest extent permitted by the Concession Agreement and Costa Rican law, rights to receive gross toll collections), the Shareholders' equity interests in the Issuer, and any other material movable assets of the Issuer, including trademarks, whether now owned or hereafter acquired or created, pursuant to the A&R Payment and Guarantee Trust Agreement. In addition, in accordance with the Movable Guaranty Law of Costa Rica, a movable guaranty shall be granted over the A&R Payment and Guarantee Trust Agreement (within the same agreement), which will be registered with the Movable Guaranty System of the Costa Rican Public Registry; and

(b) an unconditional and irrevocable pledge, assignment and transfer to the Indenture Trustee, for the benefit of the Secured Parties, of a security interest in all of the Issuer's rights, title and interest in, to and under assets not secured through the Collateral Documents that are governed by Costa Rican law listed above pursuant to the Indenture.

Nature of Recourse

The obligations to make payments of principal, premium, if any, and interest on the notes will be obligations solely of the Issuer. Neither Globalvía nor any of the Issuer's affiliates or incorporators, stockholders, members, directors, managers, officers or employees, will guarantee the payment of the notes nor will have any liability for any of the Issuer's obligations under the notes, the Indenture, the Financing Documents or, for any claim based on, in respect of, or by reason of, such obligations or their creation.

Mandatory Redemption

Concession Agreement NPV Termination Mandatory Redemption of the notes

If the Concession Agreement is terminated pursuant to section 8.3(a) thereof due to the Issuer having reached the maximum Net Present Value (*Valor Presente de los Ingresos por Peaje*) of the Project, the Issuer shall apply amounts at that time (i) *first*, in the NPV Cash Trap Account, and (ii) *second*, in the event funds in the NPV Cash Trap Account are not sufficient to fully effect a redemption, in the Indenture Trustee Accounts and in the rest of the A&R Payment and Guarantee Trust Accounts, to redeem the notes on a *pro rata* basis with all Local Notes and any Bank Project Debt ("Concession Agreement NPV Termination Mandatory Redemption"). The Issuer shall redeem notes of each series, in the principal amounts determined by the Intercreditor Agent pursuant to the Intercreditor Agreement and notified by the Intercreditor Agent to the Issuer, on the thirtieth (30th) calendar day after the delivery of the mandatory redemption notice; *provided* that, if such notice is not properly delivered by the Issuer, such redemption shall be made on the thirtieth (30th) calendar day after the occurrence of the Concession Agreement NPV Termination (the "Principal Amount Redemption Date"). On the applicable Principal Amount Redemption Date, the Issuer will be required to pay one hundred percent (100%) of the principal amount of notes being redeemed, *plus* accrued and unpaid interest to the Principal Amount Redemption Date together with any and all fees, expenses and indemnities due and owing to the Indenture Trustee and all Indenture Designated Agents

hereunder.

The Make-Whole Premium will not apply with respect to a Concession Agreement NPV Termination Mandatory Redemption. See “Description of the Notes—Mandatory Redemption upon a Termination of the Concession Agreement”.

NPV Mandatory Redemption of the notes

If an NPV Cash Trap Trigger has occurred and is continuing then, to the extent the current balance in the NPV Cash Trap Account exceeds U.S.\$40,000,000, the Issuer will be required to use the amounts on deposit in the NPV Cash Trap Account to redeem the notes and the Local Notes (“NPV Mandatory Redemption”). If the Issuer is required to make an NPV Mandatory Redemption, the Onshore Trustee shall (i) with respect to the notes, transfer the applicable amount from the NPV Cash Trap Account to the Indenture Trustee for deposit into the Payment Account, and (ii) with respect to the Local Notes, transfer the applicable amount to the Local Clearing Agent for further transfer to the holders of the Local Notes in order to redeem the Local Notes. Such NPV Mandatory Redemption shall be applied to reduce the semi-annual amortization amount of the notes and the Local Notes in inverse order of maturity.

The Mandatory Redemption will apply to the Local Notes only to the extent the maturity of the Local Notes equals or exceeds the maturity of the notes; *it being understood* that any series with a greater maturity will be redeemed prior to any series with the lesser maturity, respectively. In the event that the maturity of the notes equals the maturity of the Local Notes, the Mandatory Redemption shall reduce the Principal Amount Outstanding of the Local Notes and the notes, *pro rata*.

The Make-Whole Premium will not apply with respect to an NPV Mandatory Redemption. See “Description of the Notes—Mandatory Redemption upon Occurrence of an NPV Cash Tap Trigger”.

Insurance Proceeds Mandatory Redemption of the notes

The Issuer shall apply 100% of any Net Insurance Proceeds it may receive to redeem the notes on a *pro rata* basis with all Local Notes and any Bank Project Debt at the applicable Redemption Price (“Insurance Proceeds Mandatory Redemption”), subject to the provisos set forth in the Indenture. See “Description of the Notes—Mandatory Redemption from Insurance Proceeds”.

The Make-Whole Premium will not apply with respect to an Insurance Proceeds Mandatory Redemption.

“Net Insurance Proceeds” means an amount equal to (a) any Insurance Proceeds received by the Issuer under any casualty Insurance Policy in respect of a covered loss thereunder, minus (b) any actual and reasonable costs incurred by the Issuer in connection with the adjustment or settlement of any claims of the Issuer in respect thereof.

Excess Cash Flow Account Mandatory Redemption of the notes

If there has been a balance in the Excess Cash Flow Account for six (6) consecutive Restricted Payment Periods due to the Restricted Payment Conditions not having been met in respect of all such Restricted Payment Periods, the Onshore Trustee will automatically transfer the balance in the Excess Cash Flow Account to the Indenture Trustee for deposit into the Payment Account in order for the Issuer to redeem the outstanding principal of the notes (“Excess Cash Flow Account Mandatory Redemption”); and together with the Concession Agreement NPV Termination Mandatory

Redemption, Standard Optional Redemption, NPV Mandatory Redemption and Tax Redemption, each a “Redemption”).

The Make-Whole Premium will not apply with respect to an Excess Cash Flow Account Mandatory Redemption. See “Description of the Notes—Mandatory Redemption upon Excess Cash Flow”.

Optional Redemption

Standard Optional Redemption In addition to the Scheduled Amortization, the Issuer may, at its option, redeem the notes and any Bank Project Debt in whole at a redemption price equal to 100% of the principal amount of the notes or the Bank Project Debt being redeemed plus the Make-Whole Premium; *provided* that the Issuer may redeem the notes in part if (a) no funds deposited in any of the A&R Payment and Guarantee Trust Accounts (except the Excess Cash Flow Account and any Reserve Account to the extent of funds released therefrom in exchange for an Approved Letter of Credit), may be used to satisfy such redemption price, (b) the Principal Amount Outstanding after such redemption, must be at least US\$100,000,000 or 80% of the Principal Amount Outstanding immediately after such redemption, whichever is less, and (c) the Principal Amount Outstanding after such redemption must be an integral multiple of U.S.\$1,000; *provided further* that funds on deposit in the NPV Cash Trap Account may not be used for a Standard Optional Redemption. See “Description of the Notes—Standard Optional Redemption”.

Each optional redemption will be applied on a *pro rata* basis to redeem the notes, the Local Notes and any Bank Project Debt.

Optional Tax Redemption If as a result of any change in or amendment to the laws (or any rules or regulations thereunder) of Costa Rica occurring after the Closing Date that would cause (a) the Issuer to withhold or deduct taxes with respect to the notes at a rate greater than 15%, or (b) through no action or event attributable to the Issuer, value-added tax is levied on premium or interest on any series of notes and payments by the Issuer with respect to payments of premium, if any, or interest on the notes no longer results in a tax credit for the Issuer, the Issuer may, at its option, redeem (“Tax Redemption”) all, but not less than all, of the notes, at a purchase price equal to 100% of the Principal Amount Outstanding plus accrued and unpaid interest on the Principal Amount Outstanding to, but excluding, the repurchase date and any Additional Amounts (as defined below) due thereon, if any, on the repurchase date.

If the Issuer elects to make an Optional Tax Redemption, but fails to pay the applicable redemption price in full on the applicable redemption date, such Optional Tax Redemption will be deemed cancelled.

The Make-Whole Premium will not apply with respect to an Optional Tax Redemption. See “Description of the Notes—Optional Redemption for Changes in Tax”.

Change of Control

Upon the occurrence of a Change of Control (as defined below) the Issuer will be required to offer to purchase (the “Change of Control Repurchase Offer”) all of the notes (and/or beneficial interests therein) then outstanding at a purchase price equal to 101% of the Principal Amount Outstanding plus accrued and unpaid interest to, but excluding, the repurchase date. The Make-Whole Premium will not apply with respect to a Change of Control

repurchase.

Additional Amounts

All payments to be made by (or on behalf of) the Issuer on the notes, whether in respect of principal, interest, Make-Whole Premium or other premium (if applicable) or otherwise, will be made free and clear of, and without any deduction or withholding for or on account of, any Taxes imposed, by (or on behalf of) any Taxing Authority, unless such Taxes are required by any Applicable Law to be deducted or withheld.

If any such Taxes are required by Applicable Law to be deducted or withheld with respect to any such payment, then the Issuer shall: (i) deduct or withhold any such Taxes; (ii) subject to the exceptions described in “Description of the Notes—Additional Amounts”, pay to the Indenture Trustee (for the applicable holder or beneficial owner of a note) such additional amounts as may be necessary so that such holder or beneficial owner will receive the full amount otherwise payable in respect of such payment had no such Taxes (including any such Taxes withheld in respect of such Additional Amounts) been required to be so deducted or withheld and (iii) pay the full amount of all such Taxes required to be deducted or withheld to the relevant tax authority in accordance with Applicable Law.

Use of Proceeds

The Issuer intends to use the proceeds from this offering and from the offering of the Local Notes to: (i) repay amounts outstanding under the Bankia/BCIE Term Loan and pay certain costs associated with such repayment, (ii) fund certain reserve accounts, to the extent such reserve accounts are not otherwise covered by a letter of credit; (iii) pay certain fees and expenses related to the issuance of the notes and the Local Notes; (iv) fund the Issuer’s Loan to Shareholders, (v) return capital to its Shareholders, through one or more Shareholder Distributions, and (v) general corporate purposes. See “Use of Proceeds”.

Indenture Accounts

The following U.S. dollar accounts will be established at closing pursuant to the Indenture (collectively the “Indenture Accounts”):

- (a) IT Note Proceeds Account;
- (b) Indenture Notes Debt Service Reserve Account; and
- (c) Payment Account.

Costa Rican Trust Accounts

The following accounts will be established at closing pursuant to the A&R Payment and Guarantee Trust Agreement (collectively the “Costa Rican Trust Accounts”, and together with the Indenture Accounts, the “Transaction Accounts”):

- (a) USD Revenue Account;
- (b) CRC Revenue Account;
- (b) USD Operating and Maintenance Account;
- (c) CRC Operating and Maintenance Account (together with the USD Operating and Maintenance Account, the “O&M Accounts”);
- (d) Local Notes Debt Service Reserve Account (together with the Indenture Notes Debt Service Reserve Account, the “Debt Service Reserve Accounts”)

- (e) O&M Reserve Account (together with the Debt Service Reserve Accounts, the “Reserve Accounts”);
- (f) Grantor Co-Participation Payment Account;
- (h) Indenture Notes Debt Service Accrual Account;
- (i) Local Notes Debt Service Accrual Account;
- (j) Local Notes Proceeds Account;
- (k) Local Notes Debt Service Payment Account;
- (l) Insurance Proceeds Account;
- (m) NPV Cash Trap Account;
- (n) Excess Cash Flow Account; and
- (o) Any other accounts from time to time that may be opened and held by the Onshore Trustee pursuant to the A&R Guaranty Trust Agreement, including, but not limited to, accounts opened pursuant to the incurrence of any Project Debt (including Bank Project Debt).

IT Note Proceeds Account and Local Notes Proceeds Account

All proceeds of the notes will be deposited into the IT Note Proceeds Account.

All proceeds of the Local Notes will be deposited into the Local Notes Proceeds Account.

Payment Account and Local Notes Debt Service Payment Account

The Issuer will establish, pursuant to the Indenture, a Payment Account from which the Indenture Trustee will pay the holders of notes the interest and principal due on the notes on each Note Payment Date. Funds in U.S. dollars will be deposited into the Payment Account from the Indenture Notes Debt Service Accrual Account by the Onshore Trustee at least two business days prior to each Note Payment Date for the notes (the “U.S. Debt Service Transfer Date”).

A Local Notes Debt Service Payment Account will be established pursuant to the A&R Payment and Guarantee Trust Agreement, from which the Onshore Trustee will transfer funds, prior to each Note Payment Date, to the Local Clearing Agent for payment on each Note Payment Date of the interest and principal due on the Local Notes to the holders of Local Notes. Funds in U.S. dollars will be deposited into the Local Notes Debt Service Payment Account from the Local Notes Debt Service Accrual Account by the Onshore Trustee at least two business days prior to each Note Payment Date for the Local Notes (the “Local Debt Service Transfer Date”).

Debt Service Reserve Accounts

The Issuer shall maintain, (i) pursuant to the Indenture and the A&R Payment and Guarantee Trust Agreement, an Indenture Notes Debt Service Reserve Account and a Local Notes Debt Service Reserve Account, and (ii) if applicable, pursuant to the financing documents governing Bank Project Debt, a debt service reserve account for Bank Project Debt, in each case, created solely for the purpose of debt service payments on the notes, the Local Notes and Bank Project Debt, respectively. These accounts shall maintain, beginning on the day of their respective issuance and until the notes, the Local Notes and, if applicable, Bank Project Debt, have been

repaid in full, a balance equal to the next six (6) months of debt service under the notes, the Local Notes and, if applicable, under Bank Project Debt (including principal and interest) (the “Debt Service Reserve Required Amount”); and shall be funded initially with the proceeds of the issuance and subsequently pursuant to the Standard Waterfall or by the Issuer. Funds on deposit in either of the Debt Service Reserve Accounts may be replaced with one or more Approved Letter of Credit (“Debt Service Reserve Letter of Credit”). The sum of the face amount of the Debt Service Reserve Letter of Credit and the balance in the applicable Debt Service Reserve Accounts (the “Debt Service Reserve Account Balance”) shall at least equal the Debt Service Reserve Required Amount. To the extent there are insufficient funds pursuant to the Standard Waterfall to be applied pursuant to Clause Fourth of the Standard Waterfall, funds on deposit in the Debt Service Reserve Accounts will be applied (in accordance with the priority set forth in “— Indenture Notes Debt Service Accrual Account and Local Notes Debt Service Accrual Account” below and, if applicable, “—Bank Project Debt Service Accrual Account” below), pursuant to Clause Fourth of the Standard Waterfall in the amount of such insufficiency. See “Description of the Principal Financing Documents—A&R Payment and Guarantee Trust Agreement—Standard Waterfall”.

Amounts on deposit in the Debt Service Reserve Accounts may be invested in short-term, liquid permitted investments to be agreed between the Initial Purchaser and the Issuer.

Revenue Accounts

Pursuant to the A&R Payment and Guarantee Trust Agreement, all project income (other than certain project income, such as insurance policy proceeds, which will be deposited directly to the Insurance Proceeds Account (except for business interruption insurance which will be deposited in the Revenue Account), and any payment made by the Grantor in relation to Additional Construction Costs (as defined below), which will be deposited in different accounts in accordance with the Standard Waterfall) will be deposited into the CRC Revenue Account and will subsequently be converted by the Onshore Trustee to U.S. dollars (other than certain O&M Costs denominated in Costa Rican *colones* in an amount up to 360 million *colones* per month, as such amount may be adjusted from time to time according to the Costa Rican Consumer Price Index, which shall not be required to be converted to U.S. dollars and shall remain on deposit in the CRC Revenue Account) at the spot rate on the date of receipt, and such converted funds shall be transferred by the Onshore Trustee from the CRC Revenue Account to the USD Revenue Account.

O&M Accounts

Funds will be deposited in the USD Operating and Maintenance Account and in the CRC Operating and Maintenance Account pursuant to the Standard Waterfall, and, if applicable, directly by the Grantor in payment of additional works required under the Concession Agreement (“Additional Construction Costs”). Funds on deposit in the O&M Accounts will be transferred to one or more accounts opened in the name of the Issuer and will be exclusively used for the payment of O&M Costs and Major Maintenance Expenses (as defined below) and Additional Construction Costs, if any, for the following month. To the extent that amounts to be deposited in the O&M Accounts on the final Transfer Date of any month are insufficient to pay O&M Costs and Major Maintenance Expenses for the following month, the Onshore Trustee, to the extent that funds are available, will transfer amounts on deposit in the Excess Cash Flow Account and the O&M Reserve Account, as applicable, in such order to the applicable O&M Account, to

cover such shortfall, in accordance with the A&R Payment and Guarantee Trust Agreement.

O&M Reserve Account

The Issuer shall maintain, pursuant to the A&R Payment and Guarantee Trust Agreement, an O&M Reserve Account created for the purpose of funding operating and maintenance expenses upon potential illiquidity events. This account shall maintain, beginning on the day of the issuance and until the notes and the Local Notes have been repaid in full, a balance equal to the next three (3) months of budgeted Base O&M Costs and Major Maintenance Expenses in accordance with the then-current annual budget (the "O&M Reserve Required Amount"); and shall be funded initially with the proceeds of the issuance and subsequently pursuant to the Standard Waterfall or by the Issuer. Funds on deposit in the O&M Reserve Account may be replaced with one or more Approved Letter of Credit ("O&M Reserve Letter of Credit"). The sum of the face amount of the O&M Reserve Account Letter of Credit and the balance in the O&M Reserve Account (the "O&M Reserve Account Balance") shall at least equal the O&M Reserve Required Amount. To the extent that amounts to be deposited in either of the O&M Accounts on the final Transfer Date of any month are insufficient to pay Base O&M Costs for the following month, the Onshore Trustee, to the extent that funds are available, shall transfer amounts on deposit in the Excess Cash Flow Account and the O&M Reserve Account, as applicable, in such order, to the applicable O&M Account to cover such shortfall, in accordance with the A&R Payment and Guarantee Trust Agreement. In addition, to the extent there are insufficient funds pursuant to the Standard Waterfall to be applied pursuant to Clause Fourth of the Standard Waterfall, funds on deposit in the O&M Reserve Account will be applied (in accordance with the priority set forth in "—Indenture Notes Debt Service Accrual Account and Local Notes Debt Service Accrual Account" below and, if applicable, "Bank Project Debt Service Accrual Account" below) pursuant to Clause Fourth of the Standard Waterfall in the amount of such insufficiency. See "Description of the Principal Financing Documents—A&R Payment and Guarantee Trust Agreement—Standard Waterfall".

Amounts on deposit in the O&M Reserve Account may be invested in short-term, liquid permitted investments to be agreed between the Initial Purchaser and the Issuer.

"Base O&M Costs" means all O&M Costs of the Issuer other than Major Maintenance Expenses.

"O&M Costs" means, with respect to any period, all cash operations and maintenance costs, liabilities and expenses paid or payable by the Issuer, including (without duplication): (a) amounts paid or payable, as the context requires, and costs incurred by the Issuer under any Transaction Document, (b) insurance premiums and any other payments associated with insurance policies, (c) administrative, legal, management and accounting costs, fees and expenses paid or payable, as the context requires, in connection with the Project, including any fees or penalties levied by any Governmental Authority, (d) taxes, (e) payroll and other expenses for operating and maintaining the Project, (f) costs and fees attendant to obtaining, maintaining and renewing the Authorizations (as defined in the Intercreditor Agreement), and (g) all interest, fees and all other costs, charges, expenses and any other amount, as the context requires, associated with any Transaction Document and letters of credit, including any legal and consultant fees and expenses, financial advisory fees, management and agency fees and other out-of-

pocket expenses payable by or on behalf of the Issuer under or in connection with any Transaction Document or letter of credit; *provided*, that “O&M Costs” shall exclude payments on scheduled Obligations due and payable by the Issuer (including, without limitation, interest, principal, premiums and Additional Amounts, if any).

“Major Maintenance Expenses” means all costs and expenses contemplated in the then-current Annual Budget relating to the major maintenance, repair or overhaul of the Toll Road and other facilities and structures comprising the Project that are essential to be paid or incurred in order to ensure compliance by the Issuer of its obligations, and minimum standards and service levels, under the Concession Agreement and under applicable law (including environmental, health and safety laws and regulations); *provided*, that the incurrence of any such costs or expenses in excess of one hundred and ten percent (110%) of the corresponding amount set forth in the then-current annual budget (*it being understood* that such excess must be caused by items included in the Annual Budget and not by items not initially provided for therein) shall require a certification from the Independent Engineer approving the incurrence of such costs and expenses.

Grantor Co-Participation Payment Account

The Issuer shall maintain, pursuant to the A&R Payment and Guarantee Trust Agreement, the Grantor Co-Participation Payment Account created for the purpose of paying to the Grantor its “Co-participation payment” (*Coparticipación del Estado en los Ingresos del Peaje*) pursuant to the Concession Agreement. To the extent there are insufficient funds available in the USD Revenue Account to transfer the full amount required to be transferred to the Grantor Co-Participation Payment Account on the first January Transfer Date pursuant to Clause First of the Standard Waterfall, amounts will be transferred to the Grantor Co-Participation Account from amounts on deposit first, from the Excess Cash Flow Account, second, from the NPV Cash Trap Account, third, from the O&M Reserve Account and fourth, from the Debt Service Reserve Accounts, to cover such shortfall. See “Description of the Principal Financing Documents—A&R Payment and Guarantee Trust Agreement—Standard Waterfall”.

Indenture Notes Debt Service Accrual Account and Local Notes Debt Service Accrual Account

Funds with respect to the notes will be deposited in the Indenture Notes Debt Service Accrual Account pursuant to the Standard Waterfall. On or prior to each US Debt Service Transfer Date, the Onshore Trustee will transfer from the Indenture Notes Debt Service Accrual Account to the Payment Account an amount equal to the debt service for such Note Payment Date for the notes.

To the extent that there are insufficient amounts available in the USD Revenue Account to transfer in full the amount required to be transferred to the Indenture Notes Debt Service Accrual Account on any Transfer Date pursuant to Clause Fourth of the Standard Waterfall, amounts will be transferred to the Indenture Notes Debt Service Accrual Account from amounts on deposit first, from the Excess Cash Flow Account, second, from the NPV Cash Trap Account, third, from the O&M Reserve Account, and fourth, from the Indenture Notes Debt Service Reserve Account, to cover such shortfall. See “Description of the Principal Financing Documents—A&R Payment and Guarantee Trust Agreement—Standard Waterfall”.

Funds with respect to the Local Notes will be deposited in the Local Notes Debt Service Accrual Account pursuant to the Standard Waterfall. On or prior to each Local Notes Debt Service Transfer Date, the Onshore Trustee will transfer from the Local Notes Debt Service Accrual Account to the

Local Notes Debt Service Payment Account an amount equal to the debt service for such Note Payment Date for the Local Notes, for further transfer to the Local Clearing Agent for purposes of paying the holders of Local Notes principal and interest due on the Local Notes.

To the extent that there are insufficient amounts available in the USD Revenue Account to transfer in full the amount required to be transferred to the Local Notes Debt Service Accrual Account on any Transfer Date pursuant to Clause Fourth of the Standard Waterfall, amounts will be transferred to the Local Notes Debt Service Accrual Account from amounts on deposit first, from the Excess Cash Flow Account, second, from the NPV Cash Trap Account, third, from the O&M Reserve Account, and fourth, from the Local Notes Debt Service Reserve Account, to cover such shortfall. See “Description of the Principal Financing Documents—A&R Payment and Guarantee Trust Agreement—Standard Waterfall”.

Insurance Proceeds Account

The relevant insurance companies will deposit in the Insurance Proceeds Account all the proceeds that any of the Issuer or the Secured Parties are to receive from the insurance companies, in their capacity as additional insured parties or beneficiaries under the insurance policies related to the Project, except that business interruption Insurance Proceeds shall be paid into the CRC Revenue Account. Amounts on deposit in the Insurance Proceeds Account will be applied by the Issuer for the repair or replacement of the relevant assets of the Project.

The Issuer shall be required to redeem the notes, the Local Notes and any Bank Project Debt upon the receipt of any Net Insurance Proceeds, in an amount equivalent to such Insurance Proceeds, *provided*, that (i) no such redemption shall be required to the extent not permitted by the Concession Agreement, (ii) the Issuer shall not apply to such redemption any portion of Net Insurance Proceeds to be used or contractually committed to be used to restore the Project to the existing condition prior to the applicable insured event, within one hundred eighty (180) days after receipt by the Issuer of such Net Insurance Proceeds, and (iii) the Issuer shall not apply to such redemption any portion of such Insurance Proceeds that remain unused or are not required to be used to restore the Project to the existing condition prior to the applicable insured event, within one hundred eighty (180) days after their receipt by the Issuer, unless such unused portion exceeds U.S.\$1,000,000. If the amount not so required to be used to restore the Project exceeds U.S.\$1,000,000, the Independent Engineer shall have approved the Issuer’s restoration plans. If any portion of Insurance Proceeds is not so applied when required, or if the affected portion of the Project cannot be restored or the Issuer chooses not to restore the same, then the Issuer shall apply such unused portion of such Insurance Proceeds to redeem the notes, the Local Notes and any Bank Project Debt.

NPV Cash Trap Account

If an NPV Cash Trap Trigger has occurred and is continuing, funds will be deposited in the NPV Cash Trap Account pursuant to the Standard Waterfall. Amounts deposited in the NPV Cash Trap Account (i) may be used by the Issuer to make an NPV Mandatory Redemption and (ii) to the extent there are insufficient funds pursuant to the Standard Waterfall to be applied pursuant to Clause Fourth of the Standard Waterfall, will be applied (in accordance with the priority set forth in “Indenture Notes Debt Service Accrual Account and Local Notes Debt Service Accrual Account” above) pursuant to Clause Fourth of the Standard Waterfall in the amount of such insufficiency. If at any time the NPV Excess Amount is less than the balance

in the NPV Cash Trap Account, the Issuer and/or the Onshore Collateral Agent, as applicable, shall instruct the Onshore Trustee to reduce the balance in the NPV Cash Trap Account in an amount equal to the difference between the balance in the NPV Cash Trap Account and the NPV Excess Amount, as determined by the Calculation Agent, and to transfer such amount to the USD Revenue Account on the immediate Transfer Date following the Calculation Date of the NPV Excess Amount.

See “Description of the Principal Financing Documents—A&R Payment and Guarantee Trust Agreement—NPV Cash Trap Account”.

Excess Cash Flow Account

Funds will be deposited in the Excess Cash Flow Account pursuant to the Standard Waterfall. All Restricted Payments will be made from the Excess Cash Flow Account. In addition, amounts on deposit in the Excess Cash Flow Account may be used to fund shortfalls in the other Transaction Accounts, in the order of priority set forth in the Standard Waterfall, and to make payments in respect of an Excess Cash Flow Account Mandatory Redemption and Optional Redemptions in part of the notes, the Local Notes and any Bank Project Debt.

Other Accounts

The Issuer may open the following accounts in the A&R Payment and Guarantee Trust Agreement in connection with the incurrence or issuance of Bank Project Debt:

- (a) Bank Project Debt Service Payment Account: The account from which the Onshore Trustee will transfer funds, prior to each Bank Project Debt payment date, to the applicable creditors or holders of Bank Project Debt, for payment on each Bank Project Debt payment date of the interest and principal due on Bank Project Debt to the creditors or holders of Bank Project Debt. Funds in U.S. dollars will be deposited into the Bank Project Debt Service Payment Account from the Bank Project Debt Service Accrual Account by the Onshore Trustee at least two (2) Business Days prior to each payment date for Bank Project Debt (the “Bank Project Debt Debt Service Transfer Date”);
- (b) Bank Project Debt Service Accrual Account: Funds with respect to any Bank Project Debt will be deposited in the Bank Project Debt Service Accrual Account pursuant to the Waterfall. On or prior to each Bank Project Debt Debt Service Transfer Date, the Onshore Trustee will transfer from the Bank Project Debt Service Accrual Account to the Bank Project Debt Service Payment Account an amount equal to the debt service for such payment date for Bank Project Debt, for further transfer to the applicable creditors or holders of Bank Project Debt for purposes of paying the creditors or holders of Bank Project Debt principal and interest due on Bank Project Debt; and
- (c) Bank Project Debt Service Reserve Account: As described under “Debt Service Reserve Accounts” above.

To the extent that there are insufficient amounts available in the USD Revenue Account to transfer in full the amount required to be transferred to the Bank Project Debt Service Accrual Account on any Transfer Date pursuant to Clause Fourth of the Standard Waterfall, amounts will be transferred to the Bank Project Debt Service Accrual Account to cover such shortfall from amounts on deposit first, from the Excess Cash Flow Account,

second, from the O&M Reserve Account, and third, from the Bank Project Debt Service Reserve Account.

Certain Covenants

The terms of the notes contain certain covenants, including without limitation, the following:

- maintenance of insurance and permits;
- compliance with regulatory requirements;
- conduct of business;
- reporting obligations, including reporting of financial statements;
- preservation of Collateral;
- repayment of obligations including Scheduled Amortization and redemptions;
- maintenance of minimum required balances in certain Project Accounts;
- limitations on amendments, modifications and waivers of Project Documents;
- limitations on termination and assignment of Transaction Documents;
- limitations on subsidiaries and investments;
- limitation on sale of assets;
- limitation on transactions with shareholders and affiliates;
- restrictions on mergers, consolidation, liquidation or dissolution transactions;
- restrictions on hedging transactions for trading or speculative purposes; and
- restrictions on prepayment or cancellation of Project Debt.

These covenants are subject to important exceptions and qualifications, which are described below and in “Description of the Notes—Covenants of the Issuer”.

Certain Events of Default

The Indenture will provide that certain events, acts, occurrences or conditions will constitute an event of default (an “Event of Default”) with respect to the notes, including without limitation, the following:

- failure to pay any principal or interest on the notes when the same becomes due;
- breach of the Financing Documents;
- defaults under the Concession Agreement;
- misrepresentation (in any material respect);
- attachment or analogous process, unless appropriate steps to have the process stayed and discharged are taken;
- Event of Loss
- final judgment in excess of a threshold amount;
- bankruptcy or insolvency proceedings;
- inability to pay debts in an amount in excess of a threshold amount;
- revocation, suspension, termination or repudiation of the Concession Agreement;
- revocation, suspension, termination or repudiation of other Project Documents;
- failure to maintain permits required for the Project;
- Collateral ceasing to be in full force and effect or its validity or

applicability to the notes or any other obligations purported to be supported or guaranteed being disaffirmed; and

- any force majeure event that materially adversely affects the Project will have existed for two hundred seventy (270) consecutive days.

Upon the occurrence and during the continuation of an Event of Default, the holders of the notes will obtain certain remedies (including the right to accelerate the repayment obligation under the notes).

Transfer Restrictions

The notes have not been registered under the Securities Act or any other securities laws and are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws.

The notes may only be offered and sold (1) to persons who are qualified institutional buyers, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act; or (2) to non-U.S. Persons (as defined in Regulation S of the Securities Act) in offshore transactions in reliance on Regulation S under the Securities Act, in each case in accordance with applicable law.

See “Transfer Restrictions”.

Form and Denomination

The notes will be issued in the form of Global Notes in fully registered form. The Global Notes will be exchangeable or transferable, as the case may be, for definitive Certificated Notes in fully registered form without interest coupons only in limited circumstances. The notes will be issued in registered form in denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. See “Book-Entry; Delivery and Form”.

Risk Factors

Investing in the notes involves substantial risks. You should carefully consider the information in the “Risk Factors” section and all other information included in this offering memorandum before investing in the notes.

Governing Law

The Indenture governing the notes and the notes will be governed by the laws of the state of New York. The Local Notes will be governed by the laws of Costa Rica.

Listing

Approval-in-principle has been received from the SGX-ST to have the notes listed and quoted on the Official List of the SGX-ST. The notes will be traded on the SGX-ST in a minimum board lot size of U.S.\$200,000 for so long as any of the notes are listed on the SGX-ST and the rules of the SGX-ST so require.

Onshore Trustee (Fiduciario)

Scotiabank de Costa Rica, S.A.

Indenture Trustee

Citibank, N.A.

Intercreditor Agent

Citibank, N.A.

Local Clearing Agent

InterClear Central de Valores, S.A.

Onshore Collateral Agent

Banco Improsa. S.A.

Calculation Agent

Scotiabank de Costa Rica, S.A.

Structuring Agent/Initial Purchaser/Global Coordinator Citigroup Global Markets Inc.

Singapore Listing Agent Jones Day

NPV Cash Trap Account for Early Mandatory Redemption

Pursuant to the terms of the Concession Agreement, the Concession may terminate early in the event that, as a result of higher than anticipated traffic volumes, the Current NPV is reached before the term of the Concession Agreement expires. The NPV is calculated at any given date (1) based on the greater of (i) gross toll collections at the time of calculation or (ii) the Minimum Guaranteed Income payment, if applicable, and (2) subtracting any Co-participation payments made to the government and toll collections from exempted government and public service vehicles. It is calculated in November 29, 2000 constant U.S. dollars, discounted monthly based on an annual rate of 11.62%. Since the NPV is calculated in constant year 2000 U.S. dollars, traffic volume influences the NPV but toll rates do not.

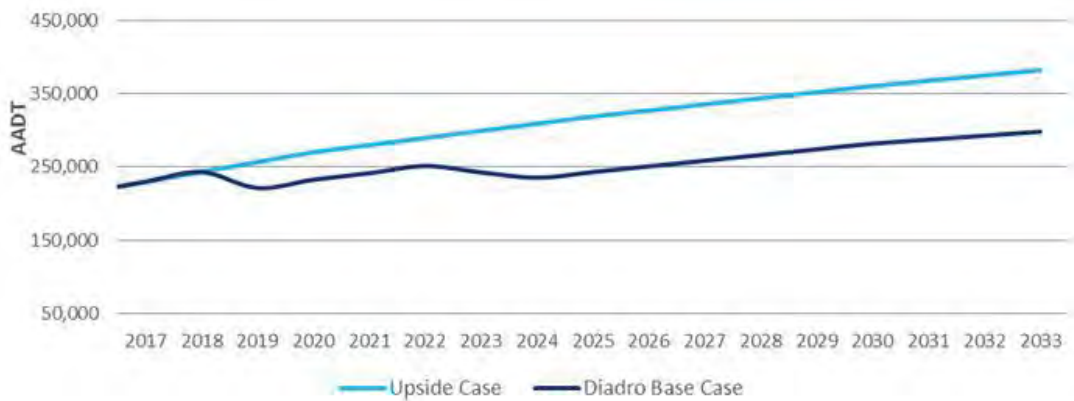
To mitigate the effect of an early termination on holders of the notes, pursuant to the Indenture, the Issuer will establish and maintain a cash trap account (the “NPV Cash Trap Account”). On January 30 and July 30 of each calendar year (a “NPV Calculation Date”), the Issuer will calculate, as of the applicable date of determination by the Calculation Agent, whether the NPV as of December 31 of the immediately preceding calendar year exceeds the Scheduled NPV for such date projected in the Base Case Financial Model set forth in the Indenture (an “NPV Cash Trap Trigger”). If an NPV Cash Trigger has occurred and is continuing, the Issuer will fund the NPV Cash Trap Account in an amount equal to 11.62% of the balance in the NPV Cash Trap Account as of the immediately preceding note payment date plus an amount corresponding to the difference between the Actual Toll Income and the Base Case Scheduled Toll Income set forth in the Indenture, divided by the target DSCR for the then-current Calculation Period according to the Base Case Financial Model and indexed to the cumulative inflation based on the CPI for 2000 as of the immediately preceding Calculation Period such that the balance of the NPV Cash Trap Account, after the described amount is added to the account, is equal to the required balance (the “NPV Excess Amount”). If at any time the NPV Excess Amount is less than the balance in the NPV Cash Trap Account, the Issuer and/or the Onshore Collateral Agent, as applicable, shall instruct the Onshore Trustee to reduce the balance in the NPV Cash Trap Account in an amount equal to the difference between the balance in the NPV Cash Trap Account and the NPV Excess Amount, as determined by the Calculation Agent, and to transfer such amount to the USD Revenue Account on the immediate Transfer Date following the Calculation Date of the NPV Excess Amount.

Funds in the NPV Cash Trap Account will be used to (i) mandatorily redeem the notes and the Local Notes, *pro rata*, if the current balance in the NPV Cash Trap Account exceeds U.S.\$40,000,000 and an NPV Cash Trap Trigger has occurred and is continuing (an “NPV Mandatory Redemption”) or (ii) repay the outstanding notes and the Local Notes, *pro rata*, upon an early termination of the Concession. Any such NPV Mandatory Redemption will be applied to reduce the semi-annual amortization amount of the notes and the Local Notes in inverse order of maturity. The NPV Mandatory Redemption will apply to the Local Notes only to the extent the maturity of the Local Notes equals the maturity of the notes. In such event, the Mandatory Redemption shall reduce the outstanding principal amount of the notes and the Local Notes, *pro rata*.

At no point will the balance in the NPV Cash Trap Account exceed the sum of (i) the aggregate principal amount outstanding of the notes minus (ii) the balance in the Debt Service Reserve Accounts.

To illustrate the mechanics of the NPV Cash Trap Account, the Traffic Consultant’s upside case traffic projections are presented below, along with the corresponding NPV Cash Trap Account balances and mandatory redemptions.

Example: Traffic Consultant's Upside Case



Source: Traffic Consultant.

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
NPV Cash Trap Account Balance	-	-	-	2	7	12	18	27	-	13	28	-	-	-	-
(-) Contribution	-	-	2	5	5	6	9	14	13	14	16	13	-	-	-
(+) Distribution	-	-	-	-	-	-	-	-	-	-	-	(13)	-	-	-
(-) Distribution for Early Mandatory Redemption	-	-	-	-	-	-	-	(41)	-	-	(43)	-	-	-	-
Ending Balance	-	-	2	7	12	18	27	-	13	28	-	-	-	-	-
Indicative Debt Schedule (US\$MM)⁽²⁾															
10-Year Local Bond	103	103	103	100	92	80	67	53	40	25	8	-	-	-	-
(-) Principal Amortization	-	-	(3)	(8)	(11)	(13)	(14)	(14)	(14)	(17)	(8)	-	-	-	-
Ending Balance	103	103	100	92	80	67	53	40	25	8	-	-	-	-	-
13.6-Year 144A / Reg S Bond	250	247	234	225	217	208	196	184	132	119	104	36	-	-	-
(-) Principal Amortization	(3)	(13)	(10)	(7)	(10)	(12)	(12)	(12)	(13)	(15)	(25)	(36)	-	-	-
(-) Unscheduled Principal Amortization	-	-	-	-	-	-	-	(41)	-	-	(43)	-	-	-	-
Ending Balance	247	234	225	217	208	196	184	132	119	104	36	-	-	-	-
Credit Metrics															
Scheduled Accumulated NPV (US\$MM)	171.5	188.1	202.7	216.5	229.5	241.6	252.0	260.9	269.0	276.6	283.4	289.6	295.3	300.5	301.4
Actual Accumulated NPV	171.5	188.1	203.7	218.5	232.3	245.3	257.0	267.7	277.4	286.2	294.2	301.4	301.4	-	-
% of Max NPV	57%	62%	68%	73%	77%	81%	85%	89%	92%	95%	98%	100%	100%	-	-

Source: Traffic Consultant.

In the Traffic Consultant's upside case, higher than anticipated traffic volumes lead to an accelerated accumulation of NPV, the NPV Cash Trap Trigger and ultimately in the early termination of the Concession Agreement when the U.S.\$301.4 million Current NPV is reached. In this scenario, the NPV Cash Trap Trigger occurs in the second half of 2019 because as of the end of the previous Calculation Period the Actual NPV exceeds the Scheduled NPV; as such, cash is trapped semi-annually in the NPV Cash Trap Account beginning at that time. In 2024 and 2027, the balance in the NPV Cash Trap Account exceeds U.S.\$40 million resulting in two NPV Mandatory Redemptions of U.S.\$41 million and U.S.\$43 million, respectively, applied to the notes and the Local Notes in inverse order of maturity. In 2028, the Concession Agreement is terminated early, and the outstanding balance in the NPV Cash Trap Account is used to redeem the remainder of the notes.

Summary Historical Financial Information

The following tables present the Issuer’s summary historical financial information as of and for the periods indicated. The information set forth below should be read in conjunction with “Use of Proceeds”, “Capitalization”, “Selected Historical Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and the Issuer’s financial statements and accompanying notes included elsewhere in this offering memorandum. The summary historical financial information set forth below as of and for the years ended December 31, 2016, 2015 and 2014 has been taken from the audited financial statements included elsewhere in this offering memorandum. The summary historical financial information set forth below as of and for the three-month periods ended March 31, 2017 and 2016 has been taken from the unaudited condensed interim financial statements included elsewhere in this offering memorandum. Operating results for the three-month period ended March 31, 2017 are not necessarily indicative of the results for the entire year ending December 31, 2017. The Issuer’s summary historical financial information includes all adjustments, which are of a normal recurring nature, that the Issuer considers necessary to fairly present the financial and operating information for these periods. The summary historical financial information is not necessarily indicative of results to be expected in future periods.

The Issuer’s functional and presentational currency is the U.S. dollars. Tolls are collected in *colones* and, after an amount equivalent to 360 million *colones* has been transferred from the CRC Revenue Account to the CRC Operation and Maintenance Account (see “Description of the Principal Financing Documents—The A&R Payment and Guarantee Trust Agreement—Standard Waterfall”), the remaining *colones* are converted into U.S. dollars on a daily basis at the exchange rate for the date on which the gross toll collections are deposited in the USD Revenue Account.

As a result of how the Issuer recognizes its income, not all of the Issuer’s total operating income represents cash flow from toll collections and/or payments from the Grantor. For more information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Principal Trends Affecting the Issuer’s Results of Operations—A Portion of the Issuer’s Total Operating Income Does Not Represent Cash Flows During the Period”.

	For the three months ended March 31,		For the year ended December 31,		
	2017	2016	2016	2015	2014
	<i>(in U.S. dollars)</i>				
Summary Statements of Profit and Loss Data:					
Construction Income.....	50,188	369,735	5,075,258	1,286,169	3,225,148
Financial Income – Concession Agreement.....	14,545,051	14,010,164	56,040,655	51,098,003	44,034,354
Operating and Maintenance Income.....	5,104,656	5,105,181	20,994,860	24,869,505	20,198,533
Total Operating Income.....	19,699,895	19,485,080	82,110,773	77,253,677	67,458,035
Construction Costs.....	(50,188)	(369,735)	(5,075,258)	(1,286,169)	(3,225,148)
Operating Expenses.....	(4,787,455)	(5,373,781)	(20,128,211)	(22,994,966)	(18,899,657)
Operating Profit.....	14,862,252	13,741,564	56,907,304	52,972,542	45,333,230
Interest and Expenses Fees.....	(3,535,558)	(3,740,214)	(15,327,668)	(15,440,809)	(15,933,396)
Financial Income.....	156,751	221,757	995,065	946,025	1,020,292
Other Income – Net.....	224,099	93,524	981,840	456,765	417,897
Exchange Rate Difference – Net.....	9,850	(71,973)	263,253	137,418	112,436
Earnings Before Income Tax.....	11,717,394	10,244,658	43,819,794	39,071,941	30,950,459
Income Tax.....	(3,396,817)	(2,940,830)	(12,871,718)	(11,710,825)	(8,767,837)
Net Profit.....	8,320,577	7,303,828	30,948,076	27,361,116	22,182,622

	As of March		As of December 31,	
	31		2015	2014
	2017	2016		
	<i>(in U.S. dollars)</i>			
Statement of Financial Position:				
Current Assets				
Cash and Cash Equivalents.....	12,178,061	5,093,750	40,566,676	52,794,101
Restricted Cash	28,029,292	28,029,292	13,590,433	12,474,297
Accounts Receivable	516,295	362,580	331,936	655,646
Accounts receivable from related parties	2,001	1,916	1,960	1,508
Notes receivable ⁽¹⁾	-	104,101	208,203	-
Held-to-maturity investments	-	-	-	555,629
Inventory	112,097	114,787	137,209	143,230
Prepaid disbursements	1,853,446	1,408,507	1,111,801	1,738,128
Current portion of financial assets – concession agreement	78,425,673	72,816,815	70,467,218	62,897,228
Total Current Assets	121,116,865	107,931,748	126,415,436	131,259,767
Notes receivable.....	-	-	104,101	-
Vehicle, furniture, and equipment – net	1,765,337	1,816,602	1,456,221	1,263,226
Financial assets – Concession Agreement	285,190,537	290,222,096	279,221,102	274,695,017
Other assets – Net	268,543	286,199	286,861	172,871
Total Non-Current Assets	287,224,417	292,324,897	281,068,285	276,131,114
Total Assets	408,341,282	400,256,645	407,483,721	407,390,881
Liabilities and Shareholders' equity:				
Current Liabilities				
Current portion of the long-term debt	18,432,778	18,432,778	12,798,410	10,776,224
Accounts payable.....	750,580	5,344,681	3,840,092	891,824
Accounts payable to related parties.....	1,564,866	1,574,094	904,714	1,225,456
Accumulated expenses	7,191,387	3,606,204	4,618,295	3,503,661
Income tax payable.....	2,336,722	2,708,647	1,361,193	964,254
Total Current Liabilities	30,276,333	31,666,404	23,522,704	17,361,419
Long-term Liabilities				
Accounts payable to related parties – Long term	-	-	104,101	-
Long term debt.....	185,554,608	185,554,608	203,987,386	216,785,796
Deferred income tax	40,095,506	39,118,638	30,502,505	22,284,136
Other financial liabilities	18,428,715	17,837,840	24,831,521	28,010,261
Total Liabilities	274,355,162	274,177,490	282,948,217	284,441,612
Shareholders' Equity				
Capital Stock.....	2,500,000	2,500,000	2,500,000	2,500,000
Additional Capital Contributions	58,000,000	58,000,000	58,000,000	58,000,000
Legal reserve.....	500,000	500,000	500,000	500,000
Retained Earnings.....	85,886,220	77,565,643	80,917,567	81,556,451
Cash Flow Hedge other comprehensive income (accumulated)	(12,900,100)	(12,486,488)	(17,382,063)	(19,607,182)
Total Shareholders' Equity	133,986,120	126,079,155	124,535,504	122,949,269
Total Shareholders' Equity & Liabilities	408,341,282	400,256,645	407,483,721	407,390,881

	For the three months ended		For the year ended December 31,	
	March 31,			
	2017	2016	2015	2014
	<i>(in U.S. dollars)</i>			
Cash Flow Statements Data:				
Cash provided by the operating activities	9,776,859	8,343,259	46,754,706	47,267,898
Net cash provided by the operating activities	7,162,248	6,731,861	26,817,625	27,730,242
Net cash used in the investment activities.....	(77,937)	(191,290)	(15,192,141)	(1,181,443)
Net cash used in the financing activities	-	-	(47,098,410)	(38,776,224)
(Decrease) Increase in cash and cash equivalents	7,084,311	6,540,571	(35,472,926)	(12,227,425)
Cash and cash equivalents at the beginning of the year	5,093,750	40,566,676	40,566,676	52,794,101
Cash and cash equivalents at the end of the year.....	12,178,061	47,107,247	5,093,750	40,566,676

RISK FACTORS

An investment in the notes involves a significant degree of risk, including, but not limited to, the risks described below. You should carefully consider the risks described below, which do not necessarily appear in order of importance, and the other information contained in this offering memorandum before making an investment decision with respect to the notes. The risks and uncertainties described below are not the only risks and uncertainties that the Issuer faces. Additional risks and uncertainties that the Issuer does not know about or that the Issuer currently believes are immaterial may also impair the Issuer's business operations in the future. If any of these or other risks and uncertainties actually occurs, the Issuer's business, financial condition or operating results could be materially and adversely affected. In that event, the Issuer may be unable to meet its obligations under the notes and you may lose all or part of your investment in the notes.

Risks Related to the Issuer's Business

The Issuer owns limited assets from which it can derive income to repay the notes.

The Issuer does not currently own and does not expect to own any material assets other than its rights under the Concession Agreement and cash on hand. In addition, the Concession Agreement specifically requires the Issuer at all times to be a single purpose entity, formed and organized solely for the purpose of operating the Toll Road and providing certain general commercial services along the Toll Road and prohibits the Issuer from engaging in any unrelated business. Without its rights under the Concession Agreement, and more specifically, its rights to the gross toll collections, the Issuer will not be able to continue to operate its business in a manner consistent with its past practices. For a discussion of termination events or rights under the Concession Agreement, see "Description of the Principal Project Documents—The Concession Agreement".

Market factors affecting traffic volumes that are beyond the Issuer's control may have an adverse effect on its gross toll collections.

Tolls collected from the operation of the Toll Road will constitute substantially all of the Issuer's source of cash from the operation of the Toll Road. Gross toll collections depend on the number of vehicles that travel on the Toll Road and the toll rates being charged. Traffic volume depends on, and may be affected by, a wide variety of factors, many of which are not within the Issuer's control, such as demographic changes, economic growth, increasing fuel prices, government macroeconomic policies, toll rates, social stability, competition from untolled or public transportation, and other factors prevalent in the area surrounding the Toll Road. As a result, the number of vehicles traveling on the Toll Road may not increase as forecasted. Failure to meet forecast traffic volumes on the Toll Road is likely to adversely impact the Issuer's financial results and its ability to repay the notes.

A disruption of the ETC system or other mismanagement issues affecting toll collection may result in a decrease in gross toll collections.

A significant portion of the Issuer's tolls are collected electronically through the ETC system, which is managed by Davivienda, pursuant to the terms of the Davivienda Agreement, and by ETC Peajes pursuant to the terms of the ETC QuickPass Agreement. As of March 31, 2017, approximately 52% of toll collection transactions were collected via the ETC system. All monies collected via the ETC system are transferred by ETC Peajes to the CRC Revenue Account within three business days from the receipt of toll collection information from the Issuer. In the event that ETC Peajes, Davivienda or the then current ETC Service Provider, fails to perform its obligations, the Issuer may suffer a reduction in gross toll collections from a disruption in ETC services. Further, procuring a replacement ETC Service Provider may require significant time and expenses. In the event the Issuer chooses to in-source ETC services, it will incur upfront costs and ongoing operational costs in connection with the addition of such service capabilities. Furthermore, if ETC services are in-sourced by the Issuer, the Issuer will be required to establish commercial agreements with local banks, which may result in significant time and expense, for example the local banks may increase the cost per transaction for providing clearing services for ETC transactions, as well as for additional services including distribution of the tokens, provision of transaction information and transferring funds to the CRC Revenue Account.

Alternately, if the Issuer chooses to renegotiate and extend the Davivienda Agreement or the ETC QuickPass Agreement, Davivienda or ETC Peajes may attempt to raise the cost per transaction for providing ETC services, or the Issuer may not be able to enter into a long-term ETC Service Contract with an alternate provider.

In addition, the Issuer has entered into an agreement with STT for toll collection services, and it could similarly disrupt the Issuer's business if STT becomes unwilling or unable to provide these services. Moreover, any failure by these service providers to comply with the terms of the relevant contracts, including any failure to pay any damages caused to the Issuer, does not absolve the Issuer of its duties to the Grantor under the Concession Agreement. Defaults by ETC Peajes, Davivienda or STT could cause the Issuer to default under its contractual obligations.

As the Issuer depends on the effective provision of ETC and toll collection services for the successful operation of the Toll Road, the occurrence of any of the foregoing events may have a material adverse effect on the Issuer's business, financial condition and results of operations and ability to repay the notes may be adversely impacted.

The Toll Road is exposed to competition from the San José–San Ramón Route, which may have an adverse effect on the Issuer's gross toll collections.

The San José – San Ramón Route is an existing route that connects the cities of San Ramón and San José, providing an alternative route for a portion of the Toll Road, primarily for Section I. The San José – San Ramón Route is currently untolled and provides a free alternative to Section I of the Toll Road; however, average speed on the San José – San Ramón Route is lower than on the Toll Road. Average speeds on the San José – San Ramón Route are approximately 52 km/hr, compared to approximately 72.6 km/hr for the Toll Road, and travel time from San José to the Port of Caldera is 2 hours and 30 minutes on average, which is longer than the average of 1 hour and 43 minutes on the Toll Road (see “Summary of the Traffic Consultant Report—The Toll Road”). In October 2004, the Grantor granted a concession for the renovation of the San José – San Ramón Route, but the related project was not completed. The Costa Rican government recently announced its intention to undertake the renovation directly. Recent legislative measures would allow the Costa Rican government to raise funds for such renovation from public and private sources and from domestic and international investors, and pool such resources through a trust. As of the date of this offering memorandum, there is no official public information as to whether the San José – San Ramón Route will be tolled, and if so, what the toll rates will be. If the Costa Rican government renovates the San José – San Ramón Route, the Toll Road may face increased competition from the San Ramón Route, which may adversely affect the Issuer's gross toll collections. If the San José – San Ramón Route is tolled and has toll rates that are substantially lower than the Toll Road's rates, drivers may choose the San José – San Ramón Route despite the benefits offered by the Toll Road. For a more detailed description of the projected impact in toll rates see “Traffic Consultant's Report” and “Appendix A—Traffic Consultant's Report”. There can be no assurance that a difference in toll rates or any potential improvement in the San Ramón Route during the lifetime of the Project will not result in lower traffic volumes than those projected, notwithstanding the consideration of this competing route in the preparation of traffic projections. Should actual traffic levels be lower than projected, the Issuer could receive lower gross toll collections. In addition, even though the Concession Agreement includes a mechanism for the reestablishment of the economic financial equilibrium of the Concession Agreement under certain conditions, this mechanism would not be available if the financial and economic equilibrium of the Concession Agreement changes because of competition from the San José – San Ramón Route. Any decrease in traffic flows stemming from increased competition from the San José – San Ramón Route or any other competing route could adversely affect the Issuer's business, financial condition, results of operations and ability to repay the notes.

New competing transportation facilities may adversely impact the operations of the Issuer by diverting users of the Toll Road to such other facilities and reducing gross toll collections of the Issuer.

Current traffic volumes on the Toll Road could be adversely affected by changes in the condition of Costa Rica's highway system or by the construction of other forms of transportation. The Issuer is exposed to the risk that in the future the Grantor or other local transportation agencies may build and grant concessions for the construction of new highways or other transportation projects that could compete with the Toll Road and result in lower than expected traffic volumes on the Toll Road. Any competition from such highways or roads, or the promotion of other alternative means of transportation, could have an adverse effect on the Issuer's business, financial condition and results of operations and ability to repay the notes.

The Grantor and other governmental or municipal authorities have the ability to propose and construct facilities and/or transportation improvements, including additional or improved free roads, bus lanes, light rail, heavy rail and freight rail projects near or adjacent to the Toll Road and the construction of the same will not entitle to the Issuer to any compensation from the Grantor, regardless of any negative impact on gross toll collections. In addition, to the extent that a competing highway or toll road is constructed and the Issuer seeks compensation for its losses under the Concession Agreement, there can be no assurance that the Issuer will be successful in obtaining such compensation.

As a result of the potential for the construction of new roadways or other forms of transportation, no assurance or guaranty can be given that the Issuer will not experience a decrease in its traffic volumes, which could have a negative effect on the Issuer's business operation, financial results, and ability to repay the notes.

Projections and forecasts of future traffic flows and future operating or capital expenditures may prove to be incorrect.

The traffic and income projections and forecasts included in this offering memorandum have been prepared by the Traffic Consultant and the operating expenditure and capital expenditure forecasts included in this offering memorandum have been prepared by the Independent Engineer. The Traffic Consultant and the Independent Engineer made numerous assumptions, including assumptions in respect of material contingencies and other matters beyond the Issuer's control, in preparing these analyses and reports. The Traffic Consultant and the Independent Engineer each prepared its projections, forecasts and opinions on the basis of assumptions, estimates, projections and forecasts that the Issuer believes to be reasonable. However, such assumptions, estimates, projections and forecasts, as set forth in the Traffic Consultant's Report and the Independent Engineer's Report, attached hereto as Appendix A and Appendix B, respectively, are subject to uncertainty and actual results may differ materially from those projected or forecasted. Furthermore, these projections and forecasts were not prepared with a view toward compliance with IFRS. In addition, the Issuer's independent auditors have not examined, compiled or performed any procedures with respect to the prospective financial or other information contained in the Traffic Consultant's Report or the Independent Engineer's Report and, accordingly, express no opinion or any other form of assurance on such information or its achievability. The holders of the notes are cautioned not to place undue reliance on the projections, forecasts and assumptions contained in the Traffic Consultant's Report, the Independent Engineer's Report and elsewhere in this offering memorandum. The Traffic Consultant's Report and the Independent Engineer's Report each contain important discussions of the projections and forecasts and of the assumptions, estimates, and forecasts used in their preparation and the Issuer urges you to read the Traffic Consultant's Report and the Independent Engineer's Report in their entirety.

Failure to maintain the traffic corridor and ingress and egress points connecting the Toll Road may have an adverse effect on the Issuer's traffic volumes and gross toll collections.

Maintenance of the access ramps to the Toll Road is performed by the Issuer while maintenance of other elements such as roadways connecting to the Toll Road and other structural elements within the Toll Road such as certain bridges, is performed by other governmental agencies, which is outside of the Issuer's control. If such agencies do not properly maintain the connecting roadways, or if such maintenance requires lane closures, the Issuer may experience a decrease in traffic volume on the Toll Road, which could adversely affect the Issuer's gross toll collections and adversely affect its financial condition and ability to repay the notes. Since these situations are outside the Issuer's control, any lost toll collections may be compensated through the re-establishment of the economic financial equilibrium of the Concession Agreement; however it is not possible to determine if such remedy will be sufficient to cover all of the Issuer's lost net toll collections, and request for economic financial equilibrium re-establishment may be subject to dispute. See "Description of the Principal Project Documents—The Concession Agreement—Economic Financial Equilibrium Readjustments".

Natural and catastrophic events may damage the Toll Road and otherwise reduce income generation from the Toll Road.

A natural disaster, severe weather or any other event that damages the Toll Road or a part thereof could have a material adverse effect on the Toll Road and significantly reduce the gross toll collections generated by the Toll Road or significantly increase the expense of operating, maintaining or restoring the Toll Road. For example, lightning strikes, earthquakes, landslides, tornados, hurricanes, extreme winds, severe storms, wildfires, severe

flooding, volcanic eruptions and other unfavorable weather conditions or natural disasters could damage, require the shutdown of, decrease the use of, or make inaccessible, all or parts of the Toll Road, impeding the Issuer's ability to maintain and operate the Toll Road and decreasing gross toll collections. In addition, catastrophic events such as explosions, terrorist acts or other similar occurrences could result in similar consequences or in personal injury, loss of life, environmental danger or severe damage to or destruction of the Toll Road or suspension of operations, in each case, adversely affecting the Issuer's ability to maintain and operate the Toll Road and decreasing gross toll collections. If any of the foregoing events occur, to the extent not fully covered by insurance, it could materially and adversely affect the Issuer's ability to repay the notes. In addition, these events may constitute *force majeure*, which may cause the Concession Agreement to be terminated if such event makes it impossible for the Concession to continue in operation. See below "—The early termination of the Concession Agreement, including as a result of the Issuer's failure to comply with the terms of the Concession Agreement, would have a negative impact on the Issuer's ability to repay the notes".

Landslides could interrupt the operation of the Toll Road, cause damages to third parties, increase maintenance costs and expose the Issuer to sanctions.

The slopes of the Toll Road may require additional stabilization monitoring to prevent or mitigate the consequences of possible landslides that may occur as a result of certain special geomorphological conditions, as well as other climatic and seismic conditions. The Issuer has developed, together with specialists in the field, including APSA S.A.S. (pavement consultants) and INSUMA, S.A. (engineering and materials specialists), an action plan to continually monitor the Toll Road and undertake preventive measures when necessary. The preventive maintenance plan is accounted for in the Issuer's maintenance budget. Although the number of landslides affecting the Toll Road has decreased in recent years, the Issuer is unable to predict whether this trend will continue. For example, a landslide in November of 2014 resulted in the partial closure of the Toll Road for several hours. To the extent the Issuer's insurance does not fully cover the damages caused by the landslides, the continued occurrence of landslides on the Toll Road could materially and adversely affect the Issuer's business, financial condition, results of operations and ability to repay the notes.

The Issuer is not able to insure against all potential risks relating to its operations and, alternatively, may become subject to higher insurance premiums.

Although the Issuer expects, at all times, to maintain insurance consistent with industry standards and compliant with the Concession Agreement to protect against certain operating and other risks, such as business interruption insurance that is intended to offset loss of toll collections during an operational disruption for a period of up to 12 months, not all risks are insured or insurable (for example, losses as a result of *force majeure*, natural disasters, strikes, riots, terrorist attacks or sabotage, or environmental contamination may not be available at all or on commercially reasonable terms), some insurance only provides for limited coverage, and disputes may develop over insured events. In addition, there can be no assurance that such insurance coverage will be available in the future at all or on commercially reasonable terms or at commercially reasonable rates. If certain operating risks occur, or if there is a total or partial loss of the Toll Road, there can be no assurance that the proceeds of the applicable insurance policies will be adequate to cover lost toll collections, increased expenses or the cost of repair or replacement.

The availability of insurance coverage for the Issuer's line of business is limited, and any change in the scope of its coverage could affect its ability to obtain and maintain adequate insurance at a reasonable cost or at all. Accordingly, the Issuer cannot assure you that its current insurance policies will be sufficient to cover its potential liabilities and, as a result, that the Issuer will not face financial difficulties if required to disburse any amount not covered by its existing policies. Any of the foregoing events could materially and adversely affect the Issuer's business, financial condition, results of operations and ability to repay the notes.

The Issuer may be exposed to risks related to litigation and administrative proceedings that could materially and adversely affect its business and financial performance in the event of an unfavorable ruling.

The Issuer's business may expose it to litigation relating to labor, regulatory, tax and administrative proceedings, governmental investigations, tort claims, contract disputes and criminal prosecution, among other matters. In the context of these proceedings the Issuer may not only be required to pay fines or money damages but also be subject to complementary sanctions or injunctions affecting its ability to continue its operations. These

actions could also expose the Issuer to negative publicity, which may adversely affect its reputation. While the Issuer may contest these matters vigorously and make insurance claims when appropriate, litigation and other proceedings are inherently costly and unpredictable, making it difficult to accurately estimate the outcome of actual or potential litigation or proceedings. Although the Issuer may establish provisions as it deems necessary, the amounts that it reserves could vary significantly from any amounts it actually pays due to the inherent uncertainties in the estimation process. See “Business Description—Legal Proceedings” and note 34 and 21 to the audited financial statements and the unaudited condensed interim financial statements, respectively, included elsewhere in this offering memorandum.

The Issuer relies on the performance of third parties for the maintenance of the Toll Road.

The successful maintenance and operation of the Toll Road largely depends on the ability of third parties to provide the maintenance projects required by the Concession Agreement. If these third parties fail to perform their obligations to the Issuer under these service agreements, or any other agreement entered into in respect of maintenance services, in a timely manner or at all, the Issuer may be unable to operate its business and may be in violation of the Concession Agreement. Furthermore, in the event of an early termination of any of the aforementioned agreements or the expiration of their terms, the Issuer may be required to engage replacement contractors or operators or to provide the services they render in order to comply with the Concession Agreement, or to otherwise continue operating the Toll Road. The Issuer cannot assure you that it will be able to negotiate new agreements with replacement contractors that have similar terms as the agreements in place as of the date of this offering memorandum or that it will be able to provide such services at the same cost as the current providers of such services. Any failure by contractors to perform their obligations under agreements with the Issuer, or the inability of the Issuer to replace them or provide the services they render itself at the same cost or at all may have a material and adverse effect on the Issuer’s financial results.

The operation of the Toll Road must comply with applicable laws and regulations and a failure to comply with such laws and regulations, including maintaining any required permits, could materially and adversely affect the operation of the Toll Road.

The Issuer is subject to substantial regulation by governmental agencies. In addition, operation of the Toll Road relies on governmental licenses, permits or contracts that are generally very complex and may result in disputes over interpretation or enforceability. There are many Costa Rican laws, regulations, and standards applicable to the operation and maintenance of the Toll Road. Although the Issuer’s rights and responsibilities in relation to the Grantor are established in the Concession Agreement, the Costa Rican government could exert significant influence on the Issuer’s operations by implementing various governmental policies that limit assistance from the government in the operation of the Toll Road, by implementing traffic enforcement measures or by otherwise making it more difficult for the Issuer to operate and maintain the Toll Road.

Compliance with applicable laws and regulations may require applying for additional permits or authorizations from governmental agencies which may be slow to act and may require the Issuer to expend significant time and cost. Noncompliance with these laws and regulations may result in security measures, penalties, fines or the temporary or permanent curtailment or cessation of operations of the Toll Road. In addition, governmental permits or authorizations may be issued with conditions or requirements that may be difficult or costly to fulfill.

A change in law or the implementation of new governmental policies, the Issuer’s failure to comply with existing laws and regulations as described above or any delay or failure to maintain or renew required permits and approvals, could curtail or prevent the operation of the Toll Road, result in additional costs, and consequently could materially and adversely affect the Issuer’s ability to repay the notes.

No assurance can be given that all required governmental permits or authorizations will be maintained, renewed or obtained. In the future, additional regulatory approvals may be required for the operation of the Toll Road due to changes in laws, regulations, and standards or for other reasons. In addition, zoning, regulatory, environmental, health and safety laws, regulations, and standards are subject to periodic amendment and tend to become more stringent over time. Accordingly, no assurance can be provided that such laws or regulations will not be changed, amended, or reinterpreted or that new laws, regulations, and standards will not be adopted, and the Issuer’s costs of complying with future regulations may require the incurrence of materially higher costs.

If any of the foregoing events occur, including any delay or failure to maintain or renew required permits and approvals, it could curtail or prevent the operation of the Toll Road, result in additional costs, and consequently could materially and adversely affect the Issuer's ability to repay the notes.

The Issuer is dependent on its key employees and a failure to attract and retain the necessary personnel could harm the Issuer's business.

The Issuer depends on the services of its key officers and employees. The Issuer's senior management team has substantial experience in the infrastructure industry. The loss of any experienced officer, key employee or senior manager could adversely affect the Issuer's ability to implement its business strategy. The competition to attract qualified personnel is intense and it is possible that the Issuer may not succeed in attracting, integrating or retaining personnel with the experience or at the compensation levels necessary to preserve its quality and reputation, or to support or expand its operations. Accordingly, the Issuer cannot assure you that it will achieve its strategic goals. The Issuer's inability to attract and retain the necessary personnel could harm the Issuer's business and adversely affect its ability to repay the notes.

Changes to applicable tax laws and regulations can adversely affect the Issuer's business, results of operations and financial condition.

The Costa Rican government regularly implements changes to tax regulations. These changes may include modifications in the methods for tax audits and the enactment of temporary or additional taxes. The Costa Rican government is currently attempting to implement a comprehensive fiscal strategy to further increase competitiveness, including (i) executing strict policies to restrain current expenditures by limiting government hiring and limiting wage increases to match expected inflation; (ii) safeguarding public investment and social spending through productive investment projects using innovative financing, and enacting measures to maintain current levels of social expenditure; (iii) strengthening the fight against tax evasion and contraband, increasing fiscal transparency and training judges and prosecutors to better understand and fight tax crimes; (iv) expanding financing options for the government of Costa Rica with the goal of expanding its investor base and lowering borrowing costs; and (v) encouraging a national dialogue with all stakeholders to reach a consensus on ways to strengthen the finances of the public sector. Notwithstanding these measures, any deterioration in the fiscal situation of Costa Rica may lead the government of Costa Rica to impose additional taxes that could adversely affect the Issuer's business, financial condition, results of operations and ability to repay the notes. Under the terms of the Concession Agreement, the Issuer may request that the Grantor reestablish the financial equilibrium of the Concession Agreement due to changes in tax laws and regulations; however, it is not possible to determine if the Grantor would approve such a request, and whether such a remedy would be sufficient to cover any lost income in a timely manner. See “—The contractual mechanism for the reestablishment of the economic financial equilibrium of the Concession Agreement may not be sufficient to cover the Issuer's lost income”.

The Issuer's financial results can be negatively impacted by the actions of the users of the Toll Road.

The Issuer's toll collections may be negatively impacted as a result of unlawful roadway entries and exits by users who avoid paying the required toll. Despite the engagement of municipal police forces to protect against unlawful toll evasion, this activity might directly affect the Issuer's financial results and consequently could materially and adversely affect the Issuer's ability to repay the notes. While the Issuer does not consider the risk of elusion or evasion to be high, the Issuer cannot assure you it will not increase or be more severe than expected in the future.

The Issuer is subject to comprehensive environmental and safety laws and regulations that may become more stringent in the future and may result in increased liabilities and increased capital expenditures.

The Issuer is subject to comprehensive environmental and safety laws and regulations, as well as supervision by Costa Rican governmental agencies that are responsible for the implementation of such laws and regulations. These laws and regulations govern, among other things, the discharge of pollutants, the treatment, transport, storage and disposal of solid and hazardous wastes and the remediation of soil and groundwater contamination. The Issuer is required to obtain certain environmental permits and licenses for certain construction and operation activities, which could prohibit or severely restrict activity in certain environmentally sensitive regions or areas. Even once obtained, compliance with regulation and license terms and conditions may be

expensive, difficult or economically unfeasible, thereby curtailing future operations. Moreover, governmental agencies could take enforcement actions against the Issuer for its failure to comply with environmental law. Compliance with environmental and safety law could also force the Issuer to make capital expenditures with respect to the operation of its Toll Road and consequently divert funds from planned investments. Such a reduction of available resources could adversely affect the Issuer's business, financial condition and results of operations and its ability to repay the notes.

In addition, changes in the scope of the Project or in environmental requirements may cause the Issuer to take additional action to remain in compliance with environmental and safety laws and regulations. For example, if the Issuer is required to perform additional construction works pursuant to the Concession Agreement, the existing Environmental Licenses may need to be amended to cover the additional construction works. For a discussion of situations in which the Issuer may be required to perform additional construction works, see “—The Issuer may be required under the Concession Agreement to perform additional construction works or services and discrepancies may arise as to the compensation to be received by the Issuer”. Furthermore, before commencing the operation of the Toll Road, the Issuer was required under the Concession Agreement to deliver an environmental compliance guarantee. The National Technical Secretariat for the Environment (*Secretaría Técnica Nacional Ambiental*) (“SETENA”) has the authority to review this guarantee at least on an annual basis to ensure compliance with applicable environmental protection requirements. As a result of these revisions, SETENA may increase the value of guarantee, constituting an additional expense to the Issuer.

Under the terms of the Concession Agreement, the government is required to reestablish the financial equilibrium of the Concession Agreement upon the Issuer's request for changes in environmental laws and regulations; however, it is not possible to determine if such remedy will be sufficient to cover any lost income in a timely manner. See “—The contractual mechanism for the reestablishment of the economic financial equilibrium of the Concession Agreement may not be sufficient to cover the Issuer's lost income”.

Globalvía indirectly owns all of the shares of the Issuer, and Globalvía's interests may differ from the interests of the noteholders.

Globalvía indirectly owns 100% of the Issuer's capital stock, and as such, has the power to elect all of the Issuer's directors and officers and determine the outcome of any action requiring shareholder approval, including transactions with related parties, corporate reorganizations and the timing and payment of dividends. Certain of the Issuer's officers and directors are also directors or officers of Globalvía or its affiliates. In addition, Globalvía and its affiliates perform administrative and other services on behalf of the Issuer. There can be no assurance that the interests of Globalvía will not conflict with the Grantor's, the Issuer's or your interests. In certain circumstances involving a conflict of interest between the Issuer and the noteholders, Globalvía may cause the direct shareholders of the Issuer to exercise their voting rights as shareholders in a manner that would benefit Globalvía to the detriment of the noteholders. See “Certain Relationships and Related Party Transactions” and note 14 to the Issuer's audited financial statements included elsewhere in this offering memorandum.

For example, subject to the provisions of the Indenture and the notes, Globalvía may direct the Issuer, or cause its board of directors and/or executive officers to direct the Issuer, not to engage in certain activities, to make certain expenditures and dividend payments and/or enter into transactions with affiliates, which may be designed primarily to promote Globalvía's own goals and not exclusively to enhance the Issuer's business.

The financial statements included elsewhere in this Offering Memorandum have been prepared and are presented in accordance with IFRS, which differs in certain material respects from U.S. GAAP.

The financial statements included elsewhere in this offering memorandum have been prepared and are presented in accordance with IFRS. Significant differences exist between IFRS and U.S. GAAP, which are material to the presentation of the financial statements and other financial information included in this offering memorandum. The Issuer has made no attempt to identify or quantify the impact of those differences in this offering memorandum. In making an investment decision, you must rely upon your own examination of the Issuer, the terms of this offering and the financial information included in this offering memorandum. You should consult your own professional advisors for an understanding of the differences between IFRS and U.S. GAAP, and how those differences might affect the presentation of the financial information and statements included in this offering memorandum.

Risks Related to the Concession Agreement

The early termination of the Concession Agreement, including as a result of the Issuer's failure to comply with the terms of the Concession Agreement would have a negative impact on the Issuer's ability to repay the notes.

The Issuer's principal asset and primary source of income is the legal rights it has under the Concession Agreement to operate, manage, maintain, rehabilitate, toll and expand the Toll Road for a current maximum term of 25.5 years, of which approximately 17 years remain. If the Concession Agreement is terminated, the Issuer will be obligated to return all property received under the Concession Agreement to the Grantor, it will cease to operate the Toll Road and it will cease to receive income from its operation, which may adversely impact the Issuer's liquidity and ability to repay the notes. The Concession Agreement will terminate prior to the end of its remaining term if: (i) the Current NPV is reached or (ii) the Issuer fails to put in place or renew the guarantees required under the Concession Agreement. In addition, the Concession Agreement can be terminated if (i) the Issuer breaches or fails to comply with, perform or observe any material obligation, agreement, term or condition of the Concession Agreement, (ii) the Issuer is bankrupt (iii) there is a *force majeure* or fortuitous event that makes it impossible for the Concession to continue in operation, (iv) it is impossible for the Issuer to fulfill its obligations under the Concession Agreement due to actions taken by the Costa Rican government or (v) there is a taking of the Toll Road by the Grantor for public interest reasons. See "Description of the Principal Project Documents—The Concession Agreement—Suspension and Termination of the Concession" for a discussion of termination events under the Concession Agreement.

If the Concession Agreement is terminated as a result of a material breach by the Issuer, the trustee of the A&R Payment and Guarantee trust, which contains 100% of the share capital of the Issuer, must appoint a temporary administrator approved by the Grantor to temporarily operate the Concession until the Issuer's share capital is sold or the Concession is extinguished. In this situation, the Concession will only be extinguished if the trustee of the A&R Payment and Guarantee Trust is unable to find a replacement concessionaire to purchase the Issuer's share capital in the six months after the trustee of the A&R Payment and Guarantee Trust is notified that the A&R Payment and Guarantee Trust must be executed, and the termination payment will not become due and payable to the Issuer until the end of the six-month period. If the Concession is terminated pursuant to such mechanism, there can be no assurance that the proceeds of the liquidation of the Concession will be sufficient to cover payments due under the notes. Even if the proceeds of the liquidation are sufficient to cover payments due under the notes, any payments made following the termination of the Concession may be subject to substantial delays. See "—The Issuer's receipt of any termination payment amount under the Concession Agreement may be subject to substantial delays".

The Issuer's ability to raise toll rates is regulated by the Concession Agreement and thus it may not be able to raise tolls in order to offset increasing operating costs, which may adversely impact its results of operations and its ability to repay the notes.

The toll rates charged on the Toll Road are regulated by the Concession Agreement, and adjusted pursuant to ordinary and extraordinary adjustments. Ordinary adjustments take place (i) annually, on December 31st, to reflect positive or negative variations in the U.S. consumer price index (the "U.S. CPI"), and (ii) quarterly, on March 31st, June 30th, September 30th and December 31st, to reflect variations in the accumulated depreciation or appreciation of the *colón* against the U.S. dollar. Extraordinary adjustments can take place before the next scheduled ordinary adjustment to reflect variations of 5% or more in the U.S. CPI or the accumulated depreciation or appreciation of the *colón* against the U.S. dollar. The tolls may be further adjusted based on factors dependent on the Toll Road's operation, such as: granting and application of the Road Safety Award; compensation for peak hour traffic in any of the three sections of the Toll Road; compensation for New Investments or Consubstantial Investments; or indemnification to re-establish the economic financial equilibrium of the Concession Agreement. To the extent that the Issuer's construction costs and operating expenses increase more quickly than expected, the Issuer may not be permitted to adjust the toll rates charged to offset such increased costs and expenses or any ordinary or extraordinary adjustment may not be sufficient to offset such costs. Thus, toll collections may be insufficient to pay the construction costs and operating expenses of the Project as well as debt service on the notes and the Issuer's other debt and obligations. Even if the Issuer is permitted to adjust the toll rates to reflect variations in costs, expenses and investment amounts, the Issuer and the Grantor could disagree as to the amount of the adjustment, which could have a negative effect on the Issuer's ability to make payments under the notes.

The Issuer may be required under the Concession Agreement to perform additional construction works or services and discrepancies may arise as to the compensation to be received by the Issuer.

Pursuant to the Concession Agreement, in order to improve the existing Toll Road or for public interest reasons, the Grantor may require the Issuer to make New Investments in connection with construction works such as the building of new bridges, bus bays or new connections to other roads. The value of these New Investments may not exceed 25% of the value of the Issuer's original total investment in the Toll Road. Currently, the Issuer has made New Investments equal to 18% of the maximum 25% level of the value of the Issuer's original total investment in the Toll Road. The Issuer and the Grantor may also mutually agree the Issuer will make these New Investments. In addition, if the Toll Road reaches certain traffic volume thresholds, the Issuer is required to extend the lanes of the Toll Road in the Orotina – Caldera and San José – Ciudad Colón sections as Consubstantial Investments. See “Description of the Principal Project Documents—The Concession Agreement—New Investments and Consubstantial Investments”.

The Issuer cannot refuse to carry out the Toll Road improvements described above if: (i) such new investment's rate of return is equivalent to the rate of return included in the original bid for the Project submitted on May 14, 2001, i.e. 15.95% calculated based on annual inflation of 2%; (ii) the net toll collections at the time of the new investment request (calculated from the beginning of the concession to the date the new investment is to be implemented) equals 90% of the total net toll collections from the toll rates indicated in the original bid for the Project, (iii) the additional income to be generated by the new investment are bankable, and (iv) the new investment does not result in a breach of any debt coverage ratio assumed by the Issuer in its financing agreements.

The timing and scope of any new investments to be performed, as well as the form and extent of the compensation to be paid by the Grantor for any such new investments, cannot be determined at this time. It is possible that the Issuer and the Grantor may disagree on certain issues concerning the additional investments, including the characteristics of the new investments, the criteria for compensating the Issuer for any investments made in connection therewith and the amount of any such compensation. In the event of any such disagreement, the dispute could result in an adverse decision which could have an adverse effect on the Issuer's rights to and the amount of compensation it may receive in connection with the additional investments.

The Issuer may be required under the Concession Agreement to perform additional construction works in order to reduce wait time in toll collection lines which may disrupt the Issuer's operations and adversely impact the Issuer's gross toll collections.

If the wait time in a toll collection line reaches certain levels established in the Concession Agreement the Issuer may be required to undertake additional works, including increasing the number of toll collection points, in order to decrease such wait time. See “Summary of the Independent Engineer's Report—Proposed Additional Works”. Such additional works are subject to the approval of the Grantor and must be built within a period of up to three months. If the Issuer fails to meet such conditions, it may be subject to certain fines or penalties up to an amount of U.S.\$5,000, which may adversely impact the Issuer's business, results of operations and financial condition. See “Description of the Principal Project Documents—The Concession Agreement—Penalties—Fines During the Operational Phase of the Project”. Such additional works are not subject to additional compensation from the Grantor through the re-establishment of the economic financial equilibrium of the Concession Agreement.

The contractual mechanism for the reestablishment of the economic financial equilibrium of the Concession Agreement may not be sufficient to cover the Issuer's lost income.

Under the Concession Agreement the Issuer has the right to request a rebalancing of its economic return established at the time of the original entry into the agreement. This rebalancing compensates the Issuer for events outside of its control that negatively impact the economic return under the Concession Agreement, including (i) unilateral measures implemented by the Grantor or other governmental agencies, including new laws, regulations or taxes; (ii) *force majeure* events that jeopardize the financial capacity of the Issuer to comply with its obligations under the Concession Agreement; and (iii) certain events not covered by insurance. The rebalancing may be achieved by increasing the tolls, extending the term of the Concession Agreement, increasing the Current NPV, making a one-time or annual payment by the Costa Rican government, or any other measures allowed under Costa Rican law.

The Issuer has invoked the rebalancing provision in the Concession Agreement once before. As part of the Settlement Agreement, the Issuer and the Grantor agreed to reestablish the economic financial equilibrium of the Concession Agreement within 24 months from January 8, 2008 (the date the Issuer received the contract initiation order from the Grantor) in order to reflect certain additional extraordinary expenses incurred by the Issuer as a result of delays in the construction of the Project. For additional details on this process and the resulting arbitration proceeding, see “Description of the Principal Project Documents—The Concession Agreement—The Settlement Agreement”.

Although, under the terms of the Concession Agreement, the government is required to reestablish the financial equilibrium of the Concession Agreement upon the Issuer’s request, if any of the events described above occurs, it is not possible to determine if such remedy will be sufficient to cover any lost income in a timely manner. As a result, the Issuer’s ability to generate sufficient funds to repay the notes may be adversely impacted. Furthermore, the application of the contractual mechanism for the reestablishment of financial equilibrium may be subject to a dispute with the Grantor, which must be submitted to arbitration and may result in delays or insufficient compensation. See “Description of the Principal Project Documents—The Concession Agreement—Economic Financial Equilibrium Readjustments”.

Maintenance work and additional construction works on the Toll Road may result in additional construction, operating and maintenance costs to the Issuer and involve risks that may adversely impact traffic volumes and any failure to implement such work may result in termination of the Concession Agreement.

Pursuant to the terms of the Concession Agreement, the Issuer is required to undertake maintenance work from time to time in respect of the Toll Road during the Concession Period to maintain the Toll Road and its structural elements in their original condition. On an annual basis, the Issuer prepares an annual maintenance plan, subject to the Grantor’s review and approval. The Grantor may require additional maintenance works on the road to be included in the annual maintenance plan. Furthermore, the Grantor carries out periodical inspections on the Toll Road, and the Issuer is required to adjust its maintenance program in response to the Grantor’s evaluations.

The performance of this maintenance work, as well as the new investments may result in increased construction costs and operating expenses to the Issuer, as well as reduced toll collections. Even if these increased costs lead to an economic rebalancing under the Concession Agreement, the Grantor and the Issuer may not agree on the amount or the applicability of the rebalancing payments. In the absence of rebalancing payments, the Issuer could be required to make capital expenditures or obtain financing, which may adversely affect its business, financial condition, results of operations and ability to repay the notes.

In addition, some maintenance or new investment works on the Toll Road will require lane closures on portions of the Toll Road and may adversely affect traffic on the Toll Road. Further, in respect of any such work, the Issuer is subject to various risks, including, but not limited to, higher than estimated costs, lower than estimated gross toll collections, labor disputes or work stoppages, slower than expected progress and the unavailability or late delivery of necessary equipment, less than optimal coordination with governmental authorities, adverse weather conditions and unexpected construction conditions, accidents and catastrophic events such as explosions, fire and terrorist activities and other similar events not under the Issuer’s control, such as *force majeure* events. Events of this nature could severely delay or prevent completion of, or significantly increase the cost of these works, which are necessary for the proper maintenance of the Toll Road and in some cases compliance with the terms of the Concession Agreement. Certain of these events may not be covered by the Issuer’s insurance policies. The occurrence of any of these events could severely delay the project, increase the cost of the project and prevent the conclusion of the maintenance or new investment works. There can be no assurance that gross toll collections and income from the commercial exploitation of the Toll Road will be sufficient to cover increased costs related to delays in construction of maintenance or new investment works. Any delays, cost overruns, including as a result of an increase in the price of raw materials, or *force majeure* events could have a material adverse effect on the Issuer’s ability to cover operation and maintenance provisions, to pay construction and other capital costs, to repay the notes and to fund required reserve accounts and other obligations. Unexpected failure to implement these works could also result in a material breach of the Issuer’s obligations under the Concession Agreement and therefore result in the early termination of the Concession Agreement.

A delay or insufficient funds available for the Grantor to fulfill its payment obligations pursuant to the Concession Agreement could adversely affect the Issuer's ability to repay the notes.

Pursuant to the Concession Agreement, the Grantor is responsible for making certain payments to the Issuer, including payments related to certain investments, termination, the re-establishment of the economic financial equilibrium, or the Minimum Guaranteed Income. The funds for these payments may differ and the timing and reliability of such payments may also vary and are subject to annual budgetary allocations. Due to these circumstances, there can be no assurance that each of the Grantor payments will be made in a timely manner. The Grantor must follow its normal budgetary procedures in order to create the budgetary allocations required to fund any portion of the payments that arise in accordance with the Concession Agreement. As a result, there is no predictable payment schedule for each of the Grantor payments, if applicable, and in the event of insufficient funds, payments to the Issuer may be delayed. Grantor budget allocations also have a varied payment scheduled depending on timing of the payment request and final budget approval. As a result, there can be no assurance that payment from the Grantor will be made in a timely and consistent manner. Material delays or any failure by the Grantor to pay its obligations when due, or at all, could have a material adverse effect on the Issuer's business, results of operation and financial condition and ability to make payments under the notes. The Issuer is entitled to compensation for any payment delay described above; however the exact amount, and whether any such payment will be sufficient to compensate the Issuer for the delay, cannot be determined at this time. Insufficient compensation may adversely impact the Issuer's liquidity and its ability to repay the notes.

Under certain circumstances, the termination of the Concession Agreement by the Grantor may result in the Issuer's receipt of a termination payment amount that does not adequately compensate it for the actual costs and investments associated with the Toll Road and thus may not provide the Issuer with sufficient funds to repay the notes.

In the event of an early termination of the Concession Agreement, the Issuer will be entitled to a termination payment consisting of costs and expenses incurred by the Issuer in connection with the Toll Road less accumulated depreciation as of the date that the termination is declared. If the early termination is caused by reasons unrelated to the Issuer, the Issuer is entitled to an additional payment of 50% of the Issuer's pre-tax profit from the early termination date to the end of the Concession Period. If the early termination is due to the Issuer's breach, the termination payment will be reduced by the amount of any damages suffered by the Grantor as a result of the Issuer's default and not covered by the Issuer's performance guarantees. In addition, if the Concession is terminated before the Current NPV is reached, the Issuer will be entitled to an additional payment upon termination of the Concession of up to U.S.\$43.4 million, to be paid within 90 days following the termination.

The Grantor will determine the amount of the termination payment in accordance with the formulas established in the Concession Agreement. Although the Issuer is entitled to challenge the Grantor's determination of the termination payment through a specified conflict resolution mechanism, doing so may delay the termination payment under dispute.

If the sum of (i) the damages and other deductions made by the Grantor in connection with that termination and deducted from the costs and expenses actually incurred by the Issuer and (ii) the negative difference of the amounts recognized by the Grantor and the amounts actually invested in the Toll Road results in a termination payment that is lower than anticipated, then the Issuer may not receive a termination payment that is sufficient to cover payments under the notes. In addition, if the Concession Agreement is terminated because of a material breach of the Issuer and the Grantor delays substantially in the exercising its right to terminate the Concession Agreement, the Issuer may not have sufficient funds available to keep current payments of debt service on the notes until the Issuer receives the termination payment.

The Issuer's receipt of any termination payment amount under the Concession Agreement may be subject to substantial delays.

The Concession Agreement does not expressly establish the form of or timing for the termination payments the Costa Rican government must make following the early termination of the Concession Agreement, other than the U.S.\$43.4 million payment to be paid by the Grantor to the Issuer in the case the Concession is terminated before the Current NPV is reached, which shall be paid within 90 days following the termination. In addition, certain causes for termination are subject to additional procedures before the Issuer is entitled to receive a termination payment.

Pursuant to the Concession Agreement, the termination payment becomes due and payable once such payment has been defined either by agreement, conclusive and final administrative resolution, arbitration award, or judicial resolution if applicable. In all cases, even after the termination payment becomes due and payable, the Issuer's receipt of the termination payment is subject to the Costa Rican budgetary process, including the approval of the General Controller of Costa Rica, which will begin when the termination payment becomes due and payable and can result in substantial additional delays. The early termination of the Concession Agreement could have a negative impact on the Issuer's ability to repay the notes.

Although the Issuer estimates that the termination payment will likely be paid within one year and six months from the termination of the Concession Agreement if such termination occurs as result of a material breach by the Issuer and one year if the Concession Agreement is terminated for reasons other than a material breach by the Issuer, factors outside of the Issuer's control and entirely attributable to the Costa Rican government may cause these payments to be delayed despite such amounts being due and payable. Failure to receive or a delay in receiving termination payments could negatively impact the availability of funds to make payments under the notes.

The Grantor and the Issuer may disagree as to the amount of the termination payment in the case of the early termination of the Concession Agreement.

Although the Concession Agreement sets out the outer limits of the termination payments the Issuer may receive in the context of an early termination, the Grantor and the Issuer could disagree on which costs, expenses and investments the Grantor must recognize and indemnify, which could decrease the amount of the termination payment. In addition, the Issuer and the Grantor may disagree with respect to the amount of damages caused to the Grantor that may be deducted from a termination payment. The deduction of large amounts from the termination payment could negatively impact the funds available to the Issuer to make payments under the notes.

Risks Related to Costa Rica

Costa Rica has different corporate disclosure standards from those with which you may be familiar in the United States, and Costa Rica's securities laws may not afford you the same protections as U.S. securities laws.

The securities disclosure requirements applicable to public companies in Costa Rica differ from those applicable to public companies in the United States in some important respects. Accordingly, the information about the Issuer that will be available to you following the offering will not be the same as the information disclosed by a U.S. company required to file reports with the U.S. Securities and Exchange Commission.

In addition, although Costa Rican law imposes restrictions on insider trading and price manipulation, applicable Costa Rican securities laws and regulations are different from those in the United States, and some investors' protections available in the United States may not be available in the same form, or at all, in Costa Rica.

All of the Issuer's income is earned in Costa Rica and all of its assets are located in Costa Rica.

The Issuer is organized under the laws of Costa Rica. All of its income is earned in Costa Rica and is denominated in Costa Rican *colones*. In addition, all of the Issuer's assets, operations and customers are located in Costa Rica and, as with all assets and operations in emerging market countries, its assets and operations are subject to political, economic and other uncertainties, including expropriation, nationalization, renegotiation or nullification of existing contracts, future currency exchange restrictions, conversion of tariffs to local currency and international monetary fluctuations. The Issuer's financial condition and operating results may be affected by the occurrence of any such events and this may in turn adversely affect its ability to make payments under the notes.

Adverse economic and political conditions in Costa Rica may adversely affect the Issuer's business, financial condition and results of operations.

All of the Issuer's operations are conducted in Costa Rica. Its business is therefore significantly affected by economic, political or social developments in Costa Rica, over which it has no control, including, among others, any political or social instability in Costa Rica, changes in the rate of economic growth or contraction, changes in the exchange rate between the Costa Rican *colón* and the U.S. dollar, any increase in inflation or interest rates, changes

in Costa Rican tax laws and any further amendments to Costa Rican laws, deferral governmental policies and regulation. Costa Rica's fiscal deficit and growing public debt could adversely affect the Costa Rican economy. After being impacted by the global economic crisis that began in 2008, Costa Rica's GDP increased by 4.8% in 2012, increased by 2.0% in 2013, increased by 3.0% in 2014, increased by 3.7% in 2015, and increased by 4.3% in 2016 in each case, as compared to the prior year. Despite the growth of Costa Rica's economy over the past several years, there can be no assurance that current growth and relative stability will be sustained. Furthermore, Costa Rica's economy is highly dependent on international tourism, with approximately 2.6 million tourists in 2015 that generated approximately U.S.\$2.88 billion of economic activity. Any negative impact on the perception of Costa Rica as a viable tourist destination would have an adverse effect on traffic, particularly along the main corridor from San José to the Pacific. Among other factors, the Costa Rican economy is also based on agribusiness and other sectors that are sensitive to geopolitical events, demand for oil and other commodities, and the potential effects of natural disasters or climate change on agribusiness. Any changes to such factors may have an adverse effect on the Issuer's financial condition.

The perception of higher risk in other countries, especially in emerging economies, may adversely affect the Costa Rican economy, the Issuer's business and the market price of securities issued by Costa Rican issuers, including the notes.

Emerging markets like Costa Rica are subject to greater risks than more developed markets, and financial turmoil in any emerging market could disrupt business in Costa Rica and adversely affect the market price of the notes. Moreover, financial turmoil in any important emerging market country may adversely affect prices in stock markets and prices for debt securities of issuers in other emerging market countries as investors move their money to more stable, developed markets. An increase in the perceived risks associated with investing in emerging markets could dampen capital flows to Costa Rica and adversely affect the Costa Rican economy in general, and the interest of holders of the notes, in particular. Although economic conditions are different in each country, investors' reactions to developments in one country may affect the securities markets and the securities of issuers in other countries, including Costa Rica. The Issuer cannot assure you that investors' interest in Costa Rica and in the notes, will not be negatively affected by events in other emerging markets or the global economy in general.

Any downgrade in the credit rating of Costa Rica could impact the rating of the notes or adversely affect the market price of the notes.

Costa Rica's long-term debt denominated in foreign currency is rated Ba1 by Moody's, BB- by S&P and BB+ by Fitch. All three rating agencies have included Costa Rica on its negative outlook list, and there can be no assurance that Costa Rica's credit rating will not be downgraded in the future. Since the Grantor is the payor of the termination payment and the Minimum Guaranteed Income, if triggered and a portion of such payments will be used to repay the notes, any downgrade of Costa Rica's credit rating would likely lead to a downgrade of the rating of the notes, which could have a material adverse effect on the market price of the notes.

The Costa Rican economy is vulnerable to external shocks, including the recent global economic crisis, and its growth could be negatively impacted by possible future significant economic difficulties of its major regional trading partners or by more general "contagion" effects.

The Costa Rican economy is vulnerable to external shocks, including with respect to prices for exports, trade with foreign nations and broader worldwide economic trends. Such events can indirectly affect the Issuer's results. The economic slowdown in the United States and Europe, as well as concerns over the sovereign debt obligations of several European countries and the consequent impact on the solvency of European banks has increased the possibility of another worldwide recession. Concerns over currently decreasing equity market values in Asian markets, particularly China, may further abate any global economy recovery. Under these circumstances, the Costa Rican economy could be adversely affected in various ways, including: lower demand for export products, reduced capital flows in the form of foreign direct investment, which in turn could lead to a lack of liquidity, commercial real estate price declines and lower commercial activity. In addition, political events such as the election of Donald Trump as president of the United States may directly or indirectly have an impact on the global economy.

In addition, a "contagion" effect, under which an entire region or class of investments becomes less attractive to international investors or subject to outflows of funds could negatively affect Costa Rica. Lower economic growth may result in asset quality deterioration and a decrease in market prices and liquidity for the notes.

The Issuer may become subject to exchange controls and restrictions on foreign currency remittance.

Exchange control risks include availability risk, which is the risk that even though the Issuer has sufficient Costa Rican *colón* denominated income to meet its obligations, U.S. dollars are not available for conversion; convertibility risk, which is the risk that a Costa Rican government entity will restrict, condition or terminate the Issuer's legal right to convert Costa Rican *colones* into U.S. dollars; and transferability risk, which is the risk that a Costa Rican government entity will allow the Issuer to convert currency into U.S. dollars, but will place restrictions or prohibitions on those U.S. dollars leaving Costa Rica.

The Costa Rican government does not currently restrict the ability of Costa Rican or foreign persons or entities to convert *colones* into dollars or other currencies and transfer them out of Costa Rica. There can be no assurance that restrictions applicable to the Issuer will not be imposed in the future, nor can there be any assessment of the duration or impact of such restrictions if imposed.

Costa Rica is an independent sovereign state and accordingly it may be difficult to obtain or enforce judgments against it.

Costa Rica is an independent sovereign state. As a result, it may be difficult or impossible for investors to cause the Issuer to obtain or enforce judgments against the Grantor whether in an investor's own jurisdiction or elsewhere. The holders of the notes will not have direct recourse against the Grantor because they are not party to the Concession Agreement. However, the holders of the notes may in certain circumstances exercise the voting rights corresponding to the pledged shares in order to direct the Issuer to initiate the applicable dispute resolution proceedings with respect to any controversies that arise under the Concession Agreement. The unavailability of a direct right of action by the holders of the notes against the Grantor may delay, or otherwise have an adverse effect on, their ability to receive payments under the notes. See "Service of Process and Enforcement of Civil Liabilities".

The Issuer is dependent on the political, legal and economic climate in Costa Rica.

Substantially all of the Issuer's operations and customers are located in Costa Rica. Accordingly, its financial condition and results of operations are substantially dependent on Costa Rica's economy. The Costa Rican government frequently intervenes in the Costa Rican economy and occasionally makes significant changes in policy and regulations. Government actions to control inflation and other policies and regulations have often involved among other measures, price controls, currency devaluations, capital controls and limits on imports. The Issuer does not have any control over, and is unable to predict, which measures or policies the Costa Rican government may adopt in the future. The Issuer's business, results of operations and financial condition may be adversely affected by changes in policies or regulations, or by other factors such as (i) supply of electric power, (ii) subsidies and incentives, (iii) economic growth, (iv) currency fluctuations, (v) inflation, (vi) capital control policies, (vii) changes or termination of key permits or operating licenses, (viii) changes in subsidies and/or incentives provided by the government, (ix) other changes in regulatory determinations under the relevant licenses, (x) changes in calculation of transportation/transmission rates, (xi) changes in the regulation of fuel supply or fuel transportation; (xii) fluctuations in interest rates; (xiii) liquidity of domestic capital and lending markets, (xiv) fiscal policy, (xv) import/export restrictions, and other political, social and economic developments in or affecting Costa Rica. Uncertainty over whether the government will implement changes in policy or regulation affecting these or other factors in the future may contribute to economic uncertainty and heightened volatility in the securities markets.

Risks Related to the Notes and to the Collateral

Restrictive covenants in the Indenture and other agreements governing the Issuer's debt may restrict the Issuer's ability to react to changing business circumstances.

Under the Indenture, the Local Notes and any other agreements governing the Issuer's debt, the Issuer is required to comply with covenants set forth therein, including, among others, limitations on the incurrence of indebtedness, sales and purchases of assets, changes to Project documents, liens, sale and leaseback transactions, derivative transactions and mergers and acquisitions. Such restrictions could limit the Issuer's ability to obtain additional financing for working capital and capital expenditures or fund other business expenditures as they arise during the course of the Project, which could in turn limit its flexibility in planning for or reacting to changes in its business and in the economy generally, which could adversely impact the Issuer's business.

A breach of any of these restrictive covenants could result in a default under the Indenture, the Local Notes or any such other agreement, including the Concession Agreement. If a default occurs, the debt incurred by the notes, along with other debt of the Issuer, including the Local Notes, could be accelerated, and the Issuer cannot assure you that it will have the ability to repay such accelerated debt or that the Issuer's assets transferred to the A&R Payment and Guarantee Trust would be sufficient to repay in full such accelerated indebtedness.

The Issuer may incur additional debt that could adversely affect the noteholders.

The Issuer may be able to incur additional indebtedness in the future. Although the Indenture will contain restrictions on the Issuer's incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions. Certain types of the Issuer's additional indebtedness may rank equally in right of payment with the notes and could result in lower debt service coverage ratios and less cash available to make payments on the notes. See "Description of the Principal Financing Documents—Intercreditor and Security Sharing Agreement—Certain Defined Terms— Permitted Debt".

If a default occurs under the notes, the recourse available to the holders of the notes is limited to the Issuer and the Collateral.

The notes are solely obligations of the Issuer payable only from the Collateral. If there is a default under the Indenture, the holders of the notes will, subject to various notice and cure periods and the terms of the Financing Documents (as defined below) (including intercreditor provisions), be entitled to exercise remedies. No recourse, however, is available to the Issuer's affiliates (including its shareholders or Globalvía) or to the Issuer's or its affiliates' officers and directors. If the Issuer is not able, for any reason, to collect toll income in a timely manner as described in this "Risk Factors" section or elsewhere in this offering memorandum, it may not be able to generate sufficient funds to repay the notes in accordance with their terms.

The ability of the holders of the notes to seek remedies with respect to the Collateral may be materially limited by the Intercreditor Agreement.

The notes will be secured by a first-priority lien on the Collateral, and will rank *pari passu* in right of payment with the Local Notes and any other future Collateral secured debt. The rights of the holders of the notes with respect to the Collateral securing the notes may, be materially limited pursuant to the terms of the Intercreditor Agreement, which provides that the enforcement of any or all of the Collateral, and the exercise of any other remedies that may be available to the noteholders thereunder or under applicable law would require the consent of the majority of the holders of notes and the Local Notes. At the time of issuance, the noteholders may not represent a majority in principal amount of debt secured by the Collateral. Therefore, we cannot assure holders of the notes that, in the event of a default, they would be able to determine whether, and when, to enforce the Collateral, which could lead to costs or delay and have a material adverse effect the noteholders' ability to obtain payments on the amounts due under the notes.

The interests of the holders of the notes in the Collateral securing the notes may be adversely affected by the Issuer's failure to maintain and/or perfect security interests.

The rights of the holders of the notes in the Collateral may be adversely affected by the Issuer's failure to maintain the security interest in or the priority of the Collateral or to perfect security interests in certain Collateral in the future.

Generally, a security interest in tangible and intangible assets can only be properly perfected, a valid lien created on such assets can only be granted and the priority of such lien can only be retained if certain actions are undertaken by the applicable party granting the security. The Indenture and the Financing Documents governing the notes will require that the Issuer maintain the security interest created thereunder as a perfected security interest with the priority required by the Financing Documents. The liens on the Collateral may not be validly created or perfected with respect to the notes if the Issuer does not take the actions necessary to validly create or perfect any of those liens upon or prior to the issuance of the notes. The Issuer may also fail to notify the Collateral Agent of changes in name or other events which may adversely affect the security interest in the Collateral. Furthermore, certain other property and rights acquired after the grant of a general security interest, such as real property, will not be subject to such grants. In addition, the Collateral Agent has no obligation to monitor the Collateral or the

acquisition of additional property or rights that constitute Collateral or the perfection of any security interest in favor of the notes against third parties. The Issuer's inability or failure to take all actions necessary to create, properly perfect and maintain security interests or validly create or maintain liens on the Collateral may result in the loss or limitation of the security interest or the priority of the security interest in favor of the notes against third parties, which could adversely impact the value that can be derived from such security interest in favor of the holders of the notes.

It may be difficult to realize the value of the Collateral, and the proceeds received from a sale of the Collateral may be insufficient to repay the notes.

Foreclosure on the Collateral on behalf of the holders of the notes may be subject to perfection and priority issues, the need for third-party and governmental approvals and consents, any intercreditor agreement among creditors and practical problems associated with the realization of the holders of the notes' security interest in the Collateral. The enforcement of the security interest with respect to the Collateral may not provide sufficient funds to repay all amounts due on the notes. The Collateral will be shared with the holders of the Local Notes and any Collateral secured obligations that the Issuer incurs in the future. This sharing of collateral increases the risk that the proceeds from a foreclosure on the Collateral will not be sufficient to repay the notes.

By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. There can be no assurance that the Collateral will be saleable and, even if saleable, the timing of its liquidation and the value to be derived therefrom are uncertain. Additionally, with respect to some of the Collateral, the ability to foreclose will be limited by the contractual rights of third parties to, among other things, acquire ownership interests in certain assets (including rights under the Concession Agreement) and, with regard to other Collateral, the need to meet certain requirements, such as obtaining third-party consents or governmental approvals and making additional filings. For example, since the Issuer's principal asset is its rights under the Concession Agreement, there are practical limitations on the exercise of remedies in respect thereof. Under the Concession Agreement, any transfer of the Issuer's rights, including pursuant to a foreclosure, is subject to the prior approval of the Grantor and the General Comptroller of Costa Rica (*Contraloría General de la República*). Thus, as a practical matter, the Issuer's creditors (including the holders of the notes) will have limitations on their ability to replace the Issuer as the concessionaire under the Concession Agreement. See "Description of the Principal Project Documents—The Concession Agreement". In addition, the holders of the notes and the Local Notes will only be able to be paid on an accelerated basis in connection with a foreclosure on the Collateral. See "Description of the Principal Financing Documents—Intercreditor and Security Sharing Agreement—Exercise of Remedies upon an Event of Default".

Accordingly, the proceeds of any sale of the Collateral pursuant to the Financing Documents may not be sufficient to satisfy, and may be substantially less than, amounts due on the notes and any other obligations secured by the Collateral. If the proceeds of any sale of the Collateral were not sufficient to repay all amounts due on the notes and the other obligations secured by the Collateral, the holders of the notes (to the extent not repaid from the proceeds of the sale of the Collateral) would have only an unsecured claim against the Issuer's remaining assets.

The laws of Costa Rica may limit the enforcement of rights to the Collateral.

The creation and perfection of the Secured Parties' security interest and enforcement of the Secured Parties' rights in respect of the Collateral are, in most cases, governed by the laws of Costa Rica. The laws relating to the creation and perfection of security interests in Costa Rica differ from those in the United States and their enforcement may be subject to restrictions and limitations, including the effect of fraudulent conveyance and similar laws. The enforcement of the Secured Parties' contractual rights against the Issuer would also depend on successful enforcement action in arbitration or in a court in Costa Rica against the Issuer, the outcome of which would be subject to the laws of Costa Rica. These restrictions and limitations may have the effect of preventing, limiting and/or delaying the enforcement of rights over the Collateral, and may materially impair or limit the claims of noteholders. Any such delay in having an enforceable claim against the Issuer could also diminish the value of the interest of noteholders in the Collateral due to, among other things, the existence of other potential creditors and claimants. Such a diminished interest could materially affect noteholders' ability to recover their proportionate share of the value of the Collateral in the event of a foreclosure or other bankruptcy event, and could have an adverse effect on the Issuer's business.

Holders of the notes will have to share the Collateral with the holders of the Local Notes.

Concurrently with the issuance of the notes, the Issuer will conduct a public offering in Costa Rica of U.S. dollar denominated Local Notes. The Issuer's obligations before the holders of the Local Notes will constitute senior secured obligations sharing the benefits of the Collateral. Under the Intercreditor Agreement, the Secured Parties will share the Collateral on a *pro rata* basis.

The Local Notes will not be governed by the Indenture and the rights of the holders of the Local Notes vis a vis the holders of the notes will be governed exclusively by the Intercreditor Agreement. Therefore, the Local Notes may be subject to slightly different terms and conditions than the notes.

The A&R Payment and Guarantee Trust Agreement is governed by the laws of Costa Rica, and any dispute over the terms of the A&R Payment and Guarantee Trust Agreement must be submitted to arbitration in Costa Rica, applying International Chamber of Commerce Rules of Arbitration, in Spanish.

The A&R Payment and Guarantee Trust Agreement provides that any dispute arising from it regarding its validity, interpretation or execution, not otherwise resolved through negotiation, will be submitted to dispute arbitration according to the Arbitration Rules of the Center for Conciliation and Arbitration of the Chamber of Commerce of Costa Rica (*Reglamento de Arbitraje del Centro de Conciliación y Arbitraje de la Cámara de Comercio de Costa Rica*) in Spanish, in San José. Any judgment, award or finding under these arbitration proceedings may therefore differ materially from what would otherwise result from a proceeding held in the United States.

Therefore, the Issuer cannot assure the noteholders that, in an event of default, the noteholders will be able to recover a similar share of value in the Collateral held in trust pursuant to the A&R Payment and Guarantee Trust Agreement, to what would be expected if the A&R Payment and Guarantee Trust Agreement were governed by laws of and subject to jurisdiction in the United States.

The rights and remedies available to holders of the notes and the Issuer may be limited by bankruptcy and other limitations on the enforceability of such rights and remedies.

The enforceability of the rights and remedies of the holders of the notes pursuant to the terms and conditions of the notes and the Indenture and of the Issuer pursuant to the terms and conditions of the Concession Agreement and the other Transaction Documents may be subject to bankruptcy, insolvency, reorganization, moratorium, judicial administration and other similar laws affecting creditors' rights currently existing or that may be enacted in the future. If the Issuer, or another counterparty were to commence or be forced into bankruptcy or similar proceedings, a bankruptcy or similar court could determine that the Issuer, or such other party, as applicable, is no longer required to perform its obligations pursuant to the Indenture or the Concession Agreement, as applicable, or the court could reject such agreements themselves, thereby depriving the holders of the notes or the Issuer, as applicable, of its rights thereunder, including the rights and remedies available to the holders of the notes pursuant to the Indenture and the right of the Issuer to operate the Toll Road and collect tolls. Any such judicial discretion, interpretations or limitations may cause a delay in the enforcement proceedings or may limit or modify the rights and remedies available to the holders of the notes and/or the Issuer.

In accordance with Costa Rican bankruptcy laws, decisions granted in foreign bankruptcy procedures can be enforced in Costa Rica, however, those decisions will be subordinated to the rights that the holders of the notes (including local and international holders) and/or residents in Costa Rica might have in local enforcement procedures or local bankruptcy procedures. As a result, a Costa Rican court can only dispose of local assets in accordance with a foreign court judgment, after the claims established in the local procedures by the holders of the notes (including local and international holders) and/or residents in Costa Rica have been satisfied.

Enforcing your rights under the notes across multiple jurisdictions may prove difficult.

The notes will be issued by the Issuer which is formed under the laws of Costa Rica. In addition, the notes and the Intercreditor Agreement are governed by New York law.

In the event of bankruptcy, insolvency or similar event, proceedings could be initiated in Costa Rica or in New York. Such multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. Your rights under the notes will be subject to the insolvency and administrative laws of several jurisdictions and there can be no assurance that you will be able to effectively enforce your rights in such complex multiple bankruptcy, insolvency or similar proceedings.

In addition, the bankruptcy, insolvency, administrative and other laws of Costa Rica or New York may be materially different from, or be in conflict with, each other and those with which you may be familiar, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, adversely affect your ability to enforce your rights under the notes in the relevant jurisdictions or limit any amounts that you may receive.

Holders of notes may find it difficult to enforce civil liabilities against the Issuer or its managers, officers and controlling persons.

The Issuer is organized under the laws of Costa Rica. All of the Issuer's assets are located outside of the United States. In addition, many of its managers, officers and controlling persons reside outside of the United States. As a result, it may be difficult for holders of notes to effect service of process within the United States on such persons or to enforce judgments against them, including in an action based on civil liabilities under the U.S. federal securities laws. See "Service of Process and Enforcement of Civil Liabilities".

The Issuer may not be able to repurchase the notes upon a change of control, which would result in an event of default.

Upon the occurrence of a change of control event specified in the Indenture, the Issuer will be required to offer to repurchase all outstanding notes, unless otherwise redeemed, at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any, to, but excluding, the date of repurchase. It is possible, however, that the Issuer will not have sufficient funds available at the time of the change of control to make the required repurchase of notes. In addition, the Issuer's failure to repurchase the notes after a change of control in accordance with the terms of the Indenture, with the applicable cure period, would constitute an event of default under such Indenture and could ultimately result in the acceleration of the indebtedness represented by the notes and under the Local Notes.

Credit ratings may not reflect all risks involved in buying and holding the notes, are not recommendations to buy, sell or hold the notes and may be subject to revision, suspension or withdrawal at any time.

The Issuer expects Moody's and Fitch to assign credit ratings to the notes. Credit ratings may prove to be incorrect in their risk analysis and may not reflect the potential impact of all risks related to the structure, market and other factors that may affect the value of the notes, including the additional risk factors discussed in this section. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agencies at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agencies if, in their judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the notes by one or more of the credit rating agencies could materially reduce the liquidity or market value of the notes.

There is no existing market for the notes and one may not develop in the future, which could adversely affect the market price and liquidity of the notes.

The notes are a new issue of securities, and there is no established trading market for the notes. Although approval-in-principle has been received from the SGX-ST to have the notes quoted and listed on the Official List of the SGX-ST, no assurance can be given as to (1) the liquidity of any markets that may develop for the notes, (2) whether an active public market for the notes will develop, (3) your ability to sell your notes (or beneficial interests therein) or (4) the price at which you will be able to sell your notes. Future trading prices of the notes will depend on

many factors including, among other things, the Issuer's operating results and financial condition, the amount of debt the Issuer has outstanding, prevailing interest rates and the market for similar securities. The Initial Purchaser is not obligated to make a market in the notes and, were they to attempt to do so, any such market-making activity may be terminated at any time without notice to you. In addition, such market-making activity would be subject to the limits of the Securities Act. See "Plan of Distribution". If an active public trading market for the notes does not develop, the market price and liquidity of the notes may be adversely affected. In addition, trading or resale of the notes (or beneficial interests therein) may be negatively affected by other factors described in this offering memorandum or the market for securities of Costa Rican issuers generally. You should not purchase any of the notes unless you understand and know you can bear all of the investment risks associated therewith.

The transfer of the notes is restricted and it may be difficult to resell your notes.

The notes have not been registered under the Securities Act and will be subject to transfer restrictions. The Issuer does not intend to provide registration rights to holders of the notes and does not intend to file any registration statement with the SEC in respect of the notes and, unless so registered, the notes may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and any other applicable laws. See "Notice to Investors". The notes and the Indenture will contain provisions that will restrict the notes from being offered, sold or otherwise transferred except to people outside the United States purchasing in offshore transactions pursuant to Regulation S or to qualified institutional buyers within the United States purchasing in reliance on Rule 144 or other exceptions under the Securities Act. It is the obligation of holders of the notes to ensure that their offers and sales of the notes within the United States and other countries comply with applicable securities laws. See "Transfer Restrictions".

Recent developments relating to the United Kingdom's referendum vote in favor of leaving the European Union could adversely affect the Issuer.

The United Kingdom held a referendum on June 23, 2016 in which a majority voted for the United Kingdom's withdrawal from the European Union ("Brexit"). On March 29, 2017, the Prime Minister Theresa May triggered Article 50 of the Lisbon Treaty, starting the formal process for the United Kingdom to leave the European Union.

Triggering Article 50 of the Lisbon Treaty gives the United Kingdom two years to negotiate the terms of Brexit and of the United Kingdom's relationship with the European Union going forward. The effects Brexit and the perceptions as to the impact of the withdrawal of the United Kingdom from the European Union may adversely affect business activity and economic and market conditions in the United Kingdom, the Eurozone and globally and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the euro. In addition, the Brexit process could lead to additional political, legal and economic instability in the European Union. The instability in the global economy may lead to a loss of appetite for traveling and consumer spending, which could affect the traffic volumes on the Toll Road, in particular with respect to foreign visitors coming from Europe. In addition, any of the abovementioned effects of Brexit, and others the Issuer cannot anticipate, could negatively impact the value of the notes.

The Issuer may choose to redeem the notes and you may be unable to reinvest the proceeds at the same or a higher rate of return.

The Issuer may, at its option, redeem the notes, in whole or in part, at any time, at a redemption price equal to 100% of the principal amount outstanding of the notes plus the Make-Whole Amount.

The Issuer may choose to redeem the notes at times when prevailing interest rates may be relatively low. Accordingly, you may not be able to reinvest the redemption proceeds in a comparable security with an effective interest rate as high as that of the notes.

Changes in tax laws could lead to the redemption of the notes by the Issuer.

In the event that payments of interest in respect of the notes made by the Issuer to foreign holders are subject to Costa Rican withholding tax, the Issuer will pay additional amounts so that the amount received by the holder after Costa Rican withholding tax will equal the amount that would have been received if no such taxes had

been applicable. Under the Indenture, the notes are redeemable at the Issuer's option, in whole (but not in part) at any time at a price equal to 100% of the outstanding principal amount of the notes, plus accrued and unpaid interest, but excluding the repurchase date and any Additional Amounts (as defined in the Indenture) due thereon, if any, on the repurchase date.

EXCHANGE RATES AND CONTROLS

From 1983 to 2006, Costa Rica maintained a crawling peg exchange regime with the U.S. dollar. On October 17, 2006, the government adopted a currency band system, with fixed upper and lower limits within which the *colón* is allowed to float freely against the U.S. dollar. If the U.S. dollar fluctuates above or below the limits of the currency band, the Central Bank intervenes and purchases or sells to stabilize the currency. In January 2015, the Central Bank modified the exchange regime again and introduced a managed floating foreign exchange rate regime, pursuant to which the Central Bank purchases or sells U.S. dollars in the wholesale market to maintain the value of the *colón* within its target levels and to control the volatility of the *colón*-U.S. dollar exchange rate. Since 1992, there have been no controls on foreign exchange convertibility or remittance in Costa Rica.

The following table sets forth, for the periods indicated, the period-end average exchange rate published by the Costa Rican Central Bank (*Banco Central de Costa Rica*) expressed in *colones* per U.S. dollar.

Years Ended December 31,	Exchange Rate (Colones Per U.S.\$)			
	Low⁽¹⁾	High⁽¹⁾	Average⁽²⁾	Period End
2011	504.63	526.05	511.08	518.33
2012	503.00	519.29	508.36	514.32
2013	502.59	514.32	505.53	507.80
2014	505.82	572.44	544.69	545.53
2015	537.28	545.65	540.67	544.87
2016	541.29	561.98	551.07	561.10
Month Ended				
December 2016.....	557.60	561.80	558.82	561.10
January 2017.....	560.59	561.98	561.15	561.42
February 2017.....	562.70	568.93	566.74	568.16
March 2017.....	564.04	568.09	566.28	567.34
April 2017.....	567.36	570.72	568.48	570.72
May 2017 (through May 23 rd)	570.72	590.57	577.55	590.57

(1) Rates shown are the actual low and high, on a day-by-day basis for each period.

(2) Average of month end rates in the case of yearly averages and average of daily rates in the case of monthly averages.

The Issuer's financial statements included elsewhere in this offering memorandum are presented in U.S. dollars, however, this offering memorandum presents certain figures and other data in *colones*. Therefore, this offering memorandum contains translations of certain *colón* amounts into U.S. dollars solely for the convenience of the reader, using an exchange rate published by the Costa Rican Central Bank (*Banco Central de Costa Rica*) for December 31, 2016 and March 31, 2017, which was 561.10 and 567.34 per U.S.\$1.00, respectively. The convenience translations should not be construed as a representation that the *colón* amounts actually represent such U.S. dollar amounts or that could be converted into U.S. dollars at the specified rate or at all.

USE OF PROCEEDS

The Issuer intends to use the proceeds from this offering and from the offering of the Local Notes to (i) repay amounts outstanding under the Bankia/BCIE Term Loan and pay certain costs associated with such repayment, (ii) fund certain reserve accounts, to the extent such reserve accounts are not otherwise covered by a letter of credit; (iii) pay certain fees and expenses related to the issuance of the notes and the Local Notes; (iv) fund the Issuer's Loan to Shareholders, (v) return capital to its Shareholders, through one or more Shareholder Distributions, and (v) general corporate purposes.

Sources of funds:	(in millions)	Uses of funds:	(in millions)
Notes offered hereby	\$300.0	Repayment of Bankia/BCIE Term Loan:	
Local Notes	49.7	Tranche A Loans	\$126.7
		Tranche B Loans	67.6
		Certain costs of prepayment penalties ⁽¹⁾	1.9
		Certain costs of unwinding derivative instruments ⁽²⁾	22.5
		Shareholder Distribution(s)	94.6
		Estimated funding of reserve accounts	26.4
		Certain fees and expenses of this offering and the offering of the Local Notes ⁽³⁾	10.0
Total Sources	\$349.7	Total Uses	\$349.7

- (1) Represents the anticipated prepayment penalties associated with the existing Bankia/BCIE Term Loan. Such amount is subject to fluctuation based on the percentage of the amount prepaid that diminishes with time (currently the penalty for the Bankia/BCIE Term Loan is 1.00%) and as a result, amounts paid may vary from the amount reflected in this table.
- (2) The costs of unwinding the Issuer's existing derivative instruments are subject to fluctuation based on applicable interest rate movements and such fluctuations may be material.
- (3) Includes certain legal, accounting and other fees and expenses associated with the issuance of the notes and the Local Notes and the refinancing of amounts outstanding under the Bankia/BCIE Term Loan concurrently with such issuance, including the Initial Purchaser's discounts and fees.

CAPITALIZATION

The following table sets forth the Issuer's cash and cash equivalents and capitalization as of March 31, 2017, on an actual basis and on an as adjusted basis after giving effect to (i) the offering of the notes contemplated by this offering memorandum and the offering of the Local Notes and (ii) the assumed application of the estimated net proceeds from this offering and from the offering of the Local Notes as described in "Use of Proceeds". This table should be read in conjunction with "Use of Proceeds" and "Selected Historical Financial Information" and the Issuer's financial statements and accompanying notes included elsewhere in this offering memorandum.

	As of March 31, 2017	
	Actual	As Adjusted
Cash and Cash Equivalents.....	\$ 12,178,061	\$ 12,178,061
Current portion of the long-term debt.....	\$ 18,432,778	\$ 3,000,000
Long-term liabilities		
Bankia/BCIE Term Loan	\$ 185,554,608	—
Notes offered hereby ⁽¹⁾	\$ —	\$ 297,000,000
Local Notes	\$ —	\$ 50,750,000
Hedge Agreement ⁽²⁾	\$ 18,428,715	—
Total Liabilities⁽³⁾	\$ 222,416,101	\$ 350,750,000
Total Shareholders' Equity	\$ 133,986,120	\$ 133,986,120
Total Capitalization	\$ 356,402,221	\$ 484,736,120

(1) Represents the aggregate principal amount of notes offered hereby.

(2) As of the date of this offering memorandum the outstanding amount under the Hedge Agreement (including certain additional costs upon the cancellation of the Hedge Agreement) is approximately U.S.\$22.5 million.

(3) Such amount does not include any letter of credit facility which the Issuer expects to enter into to fund, in full or in part, required debt service reserve accounts and payments in respect of the notes and the Local Notes.

SELECTED HISTORICAL FINANCIAL INFORMATION

The following table presents the Issuer’s selected historical financial data as of and for the periods indicated. The information set forth below should be read in conjunction with “Use of Proceeds”, “Capitalization”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, and the Issuer’s financial statements and accompanying notes included elsewhere in this offering memorandum. The selected historical financial information set forth below as of and for the year ended December 31, 2016, 2015 and 2014 has been taken from audited financial statements included elsewhere in this offering memorandum. The selected historical financial information set forth below as of and for the three-month periods ended March 31, 2017 and 2016 has been taken from the unaudited condensed interim financial statements included elsewhere in this offering memorandum. Operating results for the three months ended March 31, 2017 are not necessarily indicative of the results for the entire year ending December 31, 2017. The Issuer’s selected historical financial information includes all adjustments, which are of a normal recurring nature, that the Issuer considers necessary to fairly present the financial information for these periods. The selected historical financial information is not necessarily indicative of results to be expected in future periods.

The Issuer’s functional and presentational currency is the U.S. dollars. Tolls are collected in *colones* and, after an amount equivalent to 360 million *colones* has been transferred from the CRC Revenue Account to the CRC Operation and Maintenance Account (see “Description of the Principal Financing Documents—A&R Payment and Guarantee Trust Agreement—Standard Waterfall”), the remaining *colones* are converted into U.S. dollars on a daily basis at the exchange rate for the date on which the gross toll collections are deposited in the USD Revenue Account.

As a result of how the Issuer recognizes its income, not all of the Issuer’s total operating income represents cash flow from toll collections and/or payments from the Grantor. For more information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Principal Trends Affecting the Issuer’s Results of Operations—A Portion of the Issuer’s Total Operating Income Does Not Represent Cash Flows During the Period”.

	For the three months ended March 31,		For the year ended December 31,		
	2017	2016	2016	2015	2014
	<i>(in U.S. dollars)</i>				
Summary Statements of Profit and Loss Data:					
Construction Income.....	50,188	369,735	5,075,258	1,286,169	3,225,148
Financial Income – Concession Agreement.....	14,545,051	14,010,164	56,040,655	51,098,003	44,034,354
Operating and Maintenance Income.....	5,104,656	5,105,181	20,994,860	24,869,505	20,198,533
Total Operating Income.....	19,699,895	19,485,080	82,110,773	77,253,677	67,458,035
Construction Costs.....	(50,188)	(369,735)	(5,075,258)	(1,286,169)	(3,225,148)
Operating Expenses.....	(4,787,455)	(5,373,781)	(20,128,211)	(22,994,966)	(18,899,657)
Operating Profit.....	14,862,252	13,741,564	56,907,304	52,972,542	45,333,230
Interest and Expenses Fees.....	(3,535,558)	(3,740,214)	(15,327,668)	(15,440,809)	(15,933,396)
Financial Income.....	156,751	221,757	995,065	946,025	1,020,292
Other Income – Net.....	224,099	93,524	981,840	456,765	417,897
Exchange Rate Difference – Net.....	9,850	(71,973)	263,253	137,418	112,436
Earnings Before Income Tax.....	11,717,394	10,244,658	43,819,794	39,071,941	30,950,459
Income Tax.....	(3,396,817)	(2,940,830)	(12,871,718)	(11,710,825)	(8,767,837)
Net Profit.....	8,320,577	7,303,828	30,948,076	27,361,116	22,182,622

	As of March 31		As of December 31,	
	2017	2016	2015	2014
	<i>(in U.S. dollars)</i>			
Statement of Financial Position:				
Current Assets				
Cash and Cash Equivalents.....	12,178,061	5,093,750	40,566,676	52,794,101
Restricted Cash	28,029,292	28,029,292	13,590,433	12,474,297
Accounts Receivable	516,295	362,580	331,936	655,646
Accounts receivable from related parties	2,001	1,916	1,960	1,508
Notes receivable(1).....	-	104,101	208,203	-
Held-to-maturity investments.....	-	-	-	555,629
Inventory	112,097	114,787	137,209	143,230
Prepaid disbursements	1,853,446	1,408,507	1,111,801	1,738,128
Current portion of financial assets – concession agreement	78,425,673	72,816,815	70,467,218	62,897,228
Total Current Assets	121,116,865	107,931,748	126,415,436	131,259,767
Notes receivable.....	-	-	104,101	-
Vehicle, furniture, and equipment – net.....	1,765,337	1,816,602	1,456,221	1,263,226
Financial assets – Concession Agreement	285,190,537	290,222,096	279,221,102	274,695,017
Other assets – Net	268,543	286,199	286,861	172,871
Total Non-Current Assets	287,224,417	292,324,897	281,068,285	276,131,114
Total Assets	408,341,282	400,256,645	407,483,721	407,390,881
Liabilities and Shareholders' equity:				
Current Liabilities				
Current portion of the long-term debt	18,432,778	18,432,778	12,798,410	10,776,224
Accounts payable.....	750,580	5,344,681	3,840,092	891,824
Accounts payable to related parties.....	1,564,866	1,574,094	904,714	1,225,456
Accumulated expenses	7,191,387	3,606,204	4,618,295	3,503,661
Income tax payable	2,336,722	2,708,647	1,361,193	964,254
Total Current Liabilities	30,276,333	31,666,404	23,522,704	17,361,419
Long-term Liabilities				
Accounts payable to related parties – Long term.....	-	-	104,101	-
Long term debt.....	185,554,608	185,554,608	203,987,386	216,785,796
Deferred income tax	40,095,506	39,118,638	30,502,505	22,284,136
Other financial liabilities	18,428,715	17,837,840	24,831,521	28,010,261
Total Liabilities	274,355,162	274,177,490	282,948,217	284,441,612
Shareholders' Equity				
Capital Stock.....	2,500,000	2,500,000	2,500,000	2,500,000
Additional Capital Contributions	58,000,000	58,000,000	58,000,000	58,000,000
Legal reserve.....	500,000	500,000	500,000	500,000
Retained Earnings.....	85,886,220	77,565,643	80,917,567	81,556,451
Cash Flow Hedge other comprehensive income (accumulated)	(12,900,100)	(12,486,488)	(17,382,063)	(19,607,182)
Total Shareholders' Equity	133,986,120	126,079,155	124,535,504	122,949,269
Total Shareholders' Equity & Liabilities	408,341,282	400,256,645	407,483,721	407,390,881

	For the three months ended March 31,		For the year ended December 31,	
	2017	2016	2015	2014
	<i>(in U.S. dollars)</i>			
Cash Flow Statements Data:				
Cash provided by the operating activities	\$9,776,859	\$8,343,259	\$46,754,706	\$47,267,898
Net cash provided by the operating activities	\$7,162,248	\$6,731,861	\$26,817,625	\$27,730,242
Net cash used in the investment activities.....	\$(77,937)	\$(191,290)	\$(15,192,141)	\$(1,181,443)
Net cash used in the financing activities	-	-	\$(47,098,410)	\$(38,776,224)
(Decrease) Increase in cash and cash Equivalents	\$7,084,311	\$6,540,571	\$(35,472,926)	\$(12,227,425)
Cash and cash equivalents at the beginning of the year	\$5,093,750	\$40,566,676	\$40,566,676	\$52,794,101
Cash and cash equivalents at the end of the year	\$12,178,061	\$47,107,247	\$5,093,750	\$40,566,676

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion together with the Issuer's financial statements and the accompanying notes, which appear elsewhere in this offering memorandum. All financial information included in this offering memorandum, unless otherwise indicated, is presented in United States dollars. The financial information at and for the years ended December 31, 2016, 2015 and 2014 included in the following discussion has been derived from the Issuer's financial statements that have been prepared in accordance with IFRS as issued by IASB, and the related interpretations issued by IFRIC. The unaudited condensed interim financial information at and for the three months ended March 31, 2017 and 2016 included in the following discussion has been derived from the Issuer's financial statements that have been prepared in accordance with IAS 34. The Issuer has not prepared a reconciliation of the financial information in this offering memorandum to U.S. GAAP. The Issuer urges investors to consult their own advisors regarding the difference between IFRS and U.S. GAAP. This offering memorandum contains forward-looking statements that reflect the Issuer's plans, estimates and beliefs and involve risks, uncertainties and assumptions. The Issuer's actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this offering memorandum, particularly in "Risk Factors". In addition to the other information in this offering memorandum, investors should consider carefully the following discussion and the information set forth under "Risk Factors" before investing in the notes.

Overview

The Issuer is the only private toll road operator in Costa Rica and the operator of the Toll Road. The Toll Road is approximately 76.8 kilometers and comprises three distinct segments: (i) Section I, covering 14.2 kilometers from San José to Ciudad Colón, (ii) Section II, covering 38.8 kilometers from Ciudad Colón to Orotina and (iii) Section III, covering 23.8 kilometers from Orotina to the Port of Caldera. Each of these three segments constitutes the only toll road currently in operation in its respective geographic area.

The Toll Road has over seven years of operating history. All of the Issuer's assets are located in Costa Rica and substantially all of its income and profits are derived from the operation of the Toll Road. For the year ended December 31, 2016 and the three months ended March 31, 2017, the Issuer had U.S.\$56.9 million and U.S.\$14.9 million in operating profit, respectively.

The following table sets forth the ADT Equivalent, toll rates, gross toll collections and percentage growth of gross toll collections for the Toll Road as of and for the years ended December 31, 2016, 2015 and 2014 and for the three month periods ended March 31, 2017 and 2016.

	As of and for the three months ended March 31,		As of and for the year ended December 31,		
	2017	2016	2016	2015	2014
ADT Equivalent ¹	58,425	53,152	52,845	50,585	45,989
Toll rate ² (U.S.\$)	U.S.\$3.74	U.S.\$3.68	U.S.\$3.68	U.S.\$3.66	U.S.\$3.62
Gross toll collections (U.S.\$ millions) ³	U.S.\$19.4	U.S.\$17.7	U.S.\$70.6	U.S.\$67.7	U.S.\$60.8
Gross toll collections % Growth	9.9%	n/a	4.3%	11.3%	5.6%

(1) For more information see "Presentation of Financial and Certain Other Information-Issuer Operating Data".

(2) Maximum toll rate for the period for lightweight vehicles.

(3) Represents gross toll collections before Co-participation payments and includes tolls paid by the Issuer for vehicles owned by the Issuer's employees and the Issuer's fleet (patrolling and maintenance vehicles and tow trucks) and exempted government and public services vehicles. See note 35 to the audited financial statements and note 22 to the unaudited condensed interim financial statements.

Pursuant to the Concession Agreement the tolls are paid in *colones*. Following the offering and pursuant to the waterfall more fully described under "Description of the Principal Financing Documents—A&R Payment and Guarantee Trust Agreement—Standard Waterfall"), an amount equivalent to 360 million *colones* from gross toll collections will be transferred from the CRC Revenue Account to the CRC Operation and Maintenance Account and the remaining *colones* will be converted into U.S. dollars on a daily basis at the exchange rate for the date on which the gross toll collections are deposited in the USD Revenue Account.

Toll rates are subject to two types of adjustments. The first type of adjustment relates to changes in the economic environment in Costa Rica that are not related to the operation of the Toll Road itself, such as the devaluation or appreciation of the Costa Rican *colón* against the U.S. dollar and external inflation measured by the U.S. CPI. There are two types of these economic adjustments: ordinary and extraordinary. Ordinary adjustments take place (i) annually on December 31st to reflect positive or negative variations in the U.S. CPI and (ii) quarterly on March 31st, June 30th, September 30th and December 31st to reflect variations in the accumulated depreciation or appreciation of the *colón* against the U.S. dollar. Extraordinary adjustments can take place before the next scheduled ordinary adjustment to reflect variations of 5% or more in the U.S. CPI or the accumulated depreciation or appreciation of the *colón* against the U.S. dollar. Extraordinary adjustments in connection with exchange rate variations exceeding 5% have only occurred twice during the past four years, on February 7, 2014 and March 5, 2014, when the Costa Rica *colón* suffered volatility following the U.S. Federal Reserve's decision in December 2013 to taper quantitative easing by reducing asset purchases and as a result of uncertainty in Costa Rica after the country's parliamentary and presidential elections held on February 2, 2014.

The second type of adjustment relates to factors affecting the operation and maintenance of the Toll Road as well as new investments in the Project and requires a written study setting forth the variables to be applied to implement the adjustment. Adjustments relating to the operation of the Toll Road include: (i) the application of the Road Safety Award; (ii) compensation for peak hour traffic in any of the three segments of the Toll Road; (iii) compensation for New or Substantial Investments; or (iv) indemnification to re-establish the economic financial equilibrium of the Concession Agreement. See "Description of the Principal Project Documents—The Concession Agreement—Rates and Rate Adjustments" for a more detailed description of the two types of fare adjustments.

Principal Trends Affecting the Issuer's Results of Operations

A Portion of the Issuer's Total Operating Income Does Not Represent Cash Flows During the Period

The Issuer accounts for its construction, financial and operating and maintenance income associated with the Project in accordance with Interpretation No. 12, Service Concession Arrangement ("IFRIC 12"), issued by IFRIC. IFRIC 12 draws a distinction between two types of service concession arrangements between private sector entities ("operators") and the public sector (the "grantor"). In the first type, the operator recognizes the concession as a financial asset, specifically because there is an unconditional contractual right to receive a specified or determinable amount of cash or another financial asset from the grantor in return for constructing or upgrading a public sector asset, and then operating and maintaining the asset for a specified period of time. This category includes service concession agreements where the grantor guarantees to pay for any shortfall between amounts received from users of the public service and specified or determinable amounts. In the second type of service concession arrangements, the operator recognizes the concession as an intangible asset, specifically as a right to charge specified fees for the use of a public sector asset that it constructs or upgrades and then must operate and maintain for a specified period of time. A right to charge users is not an unconditional right to receive cash because the amounts are contingent on the extent to which the public uses the public service.

Because the Concession Agreement provides for a Minimum Guaranteed Income payment from the Grantor, the Issuer recognizes the Concession as a financial asset (the "Financial Asset"). Accordingly, total operating income as presented in the Issuer's financial statements does not equal the amount of cash flow received from net toll collections. Instead, as described under "—Significant Accounting Policies" and "—Description of Principal Line Items" below, the Issuer recognizes the following three components of total operating income in accordance with IFRIC 12:

- Construction income. Construction income is recognized for the period in which construction costs are incurred in connection with quantifiable components or tasks for the construction, upgrade or expansion of the Toll Road. Construction costs include amounts paid in connection with the construction of the Toll Road and any upgrades or expansion required by the Concession Agreement. Construction income is recorded in an amount equal to construction costs, thereby resulting in a net zero effect on the Issuer's operating income.
- Financial Income - Concession Agreement. Financial income - Concession Agreement, is recognized in an amount equal to the product of multiplying the value of the Financial Asset at December 31 of the previous financial year by the applicable effective interest rate, which is determined based on the effective interest

rate method, as described below. Accordingly, the Issuer's financial income – Concession Agreement is impacted both by the value of the Financial Asset at December 31 of the previous financial year and the applicable effective interest rate for that period. The effective interest rate method is a method of calculating the amortized cost of the Financial Asset over the relevant period. In general, the effective interest rate is an internal rate that discounts future cash receivable or payable through the duration of the Concession (or where appropriate, a shorter period) to the carrying amount (current and non-current) of the Financial Asset at December 31 of the previous financial year. When calculating the effective interest rate, all cash flows must be estimated and the calculation must include all payments between the Issuer and the Grantor. The effective interest rate is calculated by the Issuer using the value of the Financial Asset at December 31 of the previous financial year and the net amount resulting from (i) forecasted capital expenditures plus (ii) forecasted operating and maintenance income (including the 10% markup described below) minus (iii) projected net toll collections and minus (iv) Complementary Agreement income (the "EIR"). As a result of this accounting method, the Financial Asset is not amortized on the income statement. Instead, the Financial Asset is amortized on the balance sheet as net toll collections are collected. Complementary Agreement income represents income reimbursed to the Issuer by the Grantor under the Complementary Agreement relating to additional costs incurred by the Issuer for guarantees, maintenance and insurance in connection with additional works not included in the original bid for the Project.

- **Operating and maintenance income.** Operating and maintenance income represents the operating expenses incurred, plus a 10% markup. The 10% markup is applied based on the fair value of the services provided, in accordance with IAS 18. Certain costs such as penalties and depreciation are not marked up. Accordingly, operating and maintenance income does not always equal operating expenses, plus the 10% markup.

As a result of how the Issuer recognizes its income in accordance with IFRIC 12, in 2016, 2015 and 2014 U.S.\$13.4 million, U.S.\$12.1 million, and U.S.\$7.0 million, respectively, of the Issuer's total operating income did not represent cash flow from net toll collections and/or any payments from the Grantor. Instead, these amounts represented financial income – Concession Agreement related to the variation in the value of the Financial Asset.

However, the total operating income received by the Issuer from the Concession during the Concession's term will ultimately equal the total cash flows received through net toll collections and/or any payments from the Grantor minus the capital expenditures incurred by the Issuer during the term of the Concession. Accordingly, the treatment of the Concession as a financial asset does not impact the total amounts received by the Issuer from the operation of the Concession during its term (from net toll collections and any payments from the Grantor).

The chart below sets forth how the variation in the Financial Asset account balance for the periods indicated:

	As of and for the three months ended March 31,		As of and for the year ended December 31,		
	2017 (U.S.\$)	2016 (U.S.\$)	2016 (U.S.\$)	2015 (U.S.\$)	2014 (U.S.\$)
Financial Asset – Concession Agreement					
Initial Balance for the Financial Asset for the previous financial year	363,038,911	349,688,320	349,688,320	337,592,245	330,626,104
Plus increases resulting from construction and operation. (Calculated by adding construction income and operating and maintenance income for the relevant year and subtracting prepayments/down payments to the builder and other third party providers in connection with the construction of the Toll Road)	5,154,843	5,474,916	26,070,118	26,155,674	23,423,681
Plus increases from financial income. (Calculated by multiplying the balance of the Financial Asset at December 31 of the previous financial year times the EIR for the relevant year)	14,545,051	14,010,164	56,040,655 (EIR: 16.03%)	51,098,003 (EIR: 15.14%)	44,034,354 (EIR: 13.32%)
Minus net toll collections during the period	(19,122,595)	(17,517,786)	(68,760,182)	(65,157,602)	(60,491,894)
Financial Asset for the period					
Current portion ¹	78,425,673	71,844,022	72,816,815	70,467,218	62,897,228

Non-current portion	285,190,537	279,811,592	290,222,096	279,221,102	274,695,017
Total:	363,616,210	351,655,614	363,038,911	349,688,320	337,592,245
Variation in the Financial Asset Balance	577,299	1,967,294	13,350,591	12,096,075	6,966,141

(1) Determined based on the estimated cash toll collection to be made on each operations cycle following the reporting period.

For more information regarding the variation in the Financial Asset account balance, see note 9 to the audited financial statements and note 8 to the unaudited condensed interim financial statements. For more information regarding toll collections, see note 35 to the audited financial statements and note 22 to the unaudited condensed interim financial statements.

Level of Net Toll Collections and Variations in the EIR

Because of how the Issuer accounts for the Concession under IFRIC 12, an increase in net toll collections does not necessarily result in an increase in financial income – Concession Agreement during the period. However, since the calculation of the applicable effective interest rate used to determine the Issuer’s financial income – Concession Agreement is based in part on projected net toll collections, an increase in net projected net toll collections will have a positive effect on the effective interest rate to be utilized to determine financial income – Concession Agreement. The growth of the Issuer’s net toll collections depends principally on increases in toll rates charged and increases in the average daily traffic. For the three months ended March 31, 2017, the Issuer’s ADT Equivalent increased 9.9% compared to the same period in 2016. For the year ended December 31, 2016, the Issuer’s ADT Equivalent increased 4.5% compared to the year ended December 31, 2015. Following the last U.S. CPI adjustment on December 31, 2016, toll rates increased to U.S.\$3.74 per lightweight vehicle for the three months ended March 31, 2017 from U.S.\$3.68 per lightweight vehicle for the same period in 2016; and toll rates increased to U.S.\$3.68 per lightweight vehicle for the year ended December 31, 2016 from U.S.\$3.66 per lightweight vehicle for the year ended December 31, 2015.

Seasonality

As of March 31, 2017, approximately 90% of the vehicles that used the Toll Road were lightweight vehicles. Historically, light vehicle traffic on the Toll Road has been subject to limited seasonal fluctuations over Christmas and Easter week, and has otherwise remained mostly constant throughout the year. Therefore, gross toll collections attributable to such commuter light vehicle traffic has historically remained consistent throughout most of the year and has increased during Christmas and Easter week. For more information with respect to traffic patterns, see “Appendix A: Independent Traffic Consultant’s Report”.

Significant Accounting Policies

The preparation of the Issuer’s financial statements in conformity with IFRS requires the Issuer to make significant estimates and assumptions that affect the reported amounts of the Issuer’s assets and liabilities, the disclosure of the Issuer’s contingent assets and liabilities as of the date of the financial statements and the reported amounts of income and expenses during the reporting period. The application of these estimates requires the Issuer to make subjective and objective judgments. The Issuer bases its estimates and judgments on its historical experience and on various other reasonable factors, which together form the basis for making judgments about the carrying values of its assets and liabilities. The Issuer’s actual results may differ from these estimates under different assumptions or conditions.

The Issuer has identified the following accounting policies as the most important to the representation of the current financial condition and results of operations.

Financial Asset – Concession Agreement – On November 30, 2006 the International Financial Reporting Standards Interpretations Committee (IFRIC) issued IFRIC 12 “Service Concession Arrangements”.

Concession arrangements involve agreements between a contracting government agency such as the Grantor, and the Issuer to provide, in this case, the construction, operation, and maintenance service of the Toll Road, through the exploitation of the infrastructure that has been built. In addition, income deriving from the provision of the service may be received directly from the users or the contracting entity itself, which regulates as

well the prices for the provision of the service. The concessional right grants the monopoly of exploitation of the service for a specific period of time, after which the infrastructure becomes property of the contracting entity, with no consideration whatsoever.

The Issuer has concluded that, due to the characteristics of the Concession Agreement, it has a financial asset, since it has the unconditional contractual right to receive a Guaranteed Minimum Income from the Grantor.

According to IFRIC 12, there are two clearly differentiated stages to be highlighted in the concession arrangements, the first one is that the concessionaire (the Issuer) provides construction services that are recognized based on the progress of the work, according to IAS 11 "Construction Contracts", with a financial asset as counteritem, and a second stage, where a series of maintenance and operation services for the infrastructure are provided, which will be recognized according to IAS 18 "Ordinary Income".

The Issuer recognizes the Financial Asset using the amortized cost method, and the corresponding income is recognized in its results, according to the EIR that results from the concession's cash flows projections. Construction income and related costs are recognized in the statement of comprehensive income according to IAS 11 "Construction Contracts".

The current portion of the Financial Asset is determined based on the estimated cash toll collection to be made on each operations cycle following the reporting period.

Construction Income and Costs – Income resulting from the construction contract existing with Constructora San José Caldera CSJC, S.A. for the design and execution of works with materials supplied are recognized based on the progress of quantifiable components or tasks established in the contract. Construction income is usually quantified by referring to the estimations, both billed and not billed, on the progress of such tasks or components and their respective unit prices. Construction costs are recognized as incurred, and they generally consist of costs directly related to a specific contract plus the applicable indirect costs. Under this accounting practice, income from construction contracts relate to the costs incurred to complete individual tasks or components of the construction contract.

Financial Income – Concession Agreement – Financial income is recognized in the period as a result of the financial asset at December 31 of the previous financial year, at the EIR determined for the relevant period.

Operating and Maintenance Income – Income which represents the operating expenses incurred by the Issuer, plus a 10% markup, in accordance with IAS 18.

The Issuer's significant accounting policies are described in note 1 to its audited financial statements.

Description of Principal Line Items

Operating Income

The components of the Issuer's total operating income include: construction income, financial income – Concession Agreement, and operating and maintenance income.

Construction Income

The Issuer is required to account for its construction income in accordance with IAS 11. During the construction phase of a concession, IAS 11 requires a concessionaire to recognize construction income and costs related to infrastructure construction or improvements. Such construction income must be recognized as the construction work is completed using the percentage of completion method based on the proportion of costs incurred to date compared to total costs expected to be incurred at the completion of the construction phase. Construction costs include amounts paid in connection with the construction of the Toll Road and any upgrades or expansion required by the Concession Agreement. Construction income is recorded in an amount equal to construction costs, thereby resulting in a net zero effect on the Issuer's total operating income.

Construction income decreases year-to-year as construction of the Project proceeds and there is less construction work to be completed. The Issuer obtained a provisional service order in January 2010 following

completion of Section II and other major construction works. The final service order for Section II of the Toll Road, the last section of the Toll Road to receive the final service order, was issued in July 2015. At the time when the final service order was granted, the only construction works that remained unfinished were minor works that had been delayed because the Costa Rican government had not obtained the required right of way and additional minor works agreed with the Grantor. See note 23 to the audited financial statements for a description of the minor works agreed with the Grantor.

Financial Income – Concession Agreement

Financial income – Concession Agreement for each period corresponds to the product of the Financial Asset at the beginning of each period, and the applicable EIR for that period.

Operating and Maintenance Income

Operating and maintenance income is recognized according to IAS 18 and reflects the consideration for services rendered in connection with the operation and maintenance of the Project during each financial period. The operating expenses incurred during a period are recognized under operating and maintenance income applying a 10% markup according to the fair value of the services provided, in accordance with IAS 18. Certain costs such as penalties and depreciation are not marked up. Accordingly, operating and maintenance income does not always equal operating expenses, plus the 10% markup.

Costs and Expenses

The main components of the Issuer's operating costs and expenses are construction costs (as described above) and operating expenses.

The main components of operating expenses are: operation and maintenance expenses relating to the Toll Road; professional fees (including costs of security personnel, toll road collectors, and legal, accounting and technical advisors); salaries and social security payments for office staff; banking commissions; general office costs; fees for management services; insurance premiums; and the 1% Minimum Guaranteed Income fee payable to the Grantor under the Concession Agreement.

Interest and Expenses Fees

Interest and expenses fees includes interest and expenses fees related to the Issuer's Bankia/BCIE Term Loan and settlement fees related to the Hedge Agreement described below under "—Liquidity and Capital Resources".

Following the completion of this offering and the offering of the Local Notes, the Bankia/BCIE Term Loan will be repaid in full and the Hedge Agreement will be terminated. Accordingly, following the completion of these offerings, the Issuer expects that its interest and expenses fees will consist of interest expense related to the notes and the Local Notes.

Financial Income

Financial income includes interests received from amounts deposited in the Issuer's current bank accounts.

Other Income – Net

Other income – net includes income from the sale of scrap, recovery of amounts paid for damage caused by the Toll Road users, Insurance Proceeds, the reimbursement of municipal taxes paid that did not apply, and other income from the rights of way granted to certain cable companies.

Exchange Rate Difference – Net

Exchange rate difference – net represents foreign exchange gains or losses attributable to monetary assets and liabilities denominated in foreign currencies. See "Exchange Rates and Controls" and "—Quantitative and Qualitative Disclosures and Market Risks - Exchange rate risk".

Income Tax

The main components of the Issuer's tax expense are income taxes incurred in Costa Rica where the Issuer is subject to Costa Rican income taxes. The Costa Rican statutory tax rate was 30% for the years ended December 31, 2016, 2015 and 2014 and for the three months ended March 31, 2017.

The Issuer's income tax expense consists of both current tax amounts due and deferred taxes, computed based on the requirements of IFRS. See notes 1(j) and 12 to the Issuer's audited financial statements.

Results of Operations for the Three Months Ended March 31, 2017 and 2016

Total Operating Income

Total operating income increased by U.S.\$0.2 million, or 1.1%, from U.S.\$19.5 million for the three months ended March 31, 2016 to U.S.\$19.7 million for the three months ended March 31, 2017.

The following table sets forth the components of the Issuer's total operating income for the three months ended March 31, 2017 and March 31, 2016:

	For the three months ended		Variation
	March 31,		
	2017 (in U.S. dollars)	2016 (in U.S. dollars)	2016-2017 (%)
Construction Income	50,188	369,735	(86.4%)
Financial Income–Concession Agreement ¹	14,545,051	14,010,164	3.8%
Operating and Maintenance Income	5,104,656	5,105,181	0.0%
Total Operating Income.....	19,699,895	19,485,080	1.1%

- (1) Calculated by multiplying the balance of the Financial Asset at December 31 of the previous financial year times the EIR for the relevant period. For more information see “–Principal Trends Affecting the Issuer's Results of Operations – A Portion of the Issuer's Total Operating Income Does not Represent Cash Flows During the Period”.

Construction Income

Construction income decreased by U.S.\$319,547, or 86.4%, from U.S.\$369,735 for the three months ended March 31, 2016 to U.S.\$50,188 for the three months ended March 31, 2017, due to the decrease in construction costs during the three months ended March 31, 2017 described below.

Financial Income – Concession Agreement

Financial Income – Concession Agreement increased by U.S.\$0.5 million, or 3.8%, from U.S.\$14.0 million for the three months ended March 31, 2016 to U.S.\$14.5 million for the three months ended March 31, 2017. The increase reflected the effect of a higher Financial Asset balance of U.S.\$363.0 million at the beginning of 2017 compared to U.S.\$349.7 million at the beginning of 2016.

Operating and Maintenance Income

Operating and maintenance income remained flat at U.S.\$5.1 million for the three months ended March 31, 2017 and March 31, 2016.

Construction Costs and Operating Expenses

The following table sets forth the key components of the Issuer's costs and expenses for the three months ended March 31, 2017 and the three months ended March 31, 2016.

	For the three months ended		Variation
	March 31,		
	2017	2016	2016-2017

	(in U.S. dollars)	(in U.S. dollars)	(%)
Construction Costs	50,188	369,735	(86.4%)
Operating Expenses	4,787,455	5,373,781	(10.9%)
Total	4,837,643	5,743,516	(15.8%)

Construction Costs

Construction costs decreased by U.S.\$319,547, or 86.4%, from U.S.\$369,735 for the three months ended March 31, 2016 to U.S.\$50,188 for the three months ended March 31, 2017.

Operating Expenses

Operating expenses decreased by U.S.\$0.6 million, or 10.9%, from U.S.\$5.4 million for the three months ended March 31, 2016 to U.S.\$4.8 million for the three months ended March 31, 2017. During the three months ended March 31, 2016, the Issuer had higher operating expenses than in the same period in 2017 due to higher professional fees, higher bank fees related to the sixth amendment of the Bankia/BCIE Term Loan and a penalty of U.S.\$0.6 million incurred during the three months ended March 31, 2016 in connection with certain disruptions in the operation of the Toll Road as a result of a drainage design problem in the Siquiares section. The savings during the three months ended March 31, 2017 were partially offset by an increase in operation and maintenance expenses related to increased resurfacing activities during the three months ended March 31, 2017. For more information about the Issuer's operating expenses for the three months ended March 31, 2017 and March 31, 2016, see note 12 to the unaudited condensed interim financial statements.

Operating Profit

As a result of the changes described above, operating profit increased by U.S.\$1.1 million, or 8.2%, from U.S.\$13.7 million for the three months ended March 31, 2016 to U.S.\$14.9 million for the three months ended March 31, 2017.

Interest and Expense Fees

Interest and expense fees decreased by U.S.\$0.2 million, or 5.5%, from U.S.\$3.7 million for the three months ended March 31, 2016 to U.S.\$3.5 million for the three months ended March 31, 2017. The decrease for the three months ended March 31, 2017 was attributable to lower outstanding debt balances due to scheduled amortization, offset by a higher LIBOR rate than for the three months ended March 31, 2016. As described under "—Liquidity and Capital Resources" below, 25% of the Issuer's debt under the Bankia/BCIE Term Loan is not hedged and is therefore subject to fluctuations in the LIBOR rate.

Financial Income

Financial income decreased slightly from U.S.\$221,757 for the three months ended March 31, 2016 to U.S.\$156,751 for the three months ended March 31, 2017. The decrease reflected a decrease in the average balance of funds deposited in the different accounts of the guarantee trust created in connection with the Bankia/BCIE Term Loan.

Other Income – Net

Other income – net increased from U.S.\$93,524 for the three months ended March 31, 2016 to U.S.\$224,099 for the three months ended March 31, 2017.

Exchange Rate difference – Net

Exchange rate difference – net, increased from an exchange rate loss of U.S.\$71,973 for the three months ended March 31, 2016 to an exchange rate gain of U.S.\$9,850 for the three months ended March 31, 2017.

Income Tax

Income tax increased U.S.\$0.5 million, or 15.5%, from U.S.\$2.9 million for the three months ended March 31, 2016 to U.S.\$3.4 million for the three months ended March 31, 2017. The increase was due to higher earnings before tax.

Net Profit

As a result of the changes described above, the Issuer's net profit increased by U.S.\$1.0 million, or 13.9%, from U.S.\$7.3 million for the three months ended March 31, 2016 to U.S.\$8.3 million for the three months ended March 31, 2017.

Results of Operations for 2016 and 2015

Total Operating Income

Total operating income increased by U.S.\$4.9 million, or 6.3%, from U.S.\$77.3 million for the year ended December 31, 2015 to U.S.\$82.1 million for the year ended December 31, 2016.

The following table sets forth the components of the Issuer's total operating income for the years ended December 31, 2016 and 2015:

	For the year ended		Variation
	December 31,		2015-2016
	2016	2015	2015-2016
	(in U.S. dollars)	(in U.S. dollars)	(%)
Construction Income	5,075,258	1,286,169	294.6%
Financial Income—Concession Agreement ¹	56,040,655	51,098,003	9.7%
Operating and Maintenance Income	20,994,860	24,869,505	(15.6%)
Total Operating Income	82,110,773	77,253,677	6.3%

- (1) Calculated by multiplying the balance of the Financial Asset for the previous financial year times the EIR for the relevant year. For more information see “—Principal Trends Affecting the Issuer's Results of Operations – A Portion of the Issuer's Total Operating Income Does not Represent Cash Flows During the Period”.

Construction Income

Construction income increased by U.S.\$3.8 million, or 294.6%, from U.S.\$1.3 million for the year ended December 31, 2015 to U.S.\$5.1 million for the year ended December 31, 2016, due to the increase in construction costs during 2016 described below.

Financial Income – Concession Agreement

Financial Income – Concession Agreement increased by U.S.\$4.9 million, or 9.7%, from U.S.\$51.1 million for the year ended December 31, 2015 to U.S.\$56.0 million for the year ended December 31, 2016. The increase reflected the net effect of a higher Financial Asset balance of U.S.\$349.7 million at the beginning of 2016 compared to U.S.\$337.6 million at the beginning of 2015 and the application of a higher EIR of 16.03% for the year ended December 31, 2016 compared to 15.14% for the year ended December 31, 2015.

The higher applicable EIR was mainly due to the net effect of lower capital expenditures and operating and maintenance income included in the Issuer's financial model.

Operating and Maintenance Income

Operating and maintenance income decreased by U.S.\$3.9 million, or 15.6%, from U.S.\$24.9 million for the year ended December 31, 2015 to U.S.\$21.0 million for the year ended December 31, 2016 as a result of the decrease in operating expenses during 2016 described below.

Construction Costs and Operating Expenses

The following table sets forth the key components of the Issuer's costs and expenses for the year ended December 31, 2016 and the year ended December 31, 2015.

	For the year ended		Variation
	December 31,		2015-2016
	2016	2015	2015-2016
	(in U.S. dollars)	(in U.S. dollars)	(%)
Construction Costs	5,075,258	1,286,169	294.6%
Operating Expenses.....	20,128,211	22,994,966	(12.5%)
Total.....	25,203,469	24,281,135	3.8%

Construction Costs

Construction costs increased by U.S.\$3.8 million, or 294.6%, from U.S.\$1.3 million for the year ended December 31, 2015 to U.S.\$5.1 million for the year ended December 31, 2016. The increase in 2016 reflected primarily a one-off termination payment of U.S.\$3.0 million to Constructora San José Caldera CSJC, S.A., pursuant to a settlement agreement between Constructora San José Caldera CSJC, S.A. and the Issuer entered into on November 17, 2016. For a description of the settlement agreement, see note 26 to the audited financial statements. Additionally during both years, the Issuer carried out minor construction works that had been delayed because the Costa Rican government had not obtained the required right of way, as well as other additional minor works agreed with the Grantor.

Operating Expenses

Operating expenses decreased by U.S.\$2.9 million, or 12.5%, from U.S.\$23.0 million for the year ended December 31, 2015 to U.S.\$20.1 million for the year ended December 31, 2016. During the year ended December 31, 2015, the Issuer had higher operating expenses than in 2016 due to an advance payment of U.S.\$2.0 million in connection with the campaign to resurface and repair slopes and bank fees of U.S.\$1.05 million in connection with the sixth amendment of the Bankia/BCIE Term Loan, which was entered into to document the satisfaction of the Issuer's condition to obtain the final service order for the Project and certain other agreements. On the other hand, during the year ended December 31, 2016, the Issuer incurred a penalty of U.S.\$0.6 million in connection with certain disruptions in the operation of the Toll Road as a result of a drainage design problem in the Siquiara section and bank fees of U.S.\$1.5 million in connection with the sixth amendment of the Bankia/BCIE Term Loan. For more information about the Issuer's operating expenses for the years ended December 31, 2016 and 2015, see note 13 to the audited financial statements.

Operating Profit

As a result of the changes described above, operating profit increased by U.S.\$3.9 million, or 7.4%, from U.S. \$53.0 million for the year ended December 31, 2015 to U.S.\$56.9 million for the year ended December 31, 2016.

Interest and Expense Fees

Interest and expense fees decreased by U.S.\$0.1 million, or 0.7%, from U.S.\$15.4 million for the year ended December 31, 2015 to U.S.\$15.3 million for the year ended December 31, 2016. The decrease for the year ended December 31, 2016 was attributable to lower outstanding debt balances due to scheduled amortization, offset by a higher LIBOR rate than for the year ended December 31, 2015. As described under "—Liquidity and Capital Resources" below, 25% of the Issuer's debt under the Bankia/BCIE Term Loan is not hedged and is therefore subject to fluctuations in the LIBOR rate.

Financial Income

Financial income increased slightly from U.S.\$946,025 for the year ended December 31, 2015 to U.S.\$995,065 for the year ended December 31, 2016. The increase reflected an increase in the average balance of

funds deposited in the different accounts of the guarantee trust created in connection with the Bankia/BCIE Term Loan.

Other Income – Net

Other income – net, increased from U.S.\$0.5 million for the year ended December 31, 2015 to U.S.\$1.0 million for the year ended December 31, 2016.

Exchange Rate difference – Net

Exchange rate difference – net, increased from U.S.\$137,418 for the year ended December 31, 2015 to U.S.\$263,253 for the year ended December 31, 2016.

Income Tax

Income tax increased U.S.\$1.2 million, or 9.9%, from U.S.\$11.7 million for the year ended December 31, 2015 to U.S.\$12.9 million for the year ended December 31, 2016. The increase was due to higher earnings before tax.

Net Profit

As a result of the changes described above, the Issuer’s net profit increased by U.S.\$3.6 million, or 13.1%, from U.S.\$27.4 million for the year ended December 31, 2015 to U.S.\$31.0 million for the year ended December 31, 2016.

Results of Operations for 2015 and 2014

Total Operating Income

Total operating income increased by U.S.\$9.8 million, or 14.5%, from U.S.\$67.5 million for the year ended December 31, 2014 to U.S.\$77.3 million for the year ended December 31, 2015.

The following table sets forth the components of the Issuer’s total operating income for the years ended December 31, 2015 and 2014:

	For the year ended December 31,		Variation
	2015 (in U.S. dollars)	2014 (in U.S. dollars)	2014-2015 (%)
Construction Income	1,286,169	3,225,148	(60.1%)
Financial Income–Concession Agreement ⁽¹⁾	51,098,003	44,034,354	16.0%
Operating and Maintenance Income	24,869,505	20,198,533	23.1%
Total Operating Income	77,253,677	67,458,035	14.5%

(1) Calculated by multiplying the balance of the Financial Asset for the previous financial year times the EIR for the relevant year. For more information see “—Principal Trends Affecting the Issuer’s Results of Operations – A Portion of the Issuer’s Total Operating Income Does not Represent Cash Flows During the Period”.

Construction Income

Construction income decreased by U.S.\$1.9 million, or 60.1%, from U.S.\$3.2 million for the year ended December 31, 2014 to U.S.\$1.3 million for the year ended December 31, 2015, due to the decrease in construction costs for the year ended December 31, 2015 described below.

Financial Income – Concession Agreement

Financial income – Concession Agreement increased by U.S.\$7.1 million, or 16.0%, from U.S.\$44.0 million for the year ended December 31, 2014 to U.S.\$51.1 million for the year ended December 31, 2015. The increase was due to a higher Financial Asset balance of U.S.\$337.6 million at the beginning of 2015 compared to

U.S.\$330.6 million at the beginning of 2014 and the application of a higher EIR of 15.14% for the year ended December 31, 2015 compared to 13.32% for the year ended December 31, 2014.

The higher applicable EIR was mainly due to lower operation, maintenance and renewals costs included in the Issuer's financial model.

Operating and Maintenance Income

Operating and maintenance income increased by U.S.\$4.7 million, or 23.1%, from U.S.\$20.2 million for the year ended December 31, 2014 to U.S.\$24.9 million for the year ended December 31, 2015, as a result of the increase in operating expenses for the year ended December 31, 2015 described below.

Construction Costs and Operating Expenses

The following table sets forth the key components of costs and expenses for the years ended December 31, 2015 and 2014.

	For the year ended December 31,		Variation
	2015 (in U.S. dollars)	2014 (in U.S. dollars)	2014-2015 (%)
Construction Costs	1,286,169	3,225,148	(60.1%)
Operating Expenses.....	22,994,966	18,899,657	(21.7%)
Total.....	24,281,135	22,124,805	9.7%

Construction Costs

Construction costs decreased by U.S.\$1.9 million, or 60.1%, from U.S.\$3.2 million for the year ended December 31, 2014 to U.S.\$1.3 million for the year ended December 31, 2015. During both years the Issuer carried out minor works that had been delayed because the Costa Rican government had not obtained the required right of way, as well as other additional minor works agreed with the Grantor.

Operating Expenses

Operating expenses increased by U.S.\$4.1 million, or 21.7%, from U.S.\$18.9 million for the year ended December 31, 2014 to U.S.\$23.0 million for the year ended December 31, 2015. This increase reflected primarily U.S.\$2.6 million in banking fees payable in connection with the sixth amendment of the Bankia/BCIE Term Loan and an increase in operating expenses of \$0.9 million relating to the work conducted to obtain the final service order for Section II on July 30, 2015.

Operating Profit

As a result of the changes described above, operating profit increased by U.S.\$7.6 million, or 16.9%, from U.S.\$45.3 million for the year ended December 31, 2014 to U.S.\$53.0 million for the year ended December 31, 2015.

Interest and Expense Fees

Interest and expense fees decreased by U.S.\$0.5 million, or 3.1%, from U.S.\$15.9 million for the year ended December 31, 2014 to U.S.\$15.4 million for the year ended December 31, 2015. The decrease was attributable to lower outstanding debt balances in 2015 due to scheduled amortization, offset in part by a higher prevailing average LIBOR rate for the year 2015. As described under “—Liquidity and Capital Resources” below, 25% of the Issuer's debt under the Bankia/BCIE Term Loan is not hedged and is therefore subject to fluctuations in the LIBOR Rate.

Financial Income

The Issuer's financial income decreased from U.S.\$1.0 million for the year ended December 31, 2014 to U.S.\$0.9 million for the year ended December 31, 2015. The decrease reflected a reduction in the average balance of funds deposited in the accounts of the guarantee trust created in connection with the Bankia/BCIE Term Loan. The reduction in the average balance of funds deposited was due to payments in the ordinary course of business made by the trustee.

Other Income – Net

Other income – net, increased from U.S.\$417,897 for the year ended December 31, 2014 to U.S.\$456,765 for the year ended December 31, 2015.

Exchange Rate difference – Net

Exchange rate difference – net, increased from U.S.\$112,436 for the year ended December 31, 2014 to U.S.\$137,418 for the year ended December 31, 2015.

Income Tax

Income tax increased U.S.\$2.9 million or 33.6%, from U.S.\$8.8 million for the year ended December 31, 2014 to U.S.\$11.7 million the year ended December 31, 2015. The increase was due to higher earnings before income tax.

Net Profit

As a result of the foregoing, net profit increased by U.S.\$5.2 million, or 23.3%, from U.S.\$22.2 million for the year ended December 31, 2014 to U.S.\$27.4 million for the year ended December 31, 2015.

Liquidity and Capital Resources

General

Historically, the Issuer's primary sources of liquidity have been borrowings under the Bankia/BCIE Term Loan described below under “—Indebtedness as of March 31, 2017”, equity contributions from the Shareholders and cash flow from operations. The Issuer's cash requirements have historically consisted primarily of funds for the construction, operation and maintenance of the Project, working capital needs, the payment of guarantees, and the payment of principal and interest on indebtedness.

The Issuer intends to use the net proceeds from this offering and from the offering of the Local Notes as described under “Use of Proceeds” to (i) repay amounts outstanding under the Bankia/BCIE Term Loan and pay certain costs associated with such repayment; (ii) fund the Debt Service Reserve Accounts and the O&M Reserve Account; (iii) pay certain fees and expenses related to the issuance of the notes and the Local Notes (iv) fund the Issuer's Loan to Shareholders; (v) return capital to its Shareholders through one or more Shareholder Distributions;; and (vi) general corporate purposes.

Following the completion of this offering and the offering of the Local Notes, the Issuer expects its primary source of liquidity to be balance sheet cash and cash flow from operations. The Issuer believes that its balance sheet cash and cash flow from operations will be sufficient to fund its operations for at least the next 12 months.

Historical Cash Flows

The following table summarizes the Issuer's cash flows for the years ended December 31, 2016, 2015 and 2014, and for the three months ended March 31, 2017 and 2016:

For the three months ended March 31,		For the year ended December 31,		
2017	2016	2016	2015	2014

(in U.S. dollars)

Cash Flow Statements Data:

Cash and Cash Equivalents at the beginning of the period/year.....	5,093,750	40,566,676	40,566,676	52,794,101	42,135,053
Net cash provided by operating activities.....	7,162,248	6,731,861	26,817,625	27,730,242	19,723,347
Net cash used in/from investment activities.....	(77,937)	(191,290)	(15,192,141)	(1,181,443)	(860,867)
Net cash used in financing activities.....	--	--	(47,098,410)	(38,776,224)	(8,203,432)
Cash and Cash Equivalents at the end of the period/year.....	<u>12,178,061</u>	<u>47,107,247</u>	<u>5,093,750</u>	<u>40,566,676</u>	<u>52,794,101</u>

Operating Activities

The Issuer's principal source of funds comes from the operation of the Toll Road, as the Concession is fully operational and generating cash flow from operating activities.

Net cash provided by operating activities increased U.S.\$0.4 million, or 12%, from U.S.\$6.7 million for the three months ended March 31, 2016 to U.S.\$7.2 million for the three months ended March 31, 2017. This increase was due to higher net toll collections, partially offset by higher income tax paid and Co-participation payments made for during the three months ended March 31, 2017.

Net cash provided by operating activities decreased U.S.\$0.9 million, or 3.3%, from U.S.\$27.7 million for the year ended December 31, 2015 to U.S.\$26.8 million for the year ended December 31, 2016. This decrease was due to the 2015 Co-participation payment of U.S.\$2.2 million made in 2016 and higher income tax paid, partially offset by higher net toll collections and other income and lower interest expense.

Net cash provided by operating activities increased U.S.\$8.0 million, or 40.6%, from U.S.\$19.7 million for the year ended December 31, 2014 to U.S.\$27.7 million for the year ended December 31, 2015. This increase was due primarily to higher net toll collections and lower interest expense.

Investing Activities

Net cash used in investing activities consists primarily of (i) restricted cash deposited in the reserve accounts in accordance with the BCIE/Bankia Term Loan and (ii) investments in tangible and intangible assets for the Project.

Net cash used in investing activities was U.S.\$77,937 for the three months ended March 31, 2017 compared to net cash from investment activities of U.S.\$191,290 for the three months ended March 31, 2016.

Net cash used in investing activities increased U.S.\$14.0 million from U.S.\$1.2 million for the year ended December 31, 2015 to U.S.\$15.2 million for the year ended December 31, 2016. The increase in 2016 reflected an increase in restricted cash deposited in the operation and maintenance and other reserve accounts for long-term debt in accordance with the Bankia/BCIE Term Loan from U.S.\$1.1 million for the year ended December 31, 2015 to U.S.\$14.4 million for the year ended December 31, 2016. The increase was due to the fact that under the terms of the Bankia/BCIE Term Loan, additional reserve accounts for operation and maintenance were required to be put in place and funded once the Project moved from the construction stage to the operation stage. During the fourth quarter of 2016 the Issuer delivered the final service order to the lenders of the Bankia/BCIE Term Loan and the Bankia/BCIE Term Loan was amended to reflect the satisfaction of that condition and certain other agreements.

Net cash used in investing activities increased U.S.\$0.3 million, or 37.2%, from U.S.\$0.9 million for the year ended December 31, 2014 to U.S.\$1.2 million for the year ending December 31, 2015. This increase reflected an increase in restricted cash deposited in the reserve accounts for long-term debt in accordance with the Bankia/BCIE Term Loan from U.S.\$8,592 for the year ended December 31, 2014 to U.S.\$1.1 million for the year ended December 31, 2015 and an increase in investment in fixed assets from U.S.\$0.3 million for the year ended December 31, 2014 to U.S.\$0.4 million for the year ended December 31, 2015, partially offset by U.S.\$0.6 million in cash received for investments in 2014 that were recovered in 2015.

Financing Activities

Net cash used in financing activities consists of distributions to the Shareholders and payment of principal under the Bankia/BCIE Term Loan.

For the three months ended March 31, 2017 and March 31, 2016, there was no cash used/from financing activities.

Net cash used in financing activities increased U.S.\$8.3 million, or 21.5%, from U.S.\$38.8 million for the year ended December 31, 2015 to U.S.\$47.1 million for the year ended December 31, 2016. The increase was due to an increase in amounts distributed to Shareholders from U.S.\$28.0 million for the year ended December 31, 2015 to U.S.\$34.3 million for the year ended December 31, 2016, and higher amortization of debt.

Net cash used in financing activities increased U.S.\$30.6 million or 372.7%, from U.S.\$8.2 million for the year ended December 31, 2014 to U.S.\$38.8 million for the year ended December 31, 2015. This increase reflected primarily a U.S.\$28.0 million distribution to the Shareholders in 2015, while there were no distributions to Shareholders in 2014, partially offset by lower amortization of debt.

Indebtedness as of March 31, 2017

Existing Financing – Bankia/BCIE Term Loan

On December 20, 2007, the Issuer entered into the Bankia/BCIE Term Loan, for borrowings of up to U.S.\$260.8 million to, among other things, partially finance long-term costs associated with the construction of the Project. The Bankia/BCIE Term Loan accrues interest at a rate of six months LIBOR plus an applicable margin, which varies between 250 and 350 basis points.

In connection with the Bankia/BCIE Term Loan, the Issuer, along with the lenders, the guarantors party thereto, and Scotiabank de Costa Rica, S.A., as trustee, entered into a Trust Agreement (*Fideicomiso Irrevocable de Garantía y Administración de Cuentas*) whereby the cash flows from the tolls and the Minimum Guaranteed Income, as set forth in the Concession Agreement, as well as the cash flows derived from the service contracts related to the Project, if any, would be deposited directly into a trust. Cash in the trust would in turn be used to make the payments required under the Bankia/BCIE Term Loan and the Contract of Guarantee, dated December 20, 2007, between the Multilateral Investment Guarantee Agency and Bankia, and any fees related to such agreements and the Project.

There are three tranches under the Bankia/BCIE Term Loan: (i) Tranche A (divided into two subtranches: A-1 and A-2); (ii) Tranche B; and (iii) Tranche C (which was not drawn). The Bankia/BCIE Term Loan has a final maturity date of November 30, 2027, but the different tranches mature at different dates. Tranche A-1 and Tranche A-2 mature on November 30, 2027 and Tranche B matures on November 30, 2025. To voluntarily prepay the tranches prior to their respective maturity dates, the following conditions must be met: (i) the payment must be at least for U.S.\$5.0 million and any additional amounts must be paid in multiples of U.S.\$1.0 million, unless the remaining principal amount is less than \$1.0 million, in which case, the remaining amount can be paid in full; (ii) none of the payment obligations under the Bankia/BCIE Term Loan and the Hedge Agreement can be owed or due; (iii) written notice must be provided to BCIE fifteen (15) business days prior to the prepayment date; (iv) all related costs, expenses and fees incurred as a result of the prepayment must be assumed and paid by the Issuer; (v) prepayment cannot affect the viability of the Project; and (vi) any prepaid amounts cannot be drawn down again. A 1% prepayment fee over the prepayment amount is payable subject to certain limited exceptions, namely repayments of the debt with (i) funds from the Shareholders, (ii) funds obtained by a refinancing or a financial product arranged by Bankia or BCIE, or (iii) funds from the Project itself.

In connection with the issuance of notes and the Local Notes, the Bankia/BCIE Term Loan will be terminated and repaid in full. The trust created in connection with the Bankia/BCIE Term Loan will be amended and restated pursuant to the A&R Payment and Guarantee Trust Agreement to release the collateral given as security for the Bankia/BCIE Term Loan and to provide collateral as security for the notes and the Local Notes.

Derivatives Financial Instruments

Since the loans under the existing Bankia/BCIE Term Loan have a floating interest rate, the Issuer entered into an interest rate swap agreement, dated as of December 20, 2007 with Bankia (the "Hedge Agreement") to hedge 75% of the payment of interest under the Bankia/BCIE Term Loan during its term. As a result of the Hedge agreement, the interest rate under the Bankia/BCIE Term Loan is fixed at an effective rate of 4.915% for the term of

the loan. The Hedge Agreement became effective on January 10, 2008 and it expires on November 30, 2023. The fair value of the interest rate swaps at the end of the reporting period is determined discounting the future cash flows at the end of the period and the credit risk inherent in the agreement. See note 24 to the audited financial statements and note 18 to the unaudited condensed interim financial statements for a description of the Hedge Agreement and its accounting treatment.

The Hedge Agreement was entered into solely for hedging purposes. In connection with the issuance of the notes and the Local Notes and the repayment of the Bankia/BCIE Term Loan, the Issuer will terminate the Hedge Agreement.

Contractual Obligations and Commitments

The following table sets forth the issuer's contractual obligations and commitments at March 31, 2017:

	Payments Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Contractual obligations (U.S.\$)					
Bankia/BCIE Term Loan	203,987,386	18,432,778	26,721,462	44,338,188	114,494,958
Hedge Agreement ¹	37,036,322	7,451,222	13,114,031	10,844,625	5,626,444

¹Represents the Issuer's contractual obligations only and does not include payments from the hedge counterparty.

Off Balance Sheet Arrangements

As of December 31, 2016 and 2015 and March 31, 2017, the Issuer had no off balance sheet arrangements.

Internal Controls

The Issuer has adopted internal control policies and procedures designed to provide reasonable assurance that its operations are subject to and in compliance with guidelines set forth by its management and that its financial reporting complies with IFRS. The Issuer believes that its advanced information technology platform and its organizational structure provide it with the necessary tools to accurately and effectively apply its internal control policies and procedures. In addition, the Issuer's various operational processes are subject to periodic internal audits.

Quantitative and Qualitative Disclosures about Market Risk

Interest rate risk

Interest rate risk refers to the possibility that the Issuer could incur losses as a result of interest rate fluctuations that would increase interest and expenses fees. The Bankia/BCIE Term Loan obtained to finance the Project bears interest at a floating rate (LIBOR plus a margin). To mitigate the risk of interest rate fluctuations, the Issuer entered into the Hedge Agreement, which effectively fixes the interest on 75% of the Bankia/BCIE Term Loan. See note 24 to the audited financial statements and note 18 to the unaudited condensed interim financial statements.

Because, as a result of the Hedge Agreement, 75% of the Issuer's long-term debt is comprised of effectively fixed-rate debt, the fair values of such indebtedness is moderately sensitive to the effects of interest rate fluctuations, and decreases in interest rates would increase the fair value of the Issuer's fixed-rate long-term debt. Although a change in market interest rates impacts the fair value of the Issuer's fixed-rate debt, it has no significant impact on the Issuer's interest expense incurred or cash flows.

Following the completion of this offering and the Local Notes offering, the Issuer expects its long-term debt to be primarily fixed-rate debt, consisting of the notes offered hereby and the Local Notes.

Exchange rate risk

Exchange rate risk refers to the possibility that the Issuer could have losses due to fluctuations in foreign exchange rates. Most of the transactions conducted by the Issuer have been denominated in U.S. dollars, and the

transactions in *colones* have been minimal. Most of the Issuer's total operating income, as well as costs and operating expenses are converted to U.S. dollars. Tolls are received in Costa Rican *colones*, which are exchanged to U.S. dollars on a daily basis. The toll rates are also adjusted quarterly taking into account changes in the exchange rate. Consequently, management believes that the Project is not exposed to any material exchange rate risks.

BUSINESS DESCRIPTION

The Issuer's Business

The Issuer is the only private toll road operator in Costa Rica and the operator of the Toll Road that runs approximately 76.8 kilometers from San José, the country's capital and most populous city, to the Port of Caldera, the launch point for both cruise and freight ships on the Pacific coast. The strategic Toll Road has a strong operational track record and is comprised of three distinct segments: (i) Section I, covering 14.2 kilometers from San José to Ciudad Colón, (ii) Section II, covering 38.8 kilometers from Ciudad Colón to Orotina and (iii) Section III, covering 23.8 kilometers from Orotina to the Port of Caldera, each of which constitutes the only toll road currently in operation in its respective geographic area. The Toll Road has over seven years of operating history. All of the Issuer's assets are located in Costa Rica and substantially all of its income is derived from the operation of the Toll Road. As of March 31, 2017, the Issuer had 109 employees.



The Issuer's History

The Issuer is a *sociedad anónima* organized and existing pursuant to the laws of Costa Rica. The shareholders of the Issuer are Promotora, SyV, SDC and DI-M&S. Globalvía Inversiones, S.A.U., is the sole owner of each of the Shareholders. Globalvía indirectly owns all of the issued and outstanding shares of the Issuer through its 100% ownership in Globalvía Inversiones, S.A.U.

Globalvía is an international leader in infrastructure management, active in the management and operation of toll roads and railways. Globalvía manages over 1,500 kilometers of toll roads in Costa Rica, the United States of America, Mexico, Chile, Spain, Portugal and Ireland. Globalvía has significant toll road management and maintenance experience managing toll roads globally. Globalvía has managed and operated the Issuer since November 2011. As of the date hereof, Globalvía employs approximately 1,256 people and, in 2015, approximately 60% of its revenues were generated outside of Spain, with 45.2% of such revenue generated in Latin America and 15.7% in the rest of Europe.

On September 11, 1998, the Costa Rican government, through the Grantor of the Ministry of Public Works and Transport ("MOPT") and in accordance with the regulations of the LCOP, invited potential bidders to bid on a concession to build, rehabilitate, operate, maintain and exploit the highway that ran from San José to Caldera. On May 14, 2001, the Grantor awarded the Concession to the Cartellone – Acosol consortium, a consortium comprised

of SNC Lavalin de Costa Rica, S.A. and Jose Cartellone Construcciones Civiles, S.A. Subsequently, and in accordance with the requirements established by the LCOP, the Cartellone – Acosol consortium formed a corporation named Concesiones Viales, S.A. (“COVISA”) to enter into the Concession Agreement. On December 18, 2001, the Grantor and COVISA executed the Concession Agreement.

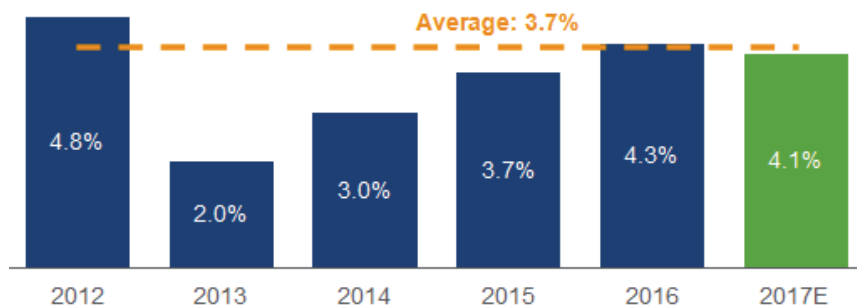
On March 9, 2006, SNC-Lavalin de Costa Rica, S.A., Jose Cartellone Construcciones Civiles, S.A. and COVISA assigned their rights and obligations under the Concession Agreement to the Shareholders and the Issuer. The Issuer was incorporated under Costa Rican law with a share capital of U.S.\$2,500,000 and the exclusive purpose of executing the Project as set forth in the Concession Agreement. Such assignment had been authorized by the Office of the General Comptroller of Costa Rica pursuant to Resolution 15601 dated November 29, 2005.

On January 8, 2008, the Issuer received the contract initiation order from the Grantor, and construction of the Toll Road commenced. The Toll Road became partially operational on June 7, 2009, and the construction phase was substantially completed on July 30, 2015, after all three sections of the Toll Road were in operation.

Key Investment Considerations

The Issuer believes the principal key investment considerations in connection with the notes are as follows:

- Costa Rican Socioeconomic Trends Support Continued Growth and Increased Vehicle Use.** The government of Costa Rica, which is rated Ba2 by Moody’s and BB by Fitch, has implemented policies designed to maintain political stability, promote economic growth and advance social development. As a result of these policies, Costa Rica has experienced steady economic growth at an average rate of 4.2% since 2005, attaining one of the lowest poverty rates in Latin America, at 21.7% of the total population. The Costa Rican government has provided health services to every citizen and democratically elected its government continuously since 1949. The country is one of the most politically stable countries in the Caribbean and Central America, performing better on all measures of governance indicators than its average peer, according to the World Bank Governance Indicators. The combination of political and economic stability, a large population of skilled workers and a variety of free trade zones make Costa Rica an attractive country for foreign investment and continued economic growth. Costa Rica has developed one of the highest levels of foreign direct investment by establishing free trade zones. In addition, Costa Rica has experienced a steady population growth over the past decade, from 4.3 million people in 2006 to 4.8 million people in 2015. The population is also highly urban, with 76.8% of the total living in cities, growing at an annual rate of 2.7% from 2010 through 2015. Approximately 27.6% of the population owns a private car and that figure is projected to grow by 42.5% in the next five years. The Issuer believes this positive population trend and continued economic growth are projected to increase future vehicle traffic, particularly in San José, in which 31.3% of Costa Rica’s total population is located.



Source: World Bank (2017)

- Strategic and Critical Component of Costa Rica’s Transportation Network.** The Toll Road provides important links between San José, Costa Rica’s capital, and the Port of Caldera on the Pacific Coast, serving key industrial and commercial regions along its route, including seven municipalities. San José is

Costa Rica's most populous city and, as of June 3, 2011, the date of the last census available, contained approximately 31.3% of Costa Rica's estimated population. The Port of Caldera is one of six ports in Costa Rica and serves as the launch point for both cruise and international freight ships. It is also a principal tourist destination with proximity to major attractions, including Los Sueños, Jaco, Puntarenas, Tortuga Island and the Carara National Park. The Toll Road also provides access to Guanacaste, La Fortuna and Manuel Antonio beach, some of the most important Costa Rican tourist destinations on the Pacific coast. Connecting the country's capital and one of its major ports, the Toll Road represents a key item in Costa Rica's development strategy for the transfer of merchandise, the movement of tourists and the day-to-day use of the urban sectors within its area of influence. The operation of the Toll Road is closely aligned with the Costa Rican government's objectives, supporting the country's economic and infrastructure development and encouraging the growth of domestic and international travel to and within Costa Rica.

- Stable Growth in Traffic Volumes and Toll Collections.** Gross toll collections have grown every year since June 7, 2009, when the Issuer started operating the Toll Road. In 2015, when Costa Rica's real GDP grew by 2.8%, gross toll collections grew by 11.3%. Historical traffic and gross toll collections data for the Toll Road reflect sustained growth with limited volatility in the areas serviced by the Toll Road. From 2010 to 2016, traffic volumes and gross toll collections grew at CAGRs of 12.2% and 14.3%, respectively. In addition, actual traffic on the Toll Road for the period between 2010 and 2016 has exceeded original projections by approximately 58%, primarily as a result of (i) industrial and commercial development throughout the length of the Toll Road and (ii) overall growth in real estate development along Sections I and II. As the Concession matures, long term growth rates are projected to stabilize over time to rates more in line with the expected approximately 4% annual GDP growth of Costa Rica, continuing to result in stable and predictable gross toll collections. The table below sets forth total traffic, year-over-year total traffic growth, gross toll collections and year-over-year gross toll collections growth for the periods indicated.

	Years ended December 31,							Three months ended March 31,
	2010	2011	2012	2013	2014	2015	2016	2017
Total Traffic(1)	39.5	49.4	61.8	66.5	69.2	75.6	79.0	21.1
Year over year Growth.....	-	25%	25%	8%	4%	9%	5%	-
Gross toll Collections ⁽¹⁾	U.S.\$31.7	U.S.\$42.4	U.S.\$52.9	U.S.\$57.6	U.S.\$60.8	U.S.\$67.7	U.S.\$70.6	U.S.\$19.4
Year over year Growth.....	-	33%	25%	9%	6%	12%	4%	-

Source: Issuer.
(1) In millions.

- Resilience of Primarily Commuter Traffic.** The Toll Road serves a high percentage of light vehicles and commuters, with limited use by commercial vehicles. This dynamic is favorable because the commuter segment has low volumetric risk, when compared to commercial or industrial traffic. In addition, population growth and a growing middle class are projected to result in increased car ownership and commuter traffic. Because of the large commuter base that uses the Toll Road, an average of 72% of gross toll collections per year collected on the Toll Road between 2010 and 2015 was attributable to light vehicles, which account for approximately 90% of the traffic on the Toll Road. This large commuter base provides the Issuer with a stable source of income.

Toll Collection by Vehicle Class as a Percentage of Total Annual Gross Toll Collections

Year	Light vehicles	Buses	2-3 Axles	4 Axles	5 Axles	Total
2010	75%	6%	8%	1%	10%	100%
2011	71%	6%	9%	1%	14%	100%
2012	70%	6%	9%	1%	14%	100%
2013	71%	6%	9%	1%	14%	100%

2014.....	71%	5%	9%	1%	14%	100%
2015.....	71%	6%	9%	1%	14%	100%
2016.....	71%	5%	9%	1%	14%	100%
As of March 31, 2017.....	70%	5%	9%	1%	15%	100%

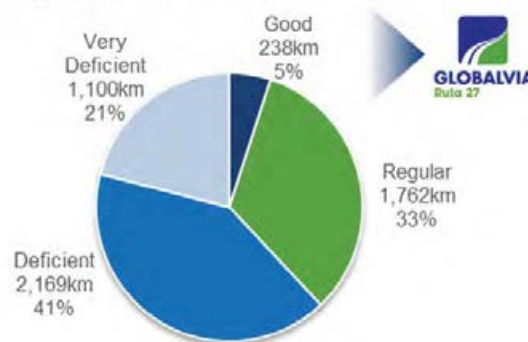
Source: Issuer.

Comparison of the Toll Road versus Alternative Routes



- Strong Competitive Position of the Toll Road.** The Toll Road has no equally safe and convenient competing routes or modes of transportation. The only alternate route to travel the entire distance between San José and the Port of Caldera is a route that combines route CR-131 and the San José-San Ramón Route, untolled roads with many traffic signals and heavy congestion and which the Issuer believes have limited opportunities for expansion. Additionally, there are limited public transportation alternatives that cover the distance between San José and the Port of Caldera as well as within the San José metropolitan area. The Issuer estimates that during peak hours, commuters can save approximately 60 minutes by travelling the entire length of the Toll Road from San José to the Port of Caldera, rather than travelling on the San José-San Ramón Route. The Issuer estimates that during off-peak traffic times, a user can save approximately 35 minutes. Congestion on most other roads has increased due to a 68% increase in the number of vehicles in circulation between 2003 and 2014. In addition, due to the Issuer’s continuous monitoring of the Toll Road, and provision of vehicle rescue and relief services and an emergency medical service, the Issuer believes the Toll Road provides a safer and better maintained road than other roads in Costa Rica. While Costa Rica has an extensive road network, most roads date back to the pre-economic crisis of the 1980s and only 28% are paved. According to national surveys, 62% of roads are in “deficient” or “very deficient” condition, while only 5% are in “good condition”. Poor alternate routes encourage drivers to choose the limited number of faster, safer, well maintained roads, such as the Toll Road. The graph below indicates the condition of Costa Rica’s national roads as of 2015.

Current Condition of Costa Rica’s National Roads



Source: Technical Background Paper on Transport-Infrastructure Challenges in Costa Rica, OECD, December 2015

- ***Inflation-Linked and FX Adjusted Toll Rates.*** Under the Concession Agreement, toll rates charged on the Toll Road are adjusted on March 31, June 30, September 30 and December 31 to reflect changes in the *colón*-U.S. dollar exchange rate and on December 31 to reflect changes in the U.S. CPI. Toll rates may be adjusted before the next scheduled adjustment date if the U.S. CPI or *colón*-U.S. dollar exchange rate varies by 5% or more as compared to the rates used as the basis for the most recent toll rate increase. In addition, the Concession Agreement provides that the Issuer and the Grantor may renegotiate the maximum toll rates or the manner in which they are calculated to re-establish the economic financial equilibrium of the Concession Agreement. Toll rates may also be adjusted pursuant to the Road Safety Award and to alleviate congestion at peak traffic hours. See “Description of the Principal Project Documents—The Concession Agreement—Rates and Rate Adjustments” for additional detail.
- ***Favorable Contractual Framework.*** The Concession Agreement provides robust credit protections and a supportive regulatory framework. Under the Concession Agreement, which has up to 16 years remaining, the Collateral is held in the A&R Payment and Guarantee Trust, a Costa Rican trust administered for the benefit of the Secured Parties and which the Issuer believes to be bankruptcy remote. All of the Issuer’s income derived from the Toll Road is deposited into the Revenue Account within the A&R Payment and Guarantee Trust and, along with any other moneys deposited into the Revenue Account, are subject to the priority of payment requirements established in the Indenture. All of the other tangible and intangible assets of the Issuer, subject to certain exceptions described herein, and all of the shares of the Issuer held by its Shareholders, are also held in the A&R Payment and Guarantee Trust and pledged as collateral for the Secured Parties as part of the A&R Payment and Guarantee Trust. In addition, as described herein, upon the occurrence of certain unforeseen events outside of the Issuer’s control that negatively impact its returns, the Issuer may request a renegotiation of the Concession Agreement with the Grantor to maintain the economic financial equilibrium that was in place when the Concession Agreement was executed. See “Description of the Principal Project Documents—The Concession Agreement—Economic Financial Equilibrium Readjustments”. Additionally, if the Concession Agreement is terminated for reasons outside of the Issuer’s control, the Issuer must be compensated for any unamortized costs plus 50% of lost earnings. See “Description of the Principal Project Documents—The Concession Agreement—Suspension and Termination of the Concession—Termination of the Concession Agreement”.
- ***Experienced Transportation Infrastructure Operator with Access to Global Best Practices.*** The Issuer believes it has highly qualified and experienced professionals with extensive knowledge of the transportation sector in Costa Rica and globally who implement the Issuer’s business strategies. In addition, Globalvía is one of the world’s largest transportation infrastructure developers and operators in terms of number of concessions. The Issuer’s access and exposure to Globalvía’s international, regional and local relationships, and its breadth of experience in Europe and Latin America, enables the Issuer to benefit from and implement the best practices and technologies available worldwide, including internal audit and quality control procedures that are used in 28 other concessions across the Americas and Europe.
- ***Well Maintained Road and Safety Practices.*** The Toll Road is well maintained and complies with all maintenance requirements set out in the Concession Agreement. Maintenance criteria are assessed annually, with maximum allowed thresholds for ruts, cracking, slip resistance, and surface irregularity. Surface deformation, detachment of aggregates and open potholes are not allowed. The Issuer is committed to continued maintenance and operational enhancements to ensure safety, including regular inspections to ensure safety in daily operations. The Issuer employs the staff and equipment necessary to respond to emergencies and attend to users and any incidents. In addition to 24/7 monitoring by 33 cameras operated from the control center, roadway teams patrol constantly and provide assistance as needed. A platform crane and heavy vehicle crane are also available to move vehicles. The Issuer has taken several steps to promote road safety through public messaging and free vehicle inspections for users, in addition to required safety measures. The Issuer has improved superelevation on dangerous curves on the Toll Road, implemented micromilling in localized areas to increase friction, installed rumble strips along the QuickPass lanes to reduce speed and placed additional cat’s eyes along the route to improve visibility. The

Concession Agreement also includes an incentive to ensure user safety by awarding the Issuer a non-cumulative 5% increase in toll rates for reducing injuries or deaths over consecutive years. For more information on the Road Safety Award, see “Description of the Principal Project Documents—The Concession Agreement—Rates and Rate Adjustments—Adjustments Relating to the Operation of the Toll Road – Road Safety Award”.

- **Enhanced Project Liquidity.** To allow for the timely payment of debt service, the Project will be supported by (a) 6-month Debt Service Reserve Accounts in U.S. dollars, which will be established upon the closing of the offering pursuant to the Indenture and shall maintain a balance equal to the sum of (i) the next six months of debt service under the notes (including principal and interest) and (ii) the next six months of debt service under the Local Notes (including principal and interest), and (b) three-month O&M Reserve Accounts in U.S. dollars that will be funded at closing pursuant to the A&R Payment Guarantee Trust Agreement and the Indenture and maintain a balance equal to the next three months of budgeted Base O&M Costs and Major Maintenance Expenses (to the extent already contemplated in the Independent Engineer’s report) in accordance with the then-current annual budget.

Strategies

The Issuer’s goal is to consolidate and maximize the value and profitability of the Concession through the implementation of the following key strategies:

- **Increase Current Income Base.** The Issuer seeks to expand continually its gross toll collections by undertaking marketing initiatives to increase awareness of, and educate users on, the benefits offered by the Toll Road, including time and distance savings compared to established alternative routes. These initiatives include (i) targeted advertising campaigns aimed at promoting the Issuer’s corporate social responsibility and Toll Road safety (including continuous monitoring of the Toll Road and provision of vehicle and relief services and emergency medical services), (ii) participation at transportation industry workshops and conventions and (iii) the installation of road signs that direct traffic toward the Toll Road.
- **Optimize Costs.** The Issuer strives to reduce its operating expenses through a number of initiatives, including the following: (i) adjusting the shifts of its toll collectors and toll collection capacity according to traffic, so as to minimize overtime and its related expenses, (ii) frequently reviewing and updating its annual maintenance plan, in particular with respect to paving and lighting, (iii) increasing its electronic toll collection capabilities and (iv) renegotiating its contracts and subcontracting resource or capital-intensive activities.
- **Maximize the use of QuickPass Electronic Toll Collection.** The Issuer aims to promote the use of QuickPass, its remote toll collection system, to increase its operating efficiency, including through (i) an increase in the amount of vehicles per hour crossing through toll collection points, (ii) a decrease in cost per user of the Toll Road and (iii) a decrease in direct cash transfers. As of March 2017, QuickPass penetration at the Atenas, Pozón, San Rafael and Escazú toll gates had reached 44%, 43%, 52% and 56%, respectively, having increased 16%, 19%, 8% and 8%, respectively, over penetration rates as of March 2016. Additional electronic toll booths have been added at each of these toll gates to accommodate the increased use of QuickPass.

The Toll Road

The Issuer operates the Toll Road, which spans approximately 76.8 kilometers and serves as the only toll road and most direct route between San José, Costa Rica’s capital and most populous city, and the Port of Caldera on the Pacific Coast, one of six ports in Costa Rica and the launch point for both cruise and freight ships. The map below shows the trajectory of the Toll Road and its three distinct segments, Sections I, II and III, each of which has its own characteristics and traffic patterns.



As of March 31, 2017, approximately 90% of the traffic on the Toll Road consisted of light vehicle commuter traffic.

Historical Traffic Volumes

Traffic volumes on the Toll Road have consistently increased since operation of Section I commenced in 2009, primarily due to real estate and industrial development along the Toll Road, increased commercial activity at the Port of Caldera, general population and GDP growth and a lack of equally convenient alternatives to the Toll Road. For the three-month period ended March 31, 2017, the total traffic volume on the Toll Road consisted of 21.1 million vehicles, an increase of 7.4% from 19.6 million vehicles for the same three-month period in 2016. In 2016, 2015 and 2014, the total traffic volume on the Toll Road consisted of approximately 79.0 million vehicles, 75.6 million vehicles and 69.2 million vehicles respectively. This represents an increase in total traffic volume on the Toll Road of 9.2% from 2014 to 2015 and 4.6% from 2015 to 2016.

Future traffic volumes are projected to increase as a result of urbanization, strong macroeconomic indicators and expanding regional commerce. Traffic volumes in the portion of the Toll Road located in urban areas are projected to increase in line with economic growth as forecasted by the urban management plan of the greater San José metropolitan area. Meanwhile, traffic volumes in the western portion of the highway are projected to increase in line with Costa Rica’s national GDP.

The following figures show historical annual and daily traffic volume by type of vehicle during the period from 2010 to 2016:





The Toll Road experienced a rapid increase in traffic volume, particularly during the early years of operation when a significant ramp up effect occurred. The completion of the La Guacima and Atenas interchanges in 2011 and later the Ciudad Colón toll station in 2012 contributed to the strong early growth rates. These additions marked the completion of Section II of the Toll Road, enabling users to drive from San José to the Port of Caldera without exiting the Toll Road. The San Rafael toll station, which allows users in the western part of the San José metropolitan area to avoid slower, more residential routes, experienced a 37.4% increase in traffic volume in 2011, the most significant of all toll stations. Traffic growth has since begun to normalize to lower rates, with traffic volume growing 9.2% in 2015. Lower growth in 2014 and 2013 was also reflective of slower economic growth in Costa Rica in those years, which has since reversed. As the Concession matures, long term growth rates are projected to continue to stabilize to rates more in line with the expected 4% annual GDP growth of Costa Rica. This slightly lower expected growth is projected to result in more stable and predictable gross toll collections and more stable and predictable cash flows.

Toll Rates

Pursuant to the Concession Agreement, toll rates charged on the Toll Road are adjusted on a quarterly basis to reflect changes in the *colón*-U.S. dollar exchange rate, and annually, to reflect positive or negative variations in the U.S. CPI. Toll rates may be further adjusted if, as of a particular date, the U.S. CPI or *colón*-U.S. dollar exchange rate varies by 5% or more as compared to the rates used as the basis for the most recent toll rate increase. Two such adjustments have occurred in the last four years, both in 2014. In addition, the Concession Agreement provides that the Issuer and the Grantor may renegotiate the maximum toll rates or the manner in which they are calculated to re-establish the economic financial equilibrium of the Concession. Toll rates may also be adjusted pursuant to the Road Safety Award and to alleviate congestion at peak traffic hours. The Issuer currently has a total of 10 toll plazas with 92 toll collection points.

The following tables sets forth the current toll rates for each type of vehicle as of March 31, 2017 and historical toll rates in U.S. dollars since 2009.

Type of vehicle	x Maximum Rate	Rate
Lightweight	x 1	U.S.\$3.74
Buses	x 2	U.S.\$7.48
Heavy trucks (2 -3 axles)	x 2.5	U.S.\$9.35
Heavy trucks (4 axles)	x 4.42	U.S.\$16.53
Heavy trucks (5 or more axles)	x 6.33	U.S.\$23.67



Historical Gross Toll Collections

The Issuer's income is almost exclusively derived from the collection of tolls. For the three-month period ended March 31, 2017, the Toll Road generated U.S.\$19.4 million in gross toll collections, an increase of 9.9% from U.S.\$17.7 million for the same three-month period in 2016. In 2016, 2015 and 2014, the Toll Road generated U.S.\$70.6 million, U.S.\$67.7 million and U.S.\$60.8 million, respectively, in gross toll collections, representing growth rates of 11.3% from 2014 to 2015 and 4.3% from 2015 to 2016. For the three-month period ended March 31, 2017, Sections I and II together accounted for 85.7%, or U.S.\$16.7 million of the Issuer's gross toll collections. In 2016, 2015 and 2014, Sections I and II together accounted for 85.4%, 85.4% and 85.3%, or U.S.\$60.3 million, U.S.\$57.8 million and U.S.\$51.8 million, respectively, of the Issuer's gross toll collections.

The Table below indicates gross toll collections obtained from each section of the Toll Road for the years and three-month period indicated.

Annual Gross Toll Collections by Section

	Year ended December 31,			Three months ended March 31,	
	2014	2015	2016	2017	2016
Section I	\$22.4MM (36.9%)	\$24.4MM (36.0%)	\$24.9 MM (35.3%)	\$6.9MM (35.3%)	\$6.1MM (34.3%)
Section II	\$29.4MM (48.4%)	\$33.4MM (49.3%)	\$35.4 MM (50.1%)	\$9.8MM (50.4%)	\$8.9 MM (50.4%)
Section III	\$8.9MM (14.7%)	\$9.9MM (14.6%)	\$10.3 MM (14.6%)	\$2.8MM (14.3%)	\$2.7MM (15.3%)
Total	\$60.8MM (100%)	\$67.7MM (100%)	\$70.6 MM (100%)	\$19.4MM (100%)	\$17.7MM (100%)

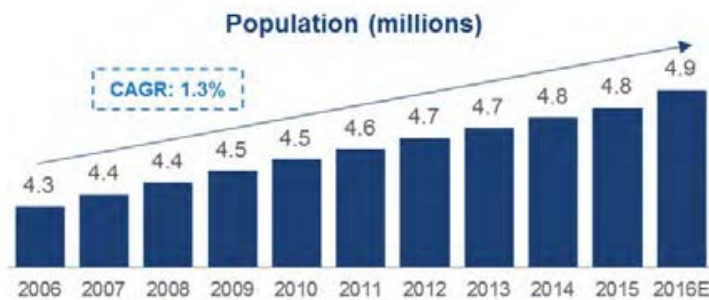
The Toll Road's top two income-generating toll collection points, Escazú and San Rafael, are located on Section I and Section II, respectively, and are in close proximity to San José and Ciudad Colón, respectively. For the three-month periods ended March 31, 2017 and 2016, gross toll collections from the Escazú and San Rafael toll collection points together accounted for approximately 57.4% and 54.1%, or U.S.\$11.2 million and U.S.\$9.6 million, respectively, of the Issuer's gross toll collections. In 2016, 2015 and 2014, gross toll collections from the Escazú and San Rafael toll collection points together accounted for approximately 55.7%, 55.8% and 55.8%, or U.S.\$39.3 million, U.S.\$37.8 million and U.S.\$33.9 million, respectively, of the Issuer's gross toll collections. This represents a growth rate of 11.5% from 2014 to 2015 and 4.7% from 2015 to 2016.

The following figure shows historical annual gross toll collections by type of vehicle during the period from 2010 to 2016:

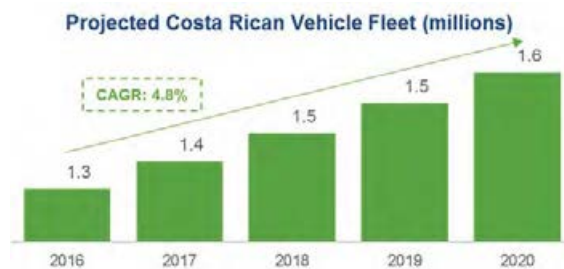


Other Factors Impacting Gross Toll Collections Growth

Costa Rica’s population has grown steadily over the past decade, from 4.3 million in 2006 to 4.8 million in 2015, representing a CAGR of 1.1% and is projected to have risen to 4.9 million in 2016, which would represent a CAGR of 1.3%. The population of Costa Rica is concentrated in the greater San José area, the starting point for the Toll Road, which has 1.5 million inhabitants, representing 31.3% of Costa Rica’s total population as of 2011. The figure below represents the evolution of Costa Rican population since 2006.



With a national vehicle fleet of 1.3 million vehicles, 27.6% of the population owns a private car, and the majority of these vehicle owners (approximately 70%) is concentrated in the greater San José metropolitan region. Costa Rica’s vehicle fleet is projected to grow by 42.5% in the next five years. This positive population trend in Costa Rica is projected to increase future vehicle traffic, particularly in San José. The vehicle fleet is projected to increase at a CAGR of 4.8% through 2020. The figure below shows the projected Costa Rican vehicle fleet through 2020.



Section I – San José to Colón

Section I is a critical urban, commuter route that has the largest toll collection generation by a single toll plaza with 28 toll collection points and spans approximately 14.2 km from San José to Colón, a municipality located in the San José Metropolitan Area. This section has been in operation since June 7, 2009 and serves as the main highway through Costa Rica’s urban metropolitan area. The toll plaza in this Section is the Escazú toll plaza which generates the largest toll collection of any single toll plaza on the Toll Road, serving almost 100,000 vehicles per day and recording approximately 47.6% of all transactions on the Toll Road in 2016. This Section serves a commercially and economically vital region in Costa Rica. The geographic areas serviced by Section I not only contain a substantial amount of Costa Rica’s population, but also contain important real estate offices, malls, commercial centers and other businesses for which Section I serves as the principal access point. Further, commuter-related traffic on Section I runs both east and west in and out of San José, during peak traffic hours. Historically, traffic around Section I has been mostly urban and commuter traffic with peak traffic hours occurring on weekday mornings and afternoons. The only competing alternatives available to commuters who seek access to San José from the west and the suburbs served by Section I are untolled roads with traffic lights and delays of more than 20 minutes.

The figure below shows the breakdown of the different types of vehicles that traveled on Section I of the Toll Road during 2016 as well as the total gross toll collections and traffic volumes of this section during 2016.



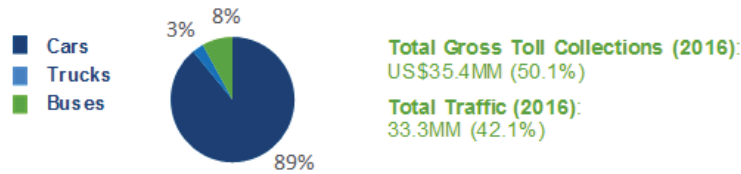
For the three-month period ended March 31, 2017, the total traffic volume on Section I was 9.9 million vehicles with an average toll rate of U.S.\$0.69 per transaction, as compared to 9.1-million vehicles with an average toll rate of U.S.\$0.67 per transaction for the three-month period ended March 31, 2016. In 2016, the total traffic volume on Section I was 37.6 million vehicles with an average toll rate of U.S.\$0.66 per transaction, as compared to 36.5 million vehicles with an average toll rate of U.S.\$0.67 per transaction in 2015 and 34.1 million vehicles with an average toll rate of U.S.\$0.66 in 2014.

For the three-month period ended March 31, 2017, Section I recorded U.S.\$6.9 million in gross toll collections, an increase of 13.3% from U.S.\$6.1 million for the same three-month period in 2016, and accounted for 35.3% of the Issuer’s gross toll collections as compared to 34.3% of the Issuer’s gross toll collections for the three-month period ended March 31, 2016. In 2016, 2015 and 2014, Section I recorded U.S.\$24.9 million, U.S.\$24.4 million and U.S.\$22.4 million, respectively in gross toll collections and accounted for 35.3%, 36.0%, and 37% of the Issuer’s gross toll collections, respectively. This represents an increase in gross toll collection from Section I of 8.9% from 2014 to 2015 and 2.0% from 2015 to 2016.

Section II – Colón to Orotina

Section II is a regional trunk line and route through the greater San José metropolitan area and the mountainous region. It has six toll plazas with 49 toll collection points and spans approximately 38.8 km from Colón to Orotina, a municipality located at the midpoint of the Toll Road on the west side of the coastal mountain range of Costa Rica. This Section has been in operation since January 28, 2010. The toll plazas in this Section are the San Rafael, Atenas and Ciudad Colón toll plazas which recorded approximately 16.5%, 9.7% and 10.3% of all transactions on the Toll Road in 2016, respectively. This Section is composed of one lane in each direction and two lanes at interchanges, and includes four radial routes to major towns or roads. Historically, traffic around Section II has been a mix of metropolitan commuters and regional freight traffic. This Section serves a larger percentage of heavy vehicle traffic and has a higher average toll rate per transaction than Section I. The only competing alternatives available to commuters who seek access to the area served by Section II are untolled and poorly maintained roads, with significant delays.

The figure below shows the breakdown of the different types of vehicles that travelled on Section II of the Toll Road during 2016 as well as the total gross toll collections and traffic volumes of this section during 2016.



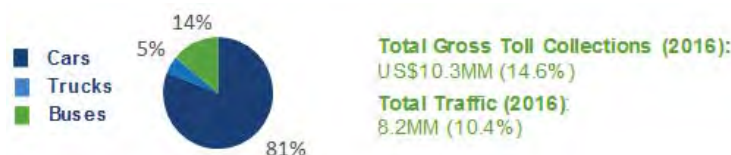
For the three-month period ended March 31, 2017, the total traffic volume on Section II was 8.9 million vehicles with an average toll rate of U.S.\$1.10 per transaction, as compared to 8.3-million vehicles with an average toll rate of U.S.\$1.07 per transaction for the three-month period ended March 31, 2016. In 2016, 2015 and 2014, the total traffic volume on Section II was 33.3 million vehicles with an average toll rate of U.S.\$1.06 per transaction, 31.2 million vehicles with an average toll rate of U.S.\$1.06 per transaction and 27.9 million vehicles with an average toll rate of U.S.\$1.05 per transaction, respectively. The slight variations in toll rate per transaction is due to changes in the traffic composition on the Toll Road by vehicle type given heavy vehicle traffic is charged a higher toll rate.

The bulk of the toll collection recorded in Section II is primarily attributable to the San Rafael toll plaza, which contains 13 out of the 49 toll collection points in Section II. Although Section II has lower traffic volume than Section I, it accounts for a larger percentage of the Issuer's income because of the higher percentage of heavy vehicles that travel on this Section. For the three-month period ended March 31, 2017, Section II recorded U.S.\$9.8 million in gross toll collections, an increase of 9.9% from U.S.\$8.9 million for the same three-month period in 2016, and accounted for 50.4% of the Issuer's gross toll collections as compared to 50.4% of the Issuer's gross toll collections for the three-month period ended March 31, 2016. In 2016, 2015 and 2014, Section II recorded U.S.\$35.4 million, U.S.\$33.4 million and U.S.\$29.4 million in gross toll collections, respectively, and accounted for 50.1%, 49.3% and 48.4%, respectively of the Issuer's gross toll collections. This represents an increase in gross toll collections from Section II of 13.6% from 2014 to 2015 and 6.0% from 2015 to 2016.

Section III – Orotina to Caldera

Section III is a core access route to Pacific ports with limited alternatives and three toll plazas with 15 toll collection points, spanning approximately 23.8 km from Orotina to Caldera, a municipality located on Costa Rica's Pacific coast. This Section has been in operation since June 25, 2009. The toll plaza in this Section is the Pozón toll plaza which recorded approximately 8.7% of all transactions on the Toll Road in 2016. This Section is composed of one lane in each direction and includes four radial routes to major towns or roads. Section III serves as a gateway to some of Costa Rica's most important tourist destinations, including several beaches, port towns and national parks. This Section experiences heavier light vehicle traffic on Friday and Sunday afternoons and Saturday mornings than at other times during the week. Traffic also peaks in response to seasonal factors including New Year's Day, Easter, school vacations in July and long weekends in general. Section III serves the largest proportion of heavy vehicles and has the highest average toll rate of the three Sections. The only competing alternatives available to commuters who seek access to Caldera and the surrounding vicinity from San José and other areas to the east served by Section III are untolled and poorly maintained roads, with significant delays.

The figure below shows the breakdown of the different types of vehicles that travelled on Section III of the Toll Road during 2016 as well as the total gross toll collections and traffic volumes of this section during 2016.



For the three-month period ended March 31, 2017, the total traffic volume on Section III was 2.2 million vehicles with an average toll rate of U.S.\$1.27 per transaction, as compared to 2.2-million vehicles with an average toll rate of U.S.\$1.23 per transaction for the three-month period ended March 31, 2016. In 2016, 2015 and 2014, the total traffic volume on Section III was 8.2 million vehicles with an average toll rate of U.S.\$1.26 per transaction, 7.9 million vehicles with an average toll rate of U.S.\$1.24 per transaction and 7.2 million vehicles with an average toll rate of U.S.\$1.22 per transaction, respectively. The slight variations in toll rate per transaction is due to changes in the traffic composition on the Toll Road by vehicle type given heavy vehicle traffic is charged a higher toll rate.

For the three-month period ended March 31, 2017, Section III recorded U.S.\$2.8 million in gross toll collections, an increase of 2.1% from U.S.\$2.7 million for the same three-month period in 2016, and accounted for 14.3% of the Issuer’s gross toll collections as compared to 15.3% of the Issuer’s gross toll collections for the three-month period ended March 31, 2016. In 2016, 2015 and 2014, Section III recorded U.S.\$10.3 million, U.S.\$9.9 million and U.S.\$8.9 million, respectively in gross toll collections which accounted for 14.6% , 14.6% and 14.7% of the Issuer’s total gross toll collections for each year. This represents an increase in gross toll collection from Section III of 11.5% from 2014 to 2015 and 4.0% from 2015 to 2016.

Potential Future Investments

Under the Concession Agreement, the Issuer is required to undertake Substantial Investments to expand areas of the Toll Road when congestion on those areas exceeds 70% of the “ideal saturation flow”. Certain areas of the Toll Road are projected to reach 70% congestion prior to the termination of the Concession.

The table below indicates the year in which each area of the Toll Road is projected to reach this level of congestion.

	Area	Lane	Year
1	Escazú	San José—Caldera Caldera—San José	2015 2015
2	Multiplaza—Santa Ana	San José—Caldera Caldera—San José	2021 2015
3	Santa Ana—Ciudad Colón	San José—Caldera Caldera—San José	2023 2023
4	Ciudad Colón—Atenas	San José—Caldera Caldera—San José	2026 2024
5	Atenas—Orotina	San José—Caldera Caldera—San José	2032 2032
6	Orotina—Pozón	San José—Caldera Caldera—San José	2033 2029

Source: Traffic Consultant

In 2014, the Issuer submitted to the Grantor a preliminary proposal for the widening of certain areas of the Toll Road as a Substantial Investment to expand the capacity of the Toll Road, including the urban section, which started in the Escazú Exchange which is being widened to three lanes and the rural section to two lanes in each direction. The Grantor has undertaken an initial study to corroborate the Issuer’s projections and assess the Issuer’s proposal for the expansion. After such initial study, the Grantor requested a revised preliminary proposal that addresses its initial observations from the study. As of the date of this offering memorandum, the Issuer is preparing a revised proposal to submit to the Grantor.

Intellectual Property

The Issuer uses third-party technology in the course of its business, which is licensed through technology transfer contracts, technical assistance contracts, and simple service contracts that the Issuer enters into primarily to develop technology related to the Toll Road.

The Issuer currently owns the rights to the trademarks listed in the table below. All of the trademarks are registered with the Registrar of Industrial Property of Costa Rica (*Registro de Propiedad Industrial de Costa Rica*).

The Issuer's trademark licenses are current and it expects to renew all such licenses prior to their expiration in accordance with applicable laws. In Costa Rica, trademark registrations can generally be renewed indefinitely every ten years as long as they are being used. To the Issuer's knowledge, there are no disputes regarding the ownership of its trademarks. The Issuer has no patents for its business activities.

TRADEMARK	TYPE	REGISTRATION NUMBER	CLASS
	Services Trademark	190991	35
	Services Trademark	190990	37
	Commercial Trademark	187783	49
	Services Trademark Mixed slogan	227980	37
	Commercial Trademark Mixed slogan	227883	N/A
	Services Trademark Mixed slogan	227677	37
	Commercial Trademark Mixed slogan	227676	N/A
	Services Trademark	193073	9
	Services Trademark	193076	36
	Services Trademark Denominative slogan	227810	37
	Commercial Trademark Denominative slogan	227864	49

Employees

As of March 31, 2017, the Issuer employed 109 employees, 80, or 73.4%, of whom were employed in connection with the operation and maintenance of the Toll Road and 13, or 11.9%, of whom were employed in connection with general administration. In addition 13, or 11.9%, of the Issuer's employees are engineers or technical experts, and three, or 2.8% serve in management positions. None of the Issuer's employees are unionized or are covered by a collective bargaining agreement. The Issuer considers employee relations to be good.

Issuer's Shareholder

Globalvía indirectly owns all of the issued and outstanding shares of the Issuer through its 100% ownership in Globalvía Inversiones, S.A.U. Established in 2007 and now owned by PGGM N.V., a Dutch pension fund ("PGGM"), OPSEU Pension Plan Trust Fund, a Canadian pension fund ("OP Trust") and Universities Superannuation Scheme Ltd., a British pension fund ("USS"). PGGM owns 40.88% of Globalvía, OP Trust owns 40.32% and USS holds the remaining 18.88%.



Currently, Globalvía operates concessions in Spain, Mexico, Costa Rica, the United States of America, Chile Ireland, Portugal and Andorra, and employs over 1,256 people. Its concessions include 19 highways (12 traditional toll roads, five shadow toll roads (which are toll roads without physical barriers where tolls are collected by the relevant grantor to the relevant concessionaire), one availability scheme and one maintenance contract), eight railways and one port. Globalvía is committed to funding growth through internal resources, it has no outstanding corporate debt and it is a long term investor with an emphasis on maintaining excellent business relationships with the grantors of the concessions it operates. Globalvía provides services related to subcontracts, negotiation, equipment management as well as support personnel. Its management's extensive expertise minimizes redundancies and gives access to a rich talent base of employees. The Company also leverages its wealth of experience managing a portfolio of infrastructure concessions for technical support and to provide access to its extensive list of international, regional and local relationship banks.

The table below summarizes Globalvía Inversiones's fully consolidated concessions, as of December 31, 2016:

Concession	Country	Type	Duration	Year Awarded	Entry into Operation	Share capital (€MM)	% of Globalvía Inversiones Ownership
Compañía Concesionaria del Túnel de Soller	Spain	Right to use	28	1988	1989	12.1	98.06%
Túnel de Envalira SA	Andorra	Right to use	50	1998	2002	8.4	80%
Concesiones de Madrid SA	Spain	Shadow toll	25	1999	2002	28.8	100%
Autopista Concesionaria Central Gallega CEA SA	Spain	Right to use	75	1999	2005	33.5	61.39%
Sociedad Concesionaria Autopista Aconcagua SA	Chile	Right to use	13	2008	2008	184.0	100%
Sociedad Concesionaria Autopista ITATA SA	Chile	Right to use	15	2008	2008	23.0	100%
Ruta de los Pantanos SA	Spain	Shadow	25	1999	2002	14.2	100%

Autopistas del Sol SA	Costa Rica	toll Right to use	25	2006	2010	2.3	100%
Metro Barajas Sociedad Concesionaria SA	Spain	Right to use	20	2006	2007	8.0	100%
Metro de Sevilla SC de la JA SA	Spain	Right to use/ Available	35	2003	2009	126.8	88.23%
Pocahontas Parkway	United States	Right to use	99	2006	2006	341.4	100%

Environmental

The Issuer is subject to a broad range of environmental, health and safety laws and regulations in Costa Rica. Environmental laws relate, among other things, to environmental impact, project licensing, forestry, watershed and basin protection, health and safety permits, air quality and waste disposal. The construction and operation of the Project is subject to strict environmental permitting and licensing.

Costa Rican environmental law is codified in Article 50 of the Costa Rican Constitution, which sets forth the right to a healthy and clean environment for all citizens. Reparation for environmental torts is also a part of this constitutional provision.

Costa Rican environmental rules are not centralized in a single code or statute, but rather dispersed in a large number of individual statutes, decrees and ordinances. The *Ley Orgánica del Ambiente* (“LOA”) sets forth the overarching tenets of Costa Rican environmental law, including rational use of natural resources, public participation, strict liability for environmental torts, education on the environment, environmental impact, conservation areas and biological diversity, among others. The LOA also creates SETENA, whose role is to harmonize environmental impact and productive activities pursuant to SETENA resolution 2077-2006 of November 3, 2006 (the “Environmental Licenses”). New projects, including those involving infrastructure construction and operation, require an environmental license from SETENA before construction can commence. SETENA reviews environmental impact assessments and environmental impact studies before granting any environmental licenses. The Project received environmental licenses from SETENA during both its construction and operation phases. A SETENA license entails the appointment of a responsible overseer, the placement of a performance bond and regular reporting obligations.

Construction activities also require additional environmental permits at the national and municipal levels. These are stand alone and disperse permits. For example, intervention of the buffer zone around river beds and bodies of water require permits from the Water department; the felling of trees usually requires a permit from the Ministry of the Environment; operational facilities require operating permits from the Ministry of Health; stone quarries and other extraction sites also require operating permits; and construction projects also require construction permits issued by the municipal government. In the event the Issuer is required to perform additional construction works pursuant to the Concession Agreement, the Environmental Licenses will need to be amended.

Insurance

The Issuer maintains insurance that is customary for its business, including policies that cover both construction and business activities. The Issuer is required, pursuant to the terms of the Concession Agreement, to maintain certain insurance policies for the Toll Road.

MAPFRE Seguros Costa Rica, S.A. (“MAPFRE”) provides comprehensive insurance policy for existing works that covers catastrophic risks and natural disasters. This policy covers U.S.\$36 million of property, a maximum loss limit of U.S.\$100 million and a minimum of 25% of the total replacement cost of finished work. MAPFRE also provides a civil liability insurance policy to prevent injuries to persons or damage to third party property for the entire duration of the concession. The policy covers a minimum of U.S.\$8.3 million per event and an annual aggregate limit of U.S.\$16.6 million as combined single limit coverage. Instituto Nacional de Seguros has insured the Issuer against damage to motorized vehicles that are driven or parked on the Toll Road. If damages exceed insurance coverage available to the Issuer, the Issuer must cover up to U.S.\$12 million of the excess. If damages exceed insurance coverage by more than U.S.\$12 million, the Costa Rican government will cover 80% of

the excess and the Issuer will cover the remaining 20%. In its report, the Insurance Consultant has confirmed that these insurance policies are in compliance with the Concession Agreement. See “Appendix C—Insurance Consultant’s Report”.

Under the Concession Agreement, the Issuer must keep the following insurance policies: (i) all-risk construction insurance with civil liability coverage, (ii) all-risk insurance for finished works, (iii) civil liability insurance, (iv) vehicle insurance, and (v) any other insurance policies as required by law. As long as the market permits it, these policies must be in U.S. dollars. All insurance policies must be kept during the entire term of the concession, and a default in this obligation by the Issuer is to be deemed as a material breach.

(i) The all-risk construction insurance with civil liability coverage policy must have the following special conditions: (a) basic all-risk coverage with an insured limit equivalent to the amount of “maximum loss” calculated for each sector of the project, and such insured limit cannot be lower than 25% of the total value of replacement of the works; (b) coverage for catastrophic events (earthquakes, floods, hurricanes, cyclones, volcanic eruptions, slides, etc.), for an amount equivalent to the value of the Concession Agreement in U.S. dollars; (c) coverage for adjacent properties for a minimum amount of 10% of the value of the works; (d) coverage for removal of debris for a minimum amount of 10% of the value of the works; (e) coverage for civil liability toward both persons and properties for a minimum amount of U.S.\$1 million per event and with a U.S.\$3 million aggregate annual limit; (f) cross civil responsibility coverage; (g) ample maintenance period of 12 months after the finishing of each tram of the project. This policy must include a maximum deductible of 2% of the total value of the works and must be executed based on the value of replacement of the works. It must also include a mechanism for the adjustment of the applicable values. The Grantor is the sole beneficiary of the policy, and is required to allocate the funds to the reconstruction of the works and/or the payment of indemnifications to third parties.

(ii) The all-risk insurance for finished works policy must include coverage for catastrophic events such as earthquakes, floods, hurricanes, cyclones, volcanic eruptions, slides, etc. This policy has an insured limit equivalent to the amount of “maximum loss” calculated for each section of the project (including both existing and new works), and such insured limit can never be lower than 25% of the total value of replacement of the finished works. This policy must include a maximum deductible of 2% of the total value of the Project. As construction works are finished, they must be included in this policy under the same conditions, and the amounts of the policy adjusted accordingly. Therefore, once the construction of the Project is completely finished, all of the works must be included in this policy, and the insured amount must be equal to the replacement value of the Project, including new and existing works. The Grantor is the sole beneficiary of the policy, and is required to destine the funds for the reconstruction of the works and/or the payment of indemnifications to third parties.

(iii) The civil liability insurance policy must be qualified through an assessment carried out by the insurer or by a third party duly qualified to the effect. In turn, this policy must be approved and accepted by the Issuer’s creditors. The Issuer must take all necessary precautions to avoid harm to third parties and their property. The Issuer is the sole responsible party for any damage of any nature caused to third parties or properties of third parties as a consequence of the execution or exploitation of the Project. This policy must cover a minimum of U.S.\$3 million per event, have an aggregate annual limit of U.S.\$10 million and a have maximum deductible of 10% per event. These amounts may be included in a single policy, or in a basic policy combined with an umbrella policy. This policy covers any civil liability of the Issuer as well as any indemnifications that either the Issuer or the Grantor would have to pay for damages caused to third parties or their property as a consequence of the possession or operation of the Toll Road within the concession area. The policy may be contracted annually or for longer periods and must be renewed at least sixty (60) calendar days before its expiration. The sole beneficiary of this policy is the Grantor, and should there be any difference between the amount covered by the policy and the amount that must be effectively paid, the Issuer must cover the difference at least

ten (10) calendar days before the Grantor is required to make the payment. If the Issuer fails to make timely payment, a penalty will apply.

(iv) The vehicle insurance policy, or the insurance policy for motor vehicles which transit within the concession area, has the Issuer as beneficiary. However, should the Grantor be required to pay any type of indemnification, such amounts shall be paid by the Issuer, with charge to this policy. In all cases, the Issuer must cover any difference between the amount covered by the policy and the amount that must be effectively paid. Issuer must cover the difference at least ten (10) calendar days before the Grantor is required to make the payment. If the Issuer fails to make timely payment, a penalty will apply.

For further details, see “Appendix C— Insurance Consultant’s Report”.

Competition

The Toll Road competes for traffic with parallel or contiguous roads, trains and other forms of transportation, although viable alternatives remain limited. The terms of the Concession Agreement do not prohibit the Grantor from granting concessions for the construction of a competing roadway or other mode of transportation.

Currently, the only alternate route between San José and the Port of Caldera is a 100-kilometer stretch combining routes CR-131 and the San José-San Ramón Route, which can take over 185 minutes during peak traffic hours. Additionally, traffic flows in some portions of the alternate route may be disrupted by landslides and a lack of capacity. The alternate route is more susceptible to landslides than the Toll Road due to lower maintenance levels and inadequate monitoring. Although it is still in a preliminary stage, the government has announced its intention to expand the existing San José–San Ramón Route, which would increase competition from the San José–San Ramón route against Section I of the Toll Road. See “Risk Factors—The Toll Road is exposed to competition from the San José–San Ramón route, which may have an adverse effect on the Issuer’s gross toll collections”.

The map below shows the route of the Toll Road and the location of the alternatives to the Toll Road discussed above.



Legal Proceedings

The Issuer is involved in various claims, lawsuits and legal proceedings that arise from time to time in the ordinary course of its business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matter that may arise in the future may harm the Issuer’s business.

Accident Litigation

As of the date of this offering memorandum, the Issuer is involved in four ongoing litigation proceedings resulting from accidents on the Toll Road, which it does not believe will have a material adverse impact on its business. These proceedings include claims for damages arising from accidents that have occurred on the Toll Road and ranging from U.S.\$75,000 to U.S.\$522,000 for a total amount in claims of U.S.\$1.225 million. The accidents in

question include motorcycle accidents and accidents related to falling rocks from the slopes that border portions of the Toll Road. These proceedings are currently in different stages of the litigation process. The Issuer has insurance in respect of such claims, subject to certain deductibles. See “Risk Factors—Risks Related to the Issuer’s Business—The Issuer is not able to insure against all potential risks relating to its operations and, alternatively, may become subject to higher insurance premiums”.

For additional detail regarding the proceedings mentioned above and certain other legal proceedings involving the Issuer, see note 34 to the audited financial statements and note 21 to the unaudited condensed interim financial statements included elsewhere in this offering memorandum.

SUMMARY OF THE TRAFFIC CONSULTANT'S REPORT

The following includes summaries of and excerpts from selected provisions of the Traffic Consultant's Report and is not a full statement of the assumptions, qualifications or terms of such document. Accordingly, the following summary or excerpt is qualified in its entirety by reference to and is subject to the full text of the Traffic Consultant's Report, which is attached hereto as Appendix A. Investors may not rely upon the summaries and excerpts contained in this section and should review the full report, which is subject to the limitations and disclaimers included therein.

All projections and opinions presented in Traffic Consultant's Report are based on the principal assumptions and considerations discussed therein and are entirely the opinion of the Traffic Consultant. Some information in the Traffic Consultant's Report is necessarily based on predictions and estimates of future events and behaviors, which may differ from actual results, and such differences may be material to your decision to invest in the notes. Other consultants in the traffic industry may make different predictions or forecasts from those presented by the Traffic Consultant and you may wish to make further inquiries as to the information included in the Traffic Consultant's Report or undertake your own analysis. The Initial Purchaser, the Issuer and the Issuer's independent accountants do not express an opinion or provide any other form of assurance with respect to each of Traffic Consultant's Report, including any prospective financial information included in the reports. For certain factors that may cause actual numbers to differ from the projections set forth in the Traffic Consultant's Report and the Independent Technical Engineer's Report, see "Forward-Looking Statements", "Presentation of Financial and Certain Other Information—Independent Consultants' Reports" and "Risk Factors—Risks related to the Issuer's Business—Projections and forecasts of future traffic flows and future operating or capital expenditures may prove to be incorrect". See also "Appendix A—Traffic Consultant's Report".

Background

Diadro Consulting España, S.L. was appointed in April 2016 to act as the Traffic Consultant. Diadro is an independent transportation consultancy offering strategic transportation planning and advisory services. Founded in 2006, with a global network of offices and consultants, it has significant experience with all types of transportation projects, including roadways, railways and subways, in Europe, Central and South America and the Middle East.

Diadro was asked to provide traffic and income forecasts for the Project. For a detailed description of Diadro's overview of the Project, see "Appendix A—Traffic Consultant's Report—Concession Description". The Traffic Consultant's Report was based in its entirety on analysis of information in the public domain or of historical data provided by the Issuer. This information includes details of historic traffic flows on the Toll Road provided by the Issuer and traffic statistics for other roads in the study area of the Grantor. Although the Issuer believes Diadro's sources are reliable, it has not independently verified, and does not make any representation as to the accuracy and completeness of, the information contained in the Traffic Consultant's Report.

The Toll Road

Description of the Toll Road

The Traffic Consultant describes the Toll Road as a high standard road connection between the capital of Costa Rica, San José, and the Pacific coast, in addition to serving as a high capacity highway for trips in the metropolitan area of San José. The Toll Road consists of three main segments:

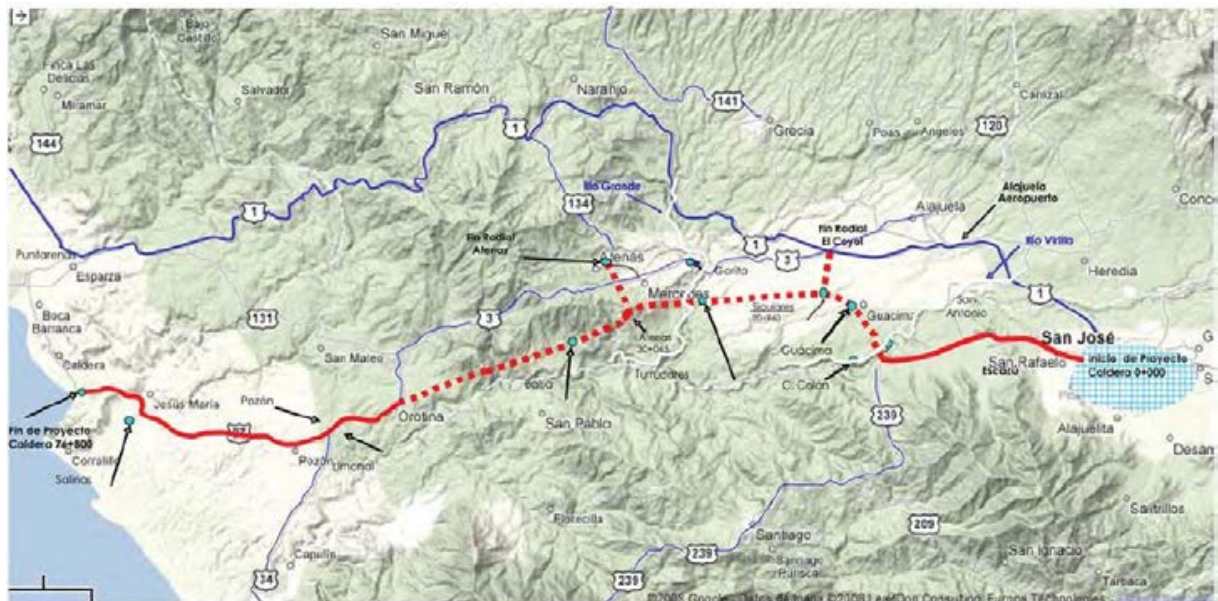
- *Segment I: San José - Ciudad Colón.* The Concession Agreement provided for the expansion of this 14.2km-long highway connecting San José with the entrance of Ciudad Colón from two lanes in each direction to a total of six lanes between the intersections of Circunvalación and Multiplaza.
- *Segment II: Ciudad Colón-Orotina.* The Concession Agreement provided for the construction of this new 38.8 km segment between Ciudad Colón and Orotina. This segment consists of a single-lane highway in each direction, with an additional fast lane in steep areas.
- *Segment III: Orotina – Caldera.* The Concession Agreement provided for the rehabilitation of this 23.8 km-long highway, consisting of one lane in each direction, that connects Orotina and Caldera.

The Traffic Consultant estimates that travelers traveling on the Toll Road between San José and Punta Arenas can save up to 60 minutes during peak traffic times and 35 minutes during off-peak traffic times, as compared to travelers traveling on alternative routes. The table below shows the distance and travel time on the Toll Road and the alternative routes.

Route	Origin	Destination	Length (km)	Speed (kmh)	Time	Cum. Length (km)	Cum. Time
Ruta 27	San José (Cross 2a República)	Intersection Vía 310	5.40	68	0:04:46	5	0:04:46
Ruta 27	Intersection Vía 310	Intersection Santa Ana	3.67	64	0:03:27	9	0:08:12
Ruta 27	Intersection Santa Ana	Intersection Ciudad Colón	3.35	84	0:02:24	12	0:10:36
Ruta 27	Intersection Ciudad Colón	Río Grande	17.10	64	0:16:02	30	0:26:38
Ruta 27	Río Grande	Orotina	21.53	71	0:18:12	51	0:44:49
Ruta 27	Orotina	Puerto Caldera	23.22	82	0:16:59	74	1:01:49
Ruta 27	Puerto Caldera	El Roble	8.05	62	0:07:47	82	1:09:36
Ruta 27	El Roble	Punta Arenas	9.44	55	0:10:18	92	1:19:54
Alt. Norte	San José (Cross 2a República)	Atenas	37.58	68	0:33:11	38	0:33:11
Alt. Norte	Atenas	San Mateo	22.80	38	0:36:00	60	1:09:11
Alt. Norte	San Mateo	El Roble	30.23	52	0:35:09	91	1:44:20
Ruta 27	El Roble	Punta Arenas	9.44	55.00	0:10:18	100	1:54:38

Source: Traffic Consultant.

Toll plazas are located along the Toll Road as indicated on the map below.



Source: Traffic Consultant.

The Escazú toll plaza has the highest traffic levels and serves almost 100,000 vehicles per day. San Rafael is a distant second, serving approximately 33,000 vehicles per day. Traffic volumes at the remaining toll plazas are generally greater the closer the toll plaza is located to San José. According to the Traffic Consultant's Report, there were significant increase in traffic volumes at each of the toll plazas on the Toll Road between 2010 and 2015.

The Toll Road is located in the central west region of Costa Rica, and its "area of influence" is the area that surrounds the Toll Road, including the San José metropolitan area. The figure below shows the Toll Road's area of influence, where the darker orange denotes the great metropolitan area of San José, and the lighter orange color denotes the other cantons within the Toll Road's area of influence.

Figure 2.1. Location of the concession



Source: Traffic Consultant

Alternatives to the Toll Road

The only modes of transportation available for commuters and vacations are private vehicles and buses. Buses that travel the length of the Toll Road do not run pursuant to established schedules but operate on an on-demand basis. Times, routes and schedules are not available or pre-determined and no public plans or improvements to the system are expected in the short- or medium-term. Train service is also limited and lacking in modernization and no improvements are expected in the short- or medium-term.

The San José—San Ramón Route provides an alternative to the Toll Road. Plans to build and improve this route were initially abandoned, but the Costa Rican government has recently indicated an interest in performing the improvements. When the Traffic Consultant's Report was prepared, no official information was available as to whether the road would be tolled and, if so, what tolling mechanisms would be used.

Existing Conditions

Socioeconomic Context

Costa Rica has experienced steady economic expansion over the past 25 year as a result of a strategy of outward-oriented growth, based on openness to foreign investment and gradual trade liberalization.

- **Population Growth.** According to the Statistics Institute (*Instituto de Estadística y Censos*), population in Costa Rica is projected to increase by more than 750,000 from 2011 to 2025. Approximately 375,000 of this population will be located in the Toll Road's area of influence and approximately 335,000 in the San José metropolitan area.
- **Motorization Rate.** Motorization rates in Costa Rica are on the rise but at only 169 passenger vehicles per 1,000 inhabitants in 2014, they are significantly lower than in other countries in Latin America, including Mexico, Colombia and Brazil. However, the size of Costa Rica's vehicle fleet is projected to increase by 42.5%, to 1.5 million vehicles by 2020 from approximately 800,000 vehicles in 2007.
- **Tourism.** Costa Rica's location and geographical features make it an attractive destination for eco-tourism. Tourists generally travel in buses or vans, so an increase in the number of tourists has a small impact on traffic volumes on the Toll Road. Nevertheless, in 2014, travel and tourism accounted for 4.8% of Costa Rica's GDP, and this figure is projected to increase by 4.7% from 2015 to 2025. Similarly, travel and tourism accounted for 4.8% of employment in Costa Rica and this figure is projected to increase by 3% by 2025. Leisure, business and domestic travel spending are projected to grow by 4.0%, 4.9% and 4.1%, respectively, by 2025.

- *Puerto Caldera.* Puerto Caldera is the most important commercial seaport on the Costa Rican Pacific coast. Except in 2009, freight activity in Puerto Caldera has increased year to year, especially in 2010 and 2011, where it increased by 13% and 19%. The increase in activity at Puerto Caldera is reflected in the number of heavy vehicles that travel on Section III of the Toll Road toward the San José metropolitan area and the industrial zone located near the airport.

The Traffic Consultant identified five classes of vehicles that travel on the Toll Road: (i) motorcycles and light vehicles, (ii) buses, (iii) heavy two and three axle vehicles, (iv) heavy four axle vehicles and (v) heavy five axle vehicles. Motorcycles and light vehicles are categorized as “light vehicles” and the remainder are categorized as “heavy vehicles”. For analytical purposes, the Traffic Consultant combines heavy four and five axle vehicles into a single class.

From 2010-2015, the annual average daily traffic (“AADT”) on the Toll Road grew at a CAGR of approximately 15.0%, with light vehicles accounting for approximately 90% of all users of the Toll Road in 2015. The table below sets out the toll rates for each of the toll plazas on the Toll Road as of January 1, 2017. Figures are presented in Costa Rican *colones*. See “Exchange Rates and Controls”.

	Escazú	Ciudad Colón	San Rafael	Guácima	Siquiaries	Rampa Atenas	Atenas	Pozón	Rampa Pozón
Motorcycles	350	170	520	390	410	350	690	520	170
Light Vehicles	350	170	520	390	410	350	690	520	170
Buses	690	350	1,050	780	820	690	1,390	1,050	350
2 Axles	870	430	1,310	980	1,020	870	1,730	1,310	430
3 Axles	870	430	1,310	980	1,020	870	1,730	1,310	430
4 Axles	1,530	760	2,320	1,730	1,810	1,530	3,060	2,320	760
5 Axles	2,190	1,100	3,320	2,480	2,590	2,190	4,380	3,320	1,100

Source: Issuer

Pursuant to the Concession Agreement, the Issuer can increase toll rates on the Toll Road as described in “Description of the Principal Project Documents—The Concession Agreement—Rates and Rate Adjustments”.

Existing Traffic Patterns

In 2015, light vehicles accounted for approximately 90% of all users of the Toll Road, a proportion which remained relatively stable during the period from 2010 to 2015. In general, two and three axle vehicles and buses account for 40% and 37% of the heavy vehicle traffic on the Toll Road, respectively. Buses make up a larger portion of the heavy vehicle traffic in toll plazas located near San José than in toll plazas located farther away from San José (such as San Rafael). In contrast, four and five axle vehicles make up a larger portion of the heavy vehicle traffic in toll plazas located farther away from San José than in toll plazas located closer to San José.

Traffic along the Toll Road is relatively stable throughout the year, especially in the San José metropolitan area, but it is subject to seasonal fluctuations, depending on vehicle type. November and December experience the highest monthly traffic, exceeding the average monthly AADT by 4% and 9%, respectively, and April, May and June experience the lowest monthly traffic, falling short of the average monthly AADT by 3%, 4% and 4%, respectively. This pattern holds true for light vehicle traffic volumes, which are highest in November and December and lowest in May and June, but for heavy vehicles, traffic volumes are highest in February and March, exceeding the average monthly AADT by 9% and 5%, and lowest in September, falling short of the average monthly AADT by 6%. In general, the effects of seasonality are stronger in toll plazas that are located farther from San José than in toll plazas located near San José. Variations in traffic volumes in toll plazas located in the San José metropolitan area are caused primarily by commuter traffic, whereas variations in traffic volumes in toll plazas located outside of the San José metropolitan area are caused by vacation traffic.

The Escazú toll plaza, which generates the most gross toll collections of all of the toll plazas, is particularly stable in terms of volume servicing about 100,000 vehicles per day. In contrast, the Siquiaries toll plaza, experiences the most significant monthly variations in traffic volumes, exceeding the average monthly AADT by 31% in December and falling short of the average monthly AADT by 16% in May.

The weekly traffic patterns on the Toll Road reflect the two types of travelers that the Toll Road serves. The majority of the traffic that uses toll plazas located near San José corresponds to commuter traffic travelling within the San José metropolitan area. Therefore, these toll plazas experience higher traffic volumes during working days than on weekends. The Ciudad Colón, Atenas and Pozón toll plazas experience heavy commuter traffic in the morning traveling toward San José and heavy commuter traffic in the evenings traveling away from San José. Escazú, San Rafael and La Guácima experience heavy commuter traffic in both directions both in the morning and in the evening.

In contrast, toll plazas located farther from San José and closer to the Pacific coast experience higher traffic volumes in the weekends when residents from the San José metropolitan area travel to the beaches. For instance, Siquiara maintains steady traffic between the hours of 6:00am and 7:00pm without periods of noticeably heavy traffic.

All toll plazas except the Atenas and Pozón toll plazas experience heaviest traffic on Fridays. The Atenas and Pozón toll plazas experience heaviest traffic on Saturdays and especially heavy traffic between 4:00pm and 6:00pm from users traveling back to San José from the beaches.

Historical Traffic Analysis along the Toll Road

The following chart shows AADT history for the Toll Road. Not all the toll plazas were open in 2010 (the last one opened in 2012), so full annual data is only available for the period 2013-2015.

The Toll Road has experienced a rapid increase in traffic, particularly during the early years of the Concession when a significant ramp up effect occurred and as toll plazas were gradually opened. Following the initial ramp up effect, traffic growth began to normalize reaching a CAGR of 9.2% in 2015.

The table below shows the CAGRs for light and heavy vehicle use on the Toll Road from 2010 to 2015.

	2011	2012	2013	2014	2015	CAGR 2010–2015
Light	32.3%	23.8%	6.7%	4.1%	8.9%	14.7%
Heavy	60.8%	21.1%	1.7%	2.7%	12.0%	17.9%
Total	34.8%	23.5%	6.2%	4.0%	9.2%	15.0%

Source: Traffic Consultant.

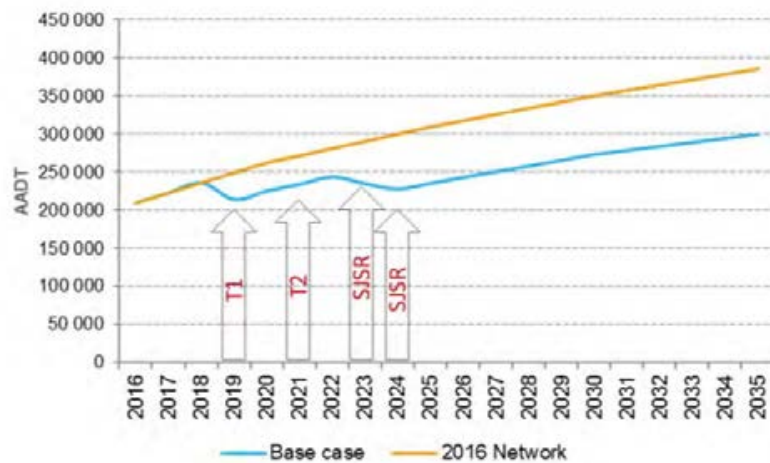
See “Appendix A—Traffic Consultant’s Report—Historical Traffic Analysis—Toll Plazas Detail” for a breakdown of traffic growth and traffic composition by toll plaza for the period from 2010 to 2015.

Traffic Forecast

Generally, traffic growth on a concession road depends on the increase of mobility expected in the region, on pricing policies, and on a number of external factors, including possible planned infrastructure developments. In addition, micro and macroeconomic variables that affect motorization rates, fuel prices, and employment both in Costa Rica and in the surrounding region can also impact traffic growth rates. Traffic growth rates in congested urban areas such as San José are less related to these global variables and more related to population distributions and the location of “travel attraction centers” such as workplaces, shopping centers, and athletic arenas.

The Traffic Consultant prepared a model to calculate the maximum traffic levels during the life of the Concession, taking into account factors that affect traffic volumes such as motorization fuel prices and GDP. Although there is no official data or available sources to adequately validate any existing projections of the effect that certain global factors may have on traffic volumes, the Traffic Consultant used national GDP, which is highly correlated with car ownership rates, as the primary explanatory variable to estimate traffic growth on the Toll Road.

The Traffic Consultant’s model also takes into account the effects of road improvements on competing roads and congestion. Improvements to viable alternate routes decrease travel times on those routes, which could reduce the competitive advantage of the Toll Road from the perspective of certain users. Increased congestion may negatively impact travel times, making the Toll Road less attractive from a cost benefit perspective. With respect to



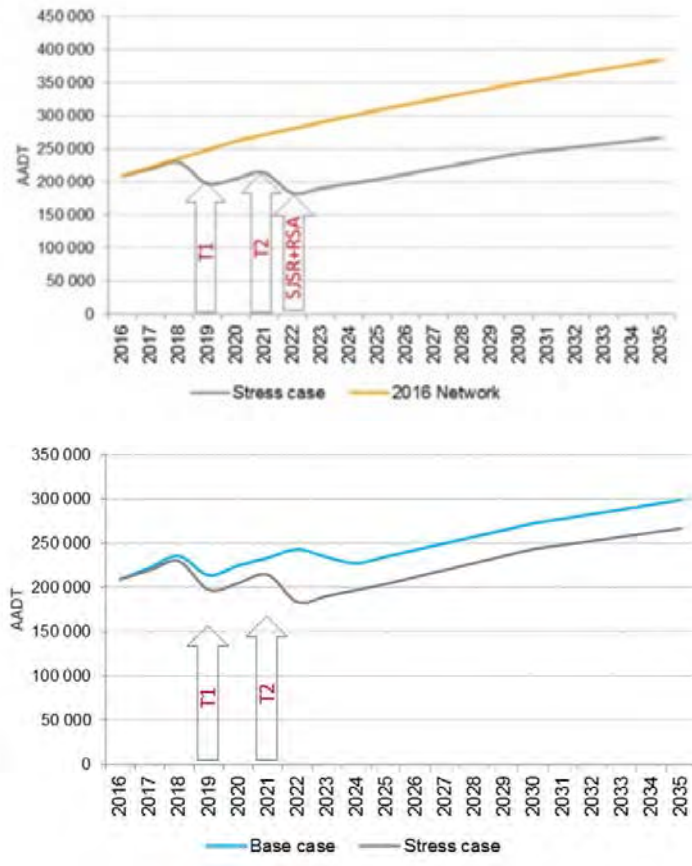
Source: Traffic Consultant.

The Base Case versus Upside Case graph shows that the years when a section of the San José-San Ramón route is commissioned, the total traffic growth decreases with respect to the previous period; and during the final years, the traffic growth rate is around 1.5% even though the GDP forecast for those years is around 4% annually. This effect is due to the weight of the metropolitan traffic, which increase is more linked to the expected population evolution (and motorization) rather than GDP.

Stress Case

To project the Stress Case (defined below), the Traffic Consultant considered three factors which can influence the possible evolution of demand and make it lower than expected for the Base Case: (i) lower economic activity, and therefore slower growth around the San José metropolitan area, (ii) no tariff for the improved San José – San Ramón Route, in contrast to the tariff applied in the Base Case and (iii) full completion of the San José–San Ramón Route one year earlier than expected in the Base Case, including the completion of Radial Santa Ana two years earlier. With no tolls and an earlier operation date, the San José–San Ramón Route, has a larger the impact on the demand of the Toll Road to be greater than it does in the Base Case.

In preparing the Stress Case scenario, the Traffic Consultant used a similar methodology to the Base Case but assumed slower economic growth in Costa Rica and no tariff for the competing San José–San Ramón Route. The graphs below show (i) projected AADT for the Upside Case as compared to the Stress Case and (ii) the Base Case as compared to the Stress Case; assuming (A) phase “T1” of the San José–San Ramón Route with low rate to be open in 2019, (B) phase “T2” of the San José–San Ramón Route opens with low rate in 2021, and (C) full operation of the San José – San Ramón Route in begins 2022, including Radial Santa Ana.



Source: Traffic Consultant.

SUMMARY OF THE INDEPENDENT ENGINEER'S REPORT

The following section summarizes the findings of the report prepared by the Independent Engineer. The information below reflects the Independent Engineer's Report.

Typsa was appointed in May 2016 to act as the Independent Engineer in order to assess the condition of the Project. Typsa is a group of independent consulting engineering firms working as one in the fields of engineering, architecture, building technology, energy and the environment. Founded in 1966, Typsa has participated in the development of all types of infrastructure and facilities in both Spanish and international markets. It is active on every continent and employs 2,500 people, of which over 70% are engineers, architects or other professionals.

The Independent Engineer has prepared the Independent Engineer's Report on the Project area that describes, among other items, the agreements and design for the Project. The following includes summaries of or excerpts from selected provisions of the Independent Engineer's Report and is not a full statement of the assumptions, qualifications or terms of such document. Accordingly, the following summary or excerpt is qualified in its entirety by reference to and is subject to the full text of the Independent Engineer's Report, which is attached hereto as Appendix B. Investors may not rely upon the summaries and excerpts contained in this section and should review the full report, which is subject to the limitations and disclaimers included therein. See "Presentation of Financial and Certain Other Information—Independent Consultants' Reports—Independent Engineer's Report", "Appendix B—Independent Engineer's Report" and "Risk Factors—Risks related to the Issuer's Business—Projections and forecasts of future traffic flows and future operating or capital expenditures may prove to be incorrect".

Overview

In connection with such appointment, the Independent Engineer, among other things, prepared a report which reviews and discusses the basic elements of the Project; the organization and capabilities of the parties involved in the Project; the contractual, design, operations and maintenance obligations related to the Project and certain provisions and requirements set forth in the Concession Agreement including those related to noncompliance points. For a more detailed discussion of the Independent Engineer's analysis of the Concession Agreement, see "Appendix B—Independent Engineer's Report—Analysis of the Contractual Documentation". Certain key conclusions made by the Independent Engineer related to these areas of review are detailed below.

The Independent Engineer has concluded that the state of the road along the entire length of the concession is in good condition. The Issuer is in compliance with all required key performance indicators relating to road pavement. In addition, pavement reinforcement and renovation operations have been carried out through patching and asphalt overlays. Pavement condition surveys are monitored annually and individual sections must be monitored and controlled in order to conduct any necessary repairs. The toll plazas are properly maintained, with buildings and facilities that are in reasonably good condition. The Independent Engineer also opined that Globalvía has the adequate staff, equipment, and mechanisms in place to properly manage the toll stations. There are sufficient available resources and provisions for modernization and renewal to satisfy the contract requirements and to provide users with an adequate level of service. The Independent Engineer has further concluded that, in general, the operating standards required pursuant to the Concession Agreement are fairly typical and not unreasonable in any critical way. The Independent Engineer found no evidence of a failure to meet the required operating standards under the Concession Agreement. For detailed description and analysis of the current condition of the Toll Road, see "Appendix B—Independent Engineer's Report—Current Condition of the Infrastructure".

Traffic Analysis

As part of its review of the Project, the Independent Engineer conducted a traffic analysis of the Toll Road based on traffic data contained in the Traffic Consultant's Report. The Independent Engineer analyzed traffic flows by Toll Road section and by toll plaza, reviewing vehicle composition and traffic volume between 2012 and 2015. Upon its review, the Independent Engineer concluded that the Toll Road may not be able to accommodate the increased traffic anticipated in traffic studies and the preliminary study to enlarge the roadway was underway as of the date of its report.

The Independent Engineer noted that, in Costa Rica, the ideal saturation flow of a motorway is 2,200 light vehicles per hour per lane, and the ideal saturation flow of a dual carriageway (one lane per direction) is 3,400 light vehicles per hour per lane (see clause 2.18 of the Concession Agreement). The Independent Engineer conducted an analysis to estimate the Base Case degree of congestion for the Toll Road. The Independent Engineer based its analysis on observed 2016 peak morning traffic and expected growth rates on four major toll plazas: Escazú, San Rafael, Atenas and Pozón. For each toll plaza, the anticipated vehicles per hour per lane was calculated and compared with the ideal saturation flow. These results are summarized below:

Year	Vegu. / lane AM Peak				% over capacity, degree of congestion			
	Escazú	San Rafael	Atenas	Pozón	Escazú	San Rafael	Atenas	Pozón
2016	1 582	1 552	640	592	72%	97%	40%	37%
2017	1 660	1 692	702	617	75%	106%	44%	39%
2018	1 739	1 831	763	643	79%	114%	48%	40%
2019	1 611	1 396	774	656	73%	87%	48%	41%
2020	1 666	1 511	839	682	76%	94%	52%	43%
2021	1 712	1 588	891	703	78%	99%	56%	44%
2022	1 768	1 687	942	725	80%	105%	59%	45%
2023	1 776	1 674	714	650	81%	105%	45%	41%
2024	1 992	966	741	660	91%	60%	46%	41%
2025	2 047	1 028	775	674	93%	64%	48%	42%
2026	2 098	1 091	804	691	95%	68%	50%	43%
2027	2 150	1 153	833	707	98%	72%	52%	44%
2028	2 201	1 216	862	723	100%	76%	54%	45%
2029	2 253	1 279	891	740	102%	80%	56%	46%
2030	2 304	1 341	920	756	105%	84%	58%	47%
2031	2 338	1 388	938	768	106%	87%	59%	48%
2032	2 373	1 434	956	780	108%	90%	60%	49%
2033	2 407	1 480	975	793	109%	93%	61%	50%

Source: Traffic Advisor's Report.

According to the Concession Agreement, the maximum degree of saturation permitted is 70% of the ideal saturation flow, or 1,540 light vehicles per hour per lane on motorways, and 1,190 light vehicles per hour per lane on carriageways. Additionally, if early congestion of any intersection, interchange, or stretch during the Project is anticipated, the Issuer must conduct the necessary technical studies and submit a technical and economic proposal to the Grantor, which it did in 2013. On May 13, 2016, the Grantor instructed its Technical Secretariat to carry out reviews and preliminary studies to assess the Issuer's road widening proposal. As of the date of the Independent Engineer's Report, the Independent Engineer was not aware of the expected timing for when the Grantor would release its findings on the proposal.

Operating and Maintenance Expenditures

With respect to operating and maintenance expenditures, the Independent Engineer does not have any critical issues to highlight, as forecasted assumptions for ongoing operating and maintenance expenditures are based on known current costs and are generally stable going forward. The Independent Engineer does note, however, that operation and maintenance costs for the Project are high as compared to other toll road concessions. Generally, operation and maintenance costs range between U.S.\$55,000 and U.S.\$77,000 per km, while such costs for the Project are approximately U.S.\$108,000 per km. Although outside of the average cost range, the Independent Engineer believes the costs are appropriate given the specific characteristics of the Toll Road. These characteristics include consistently heavy traffic and slope stabilization problems, which require additional maintenance to prevent or mitigate the consequences of potential landslides. The annual operating and maintenance expenditures forecast for the Project, in 2016 real terms without indexing, are presented in the following chart.

	2017	2018	2019	2020	2021	2022
Total OpEx Costs	10,788.68	10,843.99	10,896.39	10,951.06	11,004.46	11,056.83
Routine Maintenance	3,937.03	3,937.03	3,937.03	3,937.03	3,937.03	3,937.03
Operation	5,360.68	5,415.99	5,468.39	5,523.06	5,576.46	5,628.83
Structure	1,490.97	1,490.97	1,490.97	1,490.97	1,490.97	1,490.97

	2023	2024	2025	2026	2027	2028
Total OpEx Costs	11,108.34	11,159.15	11,209.48	11,259.45	11,309.04	11,358.29
Routine Maintenance	3,937.03	3,937.03	3,937.03	3,937.03	3,937.03	3,937.03
Operation	5,680.34	5,731.15	5,781.48	5,831.45	5,881.03	5,930.29
Structure	1,490.97	1,490.97	1,490.97	1,490.97	1,490.97	1,490.97

	2029	2030	2031	2032	2033
Total OpEx Costs	11,407.22	11,455.92	11,504.40	11,552.71	11,600.85
Routine Maintenance	3,937.03	3,937.03	3,937.03	3,937.03	3,937.03
Operation	5,979.22	6,027.91	6,076.40	6,124.71	6,172.85
Structure	1,490.97	1,490.97	1,490.97	1,490.97	1,490.97

Costs or renewals in thousands of US\$ at constant 2016 values

Capital Expenditures

With respect to capital expenditures, the Independent Engineer reviewed the investment plans for the 2016-2033 period which were originally prepared by the Issuer in 2013 (updated in 2016) for certain long-term preservation projects on the Toll Road (including major maintenance for slope reduction in 2016 and toll renewals in 2018-2019 and 2028-2029). The annual capital expenditures forecast for the Project, in inflation adjusted 2013 prices, are presented in the following chart.

CapEx Ruta 27 - Rev: 2016

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Pavements	4,740.81	2,675.58	1,965.84	2,363.96	6,355.39	1,542.81	2,911.10	1,745.12	1,309.97
Tolls	0.00	0.00	2,491.00	2,491.00	0.00	0.00	0.00	0.00	0.00
Structures									
Joints	0.00	0.00	0.00	70.00	4.00	0.00	0.00	0.00	43.05
Bearings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Structural Repairs	0.00	0.00	0.00	641.25	641.25	1,282.50	0.00	275.00	0.00
Cuts									
Shotcrete	2,596.88	300.00	0.00	500.00	0.00	400.00	0.00	300.00	0.00
Drainage									
Replacement	118.00	0.00	0.00	0.00	0.00	218.75	218.75	0.00	0.00
Total	7,455.68	2,975.58	4,456.84	6,066.21	7,000.64	3,444.06	3,129.85	2,320.12	1,353.02

	2025	2026	2027	2028	2029	2030	2031	2032	2033
Pavements	2,703.91	1,810.75	1,935.24	1,300.25	2,013.44	2,733.84	2,297.02	3,062.97	1,449.46
Tolls	0.00	0.00	0.00	3,516.00	3,516.00	0.00	0.00	0.00	0.00
Structures									
Joints	0.00	70.00	27.96	0.00	0.00	0.00	0.00	0.00	69.84
Bearings	450.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Structural Repairs	275.00	0.00	0.00	0.00	0.00	0.00	600.00	825.00	0.00
Cuts									
Shotcrete	300.00	0.00	300.00	0.00	400.00	0.00	400.00	0.00	300.00
Drainage									
Replacement	0.00	0.00	625.00	625.00	625.00	625.00	0.00	0.00	0.00
Total	3,728.91	1,880.75	2,888.20	5,441.25	6,554.44	3,358.84	3,297.02	3,887.97	1,819.30

Costs or renewals in thousands of US\$ at constant 2013 values

Upon review of the investment plan, the Independent Engineer determined that the estimated capital expenditure budget presented by the Issuer is reasonable in scope, timing and amounts provided therein according to current functional and structural performance of the Toll Road, projected loads and performance criteria in the Concession Agreement.

Proposed Pavement Renewals

Section II of the Toll Road requires the most structural reinforcement, since a large part of this section passes through a mountain pass. Before the Independent Engineer can update the structural assessment of the pavement and adjust the thicknesses of the reinforcement, it recommends adding drains under the length of the road, and studying these effects.

The Coyol Ring Road needs the most structural reinforcement, since it is located on extremely unstable terrain with an average California Bearing Ratio of 1.9% for the subgrade. Additionally, the Toll Road has become an important center of development, which will undoubtedly increase the anticipated traffic volume and thus increase the required reinforcement thicknesses.

The Independent Engineer has reviewed and analyzed the proposals and recommendations made by the Issuer's pavement advisor, who recommends the use of fiberglass mesh to reinforce the current bituminous mixtures used in the reinforced sections. Bitumen is heterogeneous and the mixtures are susceptible to deformation (noticeable rutting) and premature cracking, which appears in certain areas of the Toll Road. Certain sections of the Toll Road also exhibited exudation, loss of texture, and low levels of skid resistance (measured using "SCRIM", or Sideway-Force Coefficient Routine Investigation Machine). The Independent Engineer recommends that sections with exudation be milled and re-coated and slurry seal asphalt be placed on sections with SCRIM under 0.5.

The Independent Engineer also recommends updating the current visual inspection methods by performing the visual inspections with specialized equipment. This will improve the accuracy and objectivity of monitoring damage.

Proposed Stabilization Works

The Issuer has identified the following locations as potentially needing additional stabilization. The Independent Engineer has reviewed and analyzed these and agrees that they potentially need additional stabilization. The need for stabilization varies depending on the changing embankments caused by the rain and seismic activity affecting the region.

Embankment		Anticipated Measures
Initial PK	Final PK	
14 + 200	14 + 700	Concrete laid
16 + 500	16 + 900	Concrete laid in areas missing material due to erosion
21 + 320	21 + 500	Continue wall of gabions
	22 + 400	Extend anti-erosion mesh (70m)
	27 + 400	Place anti-erosion mesh after repairing existing boulders
	30 + 540	Expanding right of way to terrace embankment
36 + 100	36 + 120	Elimination of rock cantilever and terracing of upper area
36 + 300	36 + 600	Topographic control and TDR

37 + 200	37 + 300	Reshaping the embankment and repairing unstable areas
37 + 500	38 + 000	Reconstruction of the embankment with spaced berms
38 + 400	39 + 000	Placement of anti-erosion mesh on left-side embankment. Topographic control and TDR
40 + 700	40 + 900	Replace missing concrete laid at the end of the embankment
44 + 800	44 + 900	Reconstruction of the embankment with 7 berms measuring 7m high
45 + 050	45 + 300	Reconstruction of the left-side embankment with 3 spaced berms. Concrete laid on right-side
46 + 150	46 + 800	Soil nailing on the sections of decomposed rock. Topographic control
47 + 380	47 + 600	Topographic control

Proposed Structure Renewals

The Issuer has reviewed and proposed the following short-term structural enhancements as necessary, to which the Independent Engineer agrees and recommends:

- Pavas interchange (status index <40). Measures on structural cracks
- Structure retaining barriers KP 2+600
- Joint sealing and crack injections in pedestrian walkways (4 at KPs 0+314/ 6+100/ 9+800/ 12+760)
- Geometrical repair of deformed components in water channels
- Surveillance of the Segundo River Bridge
- Replacement of horizontal signage Escobal Interchange OP (KP 42+150) and La Rita UP (KP 60+700) i/retro-reflectors
- Sealing the cracks in the bulwarks and cracks caused by differential seating in the flanges in the Orotina Interchange UP, Coyolar Interchange OP, Calle Loros Interchange OP, Pozón Interchange UP, Calle Huacas Interchange UP, Salinas Interchange UP and End Interchange UP
- Foundation samples in La Rita UP (KP 60+700) to rule out caving
- Special inspection Calle Loros Interchange OP (KP 63+920)
- Investigation of cracks in Tiribi and Agres River Bridge piles
- Investigation with removal of markers at Hacienda UP and Oro River (and also at Mata de Limón Railway UP)
- Control of missing alignment at Ruta Turrubares OP

Proposed Additional Works

To improve the existing Toll Road or for public interest purposes, the Concession Agreement allows the Grantor to require the Issuer to make New Investments in connection with construction works, such as the building of new bridges, bus bays or new connections to other roads. The value of these New Investments may not exceed 25% of the total investment amount quoted in the original bid for the Project submitted on May 14, 2001. To date, the Issuer has made New Investments equal to 18% of the original bid.

The Concession Agreement may require the Issuer to perform additional construction works to reduce the wait times in toll collection lines that exceed 5 minutes during 2 consecutive hours in the same toll plaza during the same month. If the Issuer does not perform the required works within three months of being notified by the Grantor of its approval of the design and availability of space for such construction works, penalties may apply. The Issuer will be fined with a U.S.\$5,000 per calendar day fine for each day the construction works are not carried out, as set forth in the Concession Agreement.

The toll queue waiting time (TEC) report for the first six months of 2016 was reviewed by the Independent Engineer and the following results were determined:

- Escazú = 0.57 minutes
- Ciudad Colón = 0.65 minutes
- San Rafael = 0.31 minutes
- Guácima = 0.07 minutes
- Siquiaries = 0.17 minutes
- Rampa Atenas = 0.28 minutes
- Atenas = 0.34 minutes
- Pozón = 0.20 minutes
- Rampa Pozón = 0.33 minutes

These results indicate that wait times are significantly shorter than the 5 minute maximum set out in the Concession Agreement, beyond which the Issuer would be required to perform additional works in order to reduce wait times at toll collection booths. The Independent Engineer notes that the Issuer has never been penalized for the toll queue waiting time.

SUMMARY OF THE INSURANCE CONSULTANT'S REPORT

The summary of the Insurance Consultant's Report that follows is qualified in its entirety by the report itself, which is attached to this offering memorandum as Appendix C, and which you should read before making an investment in the notes.

Marsh was appointed in September 2016 to act as the Issuer's Insurance Consultant. In connection with such appointment, Marsh, among other things, prepared a report which reviews and discusses the Issuer's insurance coverage and compliance with the insurance requirements set forth in the Concession Agreement. Certain key conclusions made by Marsh related to these areas of the review are detailed below.

Introduction

The Insurance Consultant analyzed the main insurable risks that could affect the Toll Road as well as the insurance program put in force to protect the Toll Road. The Insurance Consultant only analyzed fortuitous insurable risks, meaning unforeseen and accidental events or occurrences, including (i) physical loss or material damage, (ii) personal injuries, (iii) defective design, materials or workmanship, (iv) *force majeure* and (v) loss of profits derived from delays in construction or business interruption. The Insurance Consultant did not analyze the economic harm caused by (i) events of a political nature, such as expropriation or inconvertibility of currency or (ii) those financial, commercial or regulatory risks that are inherent in the Project and for which the Insurance Consultant considers there is no conventional insurance solution.

The Issuer's insurance program includes all risk property damage and business interruption insurance, general liability insurance, minor works construction insurance, mandatory motor liability insurance, equipment insurance and labor risk insurance. The Insurance Consultant concluded that the program complies with the requirements set forth in the Concession Agreement, is in line with what it would expect for a project of similar size and nature and provides standard market coverage for the risks identified.

The Insurance Consultant also identified certain key items in connection with the Issuer's insurance program.

All Risk Property Damage

Insurance coverage for theft during the transportation of cash under the Issuer's current policies is limited to U.S.\$6,000 and only applies if cash is being transported by employees of the Issuer between the hours of 8 a.m. and 9 p.m. These limitations are in place because the Issuer's employees do not regularly transport cash, and the third party that usually performs that task is generally responsible for theft of cash during transit.

In addition, the Insurance Consultant suggested that the Issuer obtain specific coverage as part of its all risk insurance for vehicles at rest on the premises. The Insurance Consultant also suggested that the Issuer remove a provision from its all risk insurance policy that invalidates the addition of a creditor as an additional insured under the policy, despite the fact that the policy allows for multiple insureds.

General Liability Policy

The Insurance Consultant identified a U.S.\$300,000 general sublimit to the indemnity available per victim under the Issuer's general liability policy. Although this sublimit does not constitute a breach of Concession Agreement, the Insurance Consultant recommended that the Issuer avoid such sublimits, except in the context of the Issuer's employer's liability extension. Nevertheless, the Insurance Consultant noted, that based on past litigation in Costa Rica related to bodily injuries, indemnities would barely exceed the current limit insured per victim.

In addition, the Insurance Consultant noted that the Issuer's general liability policy includes a general deductible of 10% of the loss with a minimum of U.S.\$30,000. This limit is also in compliance with the requirements of the Concession Agreement, and the Insurance Consultant recommended that a maximum deductible be applied.

Although the Issuer's general liability policy includes a U.S.\$3 million extension for construction works, and the Insurance Consultant considers this extension a positive improvement to the policy. This extension is subject

to a 10% sublimit with a maximum of U.S.\$600,000. The Insurance Consultant nevertheless recommended avoiding the application of such sublimits but noted that the risk that construction works would cause damages to third parties is very low because the Toll Road is operational and only minor maintenance is expected.

The Insurance Consultant also recommended that a certain clause of the general liability policy involving the items excluded from this policy be redrafted because the language could be subject to competing interpretations. Similarly, the Insurance Consultant recommended that a certain clause be redrafted to ensure that the policy covers damage or loss (i) that is caused by vehicles owned by third parties (rather than limit coverage to damage or loss caused by vehicles owned by insured parties), (ii) that exceeds the mandatory minimum liability coverage and (iii) that occurs when a third party does not have the mandatory minimum liability coverage.

Other Items

The Insurance Consultant noted that it received evidence that premium payments have been received under all of the Issuer's insurance policies, that annual premiums are in line with market standards, and that the Issuer's loss record is also in line with market standards. With respect to the Issuer's loss record, the Insurance Consultant considers that it is in line with comparable projects and identified 14 open claims for an aggregate amount of approximately U.S.\$900,000 and six additional open claims for which no reserves have been made and whose value was being assessed as of the date of the Insurance Consultant's Report. The Insurance Consultant noted that the Issuer is currently handling these open claims with its insurers.

The Insurance Consultant further recommended that:

- any new party providing financing to the Issuer be listed as an additional insured pursuant to the multiple insureds clause/non-vitiation clause as further discussed in Annex A to the Insurance Consultant's Report; and
- that the Issuer explore the need for obtaining cyber coverage or employee infidelity insurance, which although not market standard, may provide additional protection to the Project and especially the Issuer's balance sheet.

LEGAL AND REGULATORY FRAMEWORK

The Issuer and the Concession Agreement are governed by the “*Ley General de Concesión de Obras Públicas con Servicios Públicos*”, Law N° 7762, as amended, and related regulations (the “Costa Rican Concessions Law”), which constitutes the applicable legal framework in Costa Rica on matters related to public works and public utilities concessions. The Costa Rican Concessions Law governs the regulatory framework for the Concession Agreement as well as other Concession Agreements entered into by the government.

Government Procurement Law / General Regulation

Government administrative agreements in Costa Rica subject to the Costa Rican Concessions Law are generally awarded pursuant to public bids or tender processes in which interested parties fulfill technical, financial and legal requirements in order to qualify in accordance with the Costa Rican Constitution. The general regime for public procurement is contained in the “*Ley de Contratación Administrativa*”, Law N° 7494 (the “Procurement Law”) which establishes the following principles regulating government procurement in Costa Rica:

- **Competitiveness:** Bidding processes must be structured to attract general participation with the purpose of stimulating competition and providing a plurality of offers in order to allow the government to choose the best offer that satisfies its interests.
- **Equal treatment:** All bidders must be treated equally under the pre-established bidder selection rules. This principle guarantees the protection of contractor rights and restricts the government from limiting access to the bidding process.
- **Publicity:** The bidding process must be public and all files, records, resolutions and other documentation relating to bidding procedures must be publicly accessible.
- **Transparency and legal certainty:** Ensures that the procurement process is conducted pursuant to objective and pre-established bidder selection rules and consistent parameters pursuant to which the government will award the project.
- **Re-establishment of financial equilibrium:** Government contracts guarantee the bargained for projected economic return included in the contractor’s original bidding proposal. The reestablishment of financial equilibrium compensates for events outside the control of contractors that negatively impact their returns.
- **Good Faith:** All parties participating in the bidding process are required to act in good faith.
- **Public Interest:** The government is allowed to modify procurement contracts for public interest reasons in certain extraordinary situations, including instances when the provision of an essential public service might be threatened.

The Procurement Law allows the procurement party, such as the Grantor, to unilaterally terminate the contract early upon any contractor breach resulting in a material adverse effect affecting such procurement party or the provision of the public service, and/or adversely impacts public interest. In these cases, the contractor may be subject to fines and penalties as well as reduced compensation for damages caused. In addition, the procurement party may also unilaterally terminate the contract in the event of: (a) contractor breach; (b) revocation for public interest reasons; (c) recovering the service to be operated directly by the government; (d) the death of the contractor or extinction of the concessionaire legal entity; (e) insolvency or bankruptcy of the contractor; (f) mutual agreement of the parties; (g) unauthorized assignment and (h) certain other reasons enumerated in the bidding terms and conditions.

Pursuant to Costa Rica’s administrative legal framework, the exercise of these exceptional powers is subject to judicial and administrative review. An administrative proceeding may result in the revocation, amendment or clarification of a prior administrative action or decision. Subsequent judicial proceedings may seek to nullify or confirm the initial administrative decision. Costa Rican courts have the power to grant temporary injunctions or suspension orders on an exceptional basis, including a temporary suspension of a Grantor’s decision. These temporary injunctions or suspension orders are only granted when the court concludes that the administrative

decision was not supported by law. Other precautionary measures may be available to an affected party but the courts have absolute discretion.

Regulation of Public-Private Partnerships (Specific Regulation)

The Costa Rican Concessions Law provides the legal and regulatory framework to promote and facilitate the construction and operation of infrastructure with public sector participation. The Costa Rican Concessions Law defines a concession of public works as an administrative agreement by which the Costa Rican government instructs a third party, which may be a public, private or mixed entity, the design, planning, financing, construction, maintenance, expansion or repair of any asset that is under government ownership in exchange for consideration.

Under the Costa Rican Concessions Law contractors must perform their obligations under the concession agreement and comply with certain operation and maintenance levels in accordance with the terms and provisions of: (a) the Costa Rican Concessions Law and its regulations (Executive Decree No. 27098-MOPT on June 12, 1998 later amended by Executive Decree No. 31155-MOPT of May 2, 2003); (b) the bidding rules and explanatory letters; (c) the offer from the awardee, as approved in the evaluation process; (d) the applicable project concession agreement and (e) other Costa Rican laws and regulations. Payments structures may include direct government payments, collection of tariffs or fees from users, or a combination of both.

The Costa Rican Concessions Law and its related regulations require the Shareholders to retain at least 51% of the share capital of the Issuer during the construction phase of the Project and prohibit any transfer of shares of the Issuer during this period that may decrease this percentage. During the operational phase of the Project, any transfer of this 51% share capital of the Issuer must be previously and expressly authorized by the Grantor and the transferee must not have any limitations or prohibitions against contracting with the Costa Rican government.

Because the Concession Agreement was assigned to the Shareholder as a consortium, they may freely transfer the shares of the Issuer among themselves and in any other way modify their ownership interest in the Issuer, without obtaining any authorizations, so long as they jointly retain, at all times, 51% of the share capital of the Issuer, and they each hold, at all times, some percentage of the share capital of the Issuer. The Shareholders may transfer the remaining 49% of the share capital of the Issuer to any transferee that does not have any limitations or prohibitions on contracting with the Costa Rican government.

Additionally, the Shareholders may assign the Concession Agreement as permitted under the Costa Rican Procurement Law and its related regulation, and under the Costa Rican Concessions Law and its related regulations. According to these regulations, the Shareholders may partially or completely assign their rights and obligations under the Concession Agreement for qualified public interest reasons or in the case of a justified fortuitous event or *force majeure*. Any such assignment requires prior and express authorization from the Grantor. Any assignment of more than a 50% interest in the Concession Agreement also requires prior and express authorization from the General Comptroller of Costa Rica. Should the assignment be authorized and become effective, the assignee shall become the concessionaire and the assignor shall be released from all responsibility with regards to the concessionaire and the assignor(s).

Concession agreements must allocate foreseeable risks between the parties. Risk allocation principles provide that contractual risks should be allocated to the party in better position to control the risk and mitigate its effects. Moreover, in concession agreements, all project funds are usually required to be managed through a trust to which all income, costs, expenses, assets and liabilities of the project must be transferred and registered.

Finally, under the law, the government has the right to unilaterally amend the scope of the works or services provided under a concession agreement and to rescue the concession for public interest reasons. The government must indemnify the contractor for damages in both situations.

Budgetary consideration applicable to the Grantor

The Grantor is a decentralized government entity under the Ministry of Public Works and Transport (“MOPT”). It manages the funds and budgets of the Concession Fund and executes the necessary agreements related to concession works. The Grantor manages its own budget apart from the MOPT budget in matters related to the Concessions Fund and agreements covering aspects related to concessions and other agreements and daily activities

as established in their bylaws, and thus can manage its resources independently. However, the Grantor's budget is still generally subject to the MOPT budget in all non-specific aspects of its functions. Therefore, the Grantor budget still remains subject to the national budget.

The Grantor budget does not cover payments for early termination of a concession agreement. All payments for early termination will be allocated through the national budget, through either its ordinary or extraordinary process.

The national budgetary process is regulated by the Constitution and by the Financial Administration Act of the Republic and Public Budgets. The national ordinary budget is issued on a yearly basis and covers the period from January 1 to December 31.

The ordinary budget includes all probable revenues and all authorized public administration expenses for a certain fiscal year. The extraordinary budget includes expenses arising after the ordinary budget has been approved that must be covered by the Costa Rican government. Such budgets set the limit on governmental expenditures and may only be amended by law. Any proposed amendment to increase or recognize expenses must be supported by new revenue. Additionally, budget amendments providing for termination payments by the Costa Rican government upon the termination of the concession are also subject to the approval of the General Comptroller of Costa Rica (Contraloría General de la República).

The national budgetary process is regulated by the Costa Rican constitution and by the Costa Rican Financial Administration Act of the Republic and Public Budgets. The national ordinary budget is issued on a yearly basis and covers the period from January 1 to December 31. The ordinary budget includes all probable revenues and all authorized public administration expenses for a certain fiscal year. The extraordinary budget includes expenses arising after the ordinary budget has been approved that must be covered by the Costa Rican government. Such budgets set the limit on governmental expenditures and may only be amended by law. Any proposed amendment to increase or create expenses must be supported by new revenue. The National Budget General Department (*Dirección General de Presupuesto Nacional*) prepares the national budget for a given year. The national budget must reflect the priorities established in the national development plan (*Plan Nacional de Desarrollo*). As per the Costa Rican constitution, the Costa Rican congress is entitled to enact the law that approves the national budget. In this regard, the Costa Rican treasury department (*Ministerio de Hacienda*) delivers to the congress the draft of the national budget by September 1 of each year, and a congressional sub-committee provides an initial report to the congress's finance committee which has to approve it and then send the national budget bill of law to discussion and obtain the approval (in two occasions) of the congress in full prior or on November 30 of each year.

MANAGEMENT AND CORPORATE GOVERNANCE

Through the Issuer, Globalvía has successfully operated the Toll Road for over six years and is the world's second largest transportation infrastructure developer by number of concessions, with experience managing 28 concessions in Costa Rica, Spain, Mexico, Chile, Ireland, Portugal, and Andorra. These concessions are overseen by a strong management team with over 20 years of experience managing infrastructure assets, including concessions similar to the Concession, as 18 of Globalvía's concessions are toll roads. Dedicated internal management and experience is also complemented by Globalvía's global footprint and access to its extensive network of international, local and regional relationships. Globalvía's management's expertise minimizes redundancies and provides access to a rich talent base of employees. As of March 31, 2017, the Issuer has 109 employees, with the control and operations center located in Escazú, Costa Rica.

Directors and Executive Officers

The following table sets forth certain information with respect to the Issuer's executive officers and directors as of the date of this offering memorandum:

<u>Name</u>	<u>Age</u>	<u>Position</u>
<u>Executive Officers:</u>		
Gastón Oróstegui Torvisco	44	Chief Executive Officer
Carlos González Álvarez	33	Chief Financial Officer
Claudio César Pacheco Morera	45	Chief Operating Officer
<u>Board Members:</u>		
Francisco Javier Martín Rivals	47	President
Rodrigo López Calleja.....	39	Vice President
Francisco Obando León.....	37	Secretary
Javier Carriedo Cuesta.....	44	Treasurer
José David Fletes Rincón	44	Director
Gastón Oróstegui Torvisco	44	Alternate President
Nuria Cortés Calvo	44	Alternate Secretary
Alberto García García.....	49	Alternate Vice President
Iñigo Alonso Hernández	43	Alternate Treasurer
Carlos González Álvarez	33	Alternate Director

Gastón Oróstegui Torvisco (Chief Executive Officer and Alternate Director). Mr. Oróstegui joined Globalvía Inversiones in 2008 and has served as the Issuer's Chief Executive Officer since January 2013. Previously, he was the Operations and Management Manager for three years of Autopista del Aconcagua, S.A., an affiliate of Globalvía located in Chile. He holds a degree in civil engineering from the Universidad de Concepción and a master's degree in business administration from the Universidad de Chile. During the past five years, Mr. Oróstegui has served on the board of Autovía Necaxa-Tehuacan, S.A. de C.V., Mexicana de Globalvía Infraestructuras, S.A. de C.V., Promotora Bangar, S.A. de C.V., Grupo Bauermex, S.A. de C.V., Prestadora de Servicios Merk, S.A. de C.V., GV Operadora de Autopistas Mexico, S.A. de C.V., Auneti Servicios, S.A. de C.V. and the Spanish Chamber of Commerce in Costa Rica. Mr. Oróstegui has over 17 years of experience in the projects and infrastructure management industry.

Carlos González Álvarez (Chief Financial Officer and Alternate Director). Mr. González joined Globalvía Inversiones in 2014 and has served as the Issuer's Chief Financial Officer since March 2016 and is responsible for managing the Issuer's finances. Previously, he was an employee of Globalvía Inversiones where he supervised

Globalvía Inversiones' internal controls and financial report preparation. He also worked as a Manager at PwC in Spain from July 2012 to September 2014. Mr. González holds a degree in business administration from the Universidad de Granada (Spain). During the past five years, he has also served on the board of several companies affiliated with Globalvía, including DI-M&S, SyV, SDC and Promotora. Mr. González has over 6 years of experience in the toll road industry.

Claudio César Pacheco Morera (Chief Operating Officer). Mr. Pacheco has served the Issuer in different capacities since August 2006, when the Toll Road was under construction. Prior to his appointment as Chief Operating Officer, he served as the Issuer's Maintenance Assistant Manager and Technical Manager. In July 2016, he was appointed the Issuer's Chief Operating Officer and currently oversees the Issuer's road maintenance and traffic management programs. Mr. Pacheco holds a degree in civil engineering from the Universidad de Costa Rica. Mr. Pacheco has over 15 years of experience in the projects and infrastructure management industry.

Francisco Javier Martín Rivals (President). Mr. Martín is the Issuer's President. He has over 20 years of experience in the toll road industry, having held various management positions in companies owned by the Ferrovial, S.A. and Cintra, S.A. groups globally. He is the Latin American Highways Director of Globalvía Inversiones, S.A.U and has held that position since July 2014. Prior to joining Globalvía Inversiones, S.A.U., he was the Chief Executive Officer of various toll road projects developed in Greece by Cintra, S.A., Nea Odos, S.A. and Kentriki Odos, S.A. Mr. Martín studied civil engineering at the Universidad Politécnica de Madrid (Spain). During the past five years, he has also served on the board of Sociedad Concesionaria Autopista del Aconcagua, S.A., Global Vía Infraestructuras Chile, S.A., Chilena de Global Vía, S.A., DI-M&S, SyV, SDC, Promotora, Autopista del Itata Sociedad Concesionaria, S.A. Autopista Nueva Necaxa-Tihuatlan, S.A. de C.V., Mexicana de Globalvía Infraestructuras, S.A. de C.V., Promotora Bangar, S.A. de C.V., Grupo Bauermex, S.A. de C.V., Prestadora de Servicios Merk, S.A. de C.V., GV Operadora de Autopistas México, S.A. de C.V. and Auneti Servicios, S.A. de C.V.

Rodrigo López Calleja (Vice President). Mr. López has served as a Director on the Issuer's board of directors since January 2015. He is the Management Control Director of Globalvía Inversiones. He received a bachelor's and master's degree in business administration from Universidad Complutense de Madrid (Spain). During the past five years, he has also served on the board of Tranvía de Parla, S.A., Autopista del Aconcagua, S.A., Autopista del Itata, S.A., Transportes Ferroviarios de Madrid, S.A., Tacel Inversiones, S.A., Metro Barajas, S.A., Mexicana de Globalvía Infraestructuras, S.A. de C.V., Promotora Bangar, S.A. de C.V., Grupo Bauermex, S.A. de C.V., Prestadora de Servicios Merk, S.A. de C.V. and GV Operadora de Autopistas México, S.A. de C.V.

Francisco Obando León (Secretary). Mr. Obando has served as the Issuer's Secretary since December 2015 and as its in-house counsel since May 2013. Previously, he was an Associate at BLP Abogados S.A., specializing in regulatory and government procurement matters. He has also been in-house counsel to Aeris Holding Costa Rica, S.A., the concessionaire of the Juan Santamaría International Airport. He holds a degree in economic regulation and competition from the Universidad de Valladolid (Spain) and a degree in law and public policy from the Universidad de Costa Rica. During the past five years, Mr. Obando has also served on the board of DI-M&S, SyV, SDC and Promotora.

Javier Carriedo Cuesta (Director). Mr. Carriedo has been the Issuer's Treasurer since April 2016 and has held various positions within Globalvía since December 2011. He received a bachelor's degree in business administration from the Universidad Complutense de Madrid (Spain). During the past five years, he has also served on the board of Autopista del Aconcagua, S.A., Autopista del Itata, S.A., Autovía Nueva Necaxa-Tihuatlan S.A. de C.V., Mexicana de Globalvía Infraestructuras, S.A. de C.V., Prestadora de Servicios Merk, S.A., AUNETI Servicios, S.A. de C.V., Promotora Bangar, S.A. de C.V., Grupo Bauermex, S.A. de C.V., GV Operadora de Autopistas Mexico, S.A. de C.V., DI-M&S, SyV, SDC and Promotora.

José David Fletes Rincón (Director). Mr. Fletes joined Globalvía Inversiones in June 2007 and has served as a Director on the Issuer's board of directors since January 2015. He is also the Financing and Structuring Director of Globalvía Inversiones and is responsible for structuring and monitoring the Issuer's and Globalvía's indebtedness. He holds a bachelor's degree in business studies from the University of Wales (United Kingdom) and an executive master's degree in business administration from the Instituto de Empresa (Spain). During the past five years, he has also served on the board of Tranvía de Parla, S.A., Transportes Ferroviarios de Madrid, S.A., Tunel D' Envalira, S.A., Metro Barajas, Sociedad Concesionaria, S.A., Autopista Central Gallega, S.A.U., Global Vía Infraestructuras

Chile, S.A., Inversiones de Globalvía Chile, S.A., Chilena de Globalvía, S.A., Tacel Inversiones, S.A., Autopista de la Costa Cálida Concesionaria Española de Autopistas, S.A. Mr. Fletes has over 15 years of experience in the toll road industry.

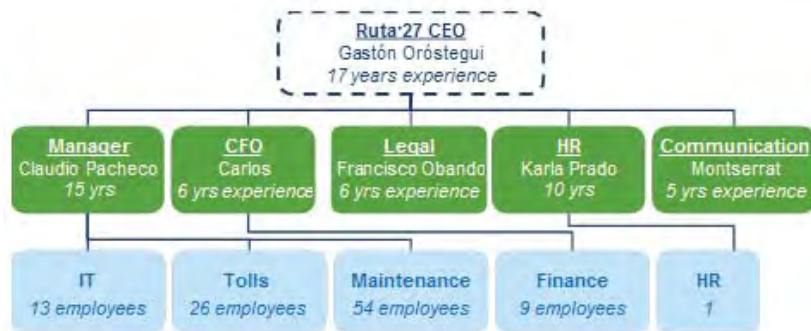
Nuria Cortés Calvo (Alternate Secretary). Ms. Cortés joined Globalvía Inversiones in 2011 and has been the Issuer’s Alternate Secretary since January 2015. She also is the Legal Manager of the Latin American operations of Globalvía Inversiones, S.A.U. and during the past five years has served on the board of Autopista del Aconcagua, S.A., Autopista del Itata, S.A., Global Vía Infraestructuras Chile, S.A., Inversiones de Globalvía Chile, S.A., Chilena de Globalvía, S.A., Mexicana de Globalvía Infraestructuras, S.A. de C.V., Promotora Bangar, S.A. de C.V., Grupo Bauermex, S.A. de C.V., Prestadora de Servicios Merk, S.A. de C.V. and GV Operadora de Autopistas México, S.A. de C.V. Ms. Cortés holds a law degree from the Universidad Autónoma de Madrid (Spain) and a master’s degree in environmental law from the Escuela de Organización Industrial. She has over 10 years of experience in the toll road industry.

Alberto García García (Alternate Director). Mr. García joined Globalvía Inversiones in 2011 and has been the Issuer’s Alternate Vice-President since January 2015. He is also the Chief Financial Officer of Globalvía Inversiones and during the past five years has been a board member of Autopista del Aconcagua Sociedad Concesionaria, S.A., Global Vía Infraestructuras Chile, S.A., Inversiones Global Vía Chile, S.A., Chilena de Global Vía, S.A., Autopista del Itata Sociedad Concesionaria, S.A., Ruta de los Pantanos, S.A.U., Concesiones de Madrid, S.A.U., Túnel de Sóller Sociedad Concesionaria, S.A., Tranvía de Parla, S.A., Metro de Sevilla Sociedad Concesionaria de la Junta de Andalucía, S.A. Mr. García holds a degree in economics from the Universidad Complutense de Madrid (Spain). He has 5 years of experience in the toll road industry.

Iñigo Alonso Hernández (Alternate Director). Mr. Hernández has been the Issuer’s Alternate Treasurer since April 2016. He is also the Deputy Chief Financial Officer of Globalvía Inversiones and, during the past five years, has served on the board of Autopista del Aconcagua, S.A., Autopista de Itata, S.A., Globalvía, Autovía Nueva Necaxa-Tehuacan, S.A. de C.V., Terminal Polivalente de Castellón, S.A., Mexicana de Globalvía Infraestructuras, S.A. de C.V., Promotora Bangar, S.A. de C.V., Grupo Bauermex, S.A. de C.V., Prestadora de Servicios Merk, S.A. de C.V., GV Operadora de Autopistas México, S.A. de C.V. Mr. Hernández holds a bachelor’s degree in business administration from the Universidad Pontificia Comillas (Spain) and a master’s degree in business administration from the Hult Business School (United States).

Corporate Governance

The following diagram shows the corporate organization of the Issuer’s various departments:



Board of Directors

The Issuer’s board of directors consists of five members and is responsible for the management of the Issuer’s business and establishing the main policies governing the Issuer’s operations, including formulating internal regulations and processes, supervising the preparation of the financial statements, declaring dividends, promoting community outreach projects and appointing a resident agent. The Issuer’s by-laws provide for an alternate director to serve in place of an elected director if such director is unable to attend a meeting of the board of directors.

The Issuer's board of directors meets every six months for an ordinary session and additional sessions may be scheduled to the extent necessary. For quorum to be present at any such meeting at least four members of the board of directors must be present. Resolutions of the board of directors are approved when more than half of the members present at a meeting vote in favor.

Compensation Disclosure

Compensation Paid to the Directors and Executive Officers

The Issuer does not have in place any pension, retirement or other similar plan for its directors and executive officers except as required by law.

The members of the Board of Directors do not receive compensation for their performance in such capacity.

Executive officers and key members of the Issuer's management team receive compensation as set forth in each of their employment contracts. Compensation for such executive officers and management consists of a base salary, as well as a discretionary bonus based on the individual and the Issuer's performance. Additional benefits paid to the executive officers and management may include medical, life and disability insurance.

In addition, Globalvía has agreed to indemnify each of its directors and officers against any liability they may incur in their capacity as such.

For the years ended December 31, 2014, 2015 and 2016, the aggregate compensation (salaries and bonuses) paid to the executive officers listed above was approximately U.S.\$702,358, U.S.\$728,939, and US\$675,781, respectively. These amounts include compensation paid by the Issuer to Globalvía for services rendered by the Issuer's chief financial officer and the chief operating officer. See note 14 to the audited financial statements and note 13 to the unaudited condensed interim financial statements for more information about certain related parties transactions.

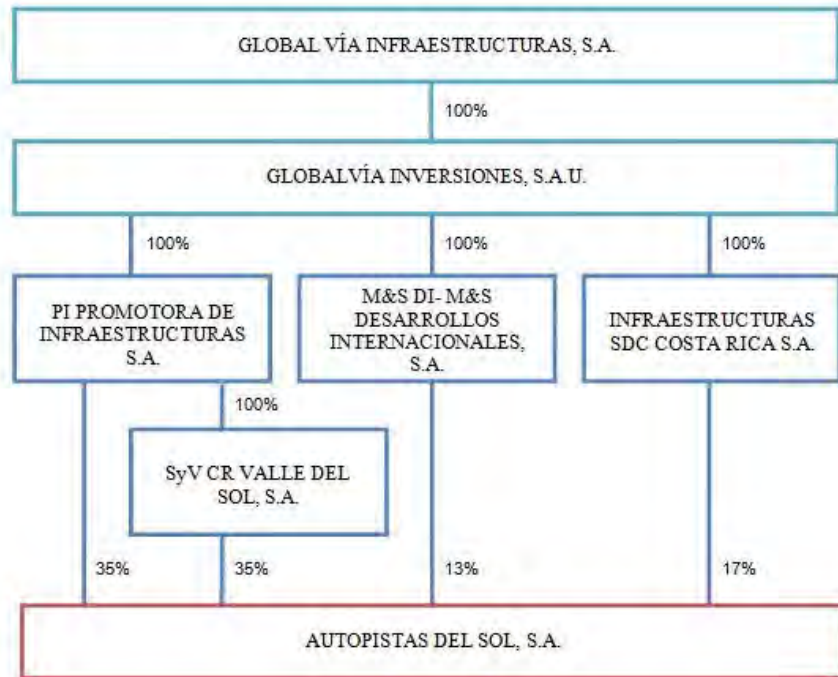
New Costa Rican Corporate Governance Regulation

The National Supervisory Board of the Financial System (Conassif) has issued a set of regulations (*Acuerdo SUGEF 16-16*) setting forth the international standards and principles that are required to be incorporated into the corporate governance strategies of the entities it supervises. The regulations will be applicable to the Issuer as a non-financial issuer subject to regulation by SUGEVAL. Pursuant to such regulation, each entity is required to develop and implement a corporate governance framework, taking into account its ownership structure and legal status, the scope and complexity of its operations, its corporate strategy, its risk profile and the potential impact its operations have on third parties. The Issuer's Board of Directors will be responsible for the strategy, risk management, financial robustness and solvency, internal organization and structure of the entity's corporate governance. The new regulation will come into effect on June 7, 2017 and the Issuer will be required to issue a corporate governance code. Such corporate governance code will be required to describe the structure and framework of the Issuer's corporate governance, the principal policies and control mechanisms according to the Issuer's risk appetite and profile, implemented to ensure compliance with internal controls.

OWNERSHIP

The Issuer is a *sociedad anónima* organized and existing pursuant to the laws of Costa Rica. The current direct shareholders of the Issuer are Promotora, SyV, SDC and DI-M&S, which are in turn directly or indirectly wholly owned by Globalvía Inversiones. Globalvía owns all of the issued and outstanding shares of Globalvía Inversiones, and Globalvía is owned by the pension funds PGGM, OP Trust and USS. PGGM owns 40.88% of Globalvía, OP Trust owns 40.32% and USS holds the remaining 18.88%.

The following diagram sets forth the Issuer's current ownership structure.



CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The Issuer engages in a number of transactions in the ordinary course of business with Globalvía and with companies that are owned or controlled, directly or indirectly, by Globalvía. All transactions between the Issuer and related parties are entered into on terms no less favorable to the Issuer than would have been obtained in an arm's-length transaction and comply with the applicable legal standards. For more information about the transactions between the Issuer and its related parties see note 14 to the audited financial statements and note 13 to the unaudited condensed interim financial statements.

The following tables contain a summary of the balances and transactions between the Issuer and related parties during the periods indicated.

	As of March 31	As of December 31,		
	2017	2016	2015	2014
<i>(in U.S. dollars)</i>				
Balances with related parties				
<u>Short-term accounts receivable:</u>				
Infraestructura SDC Costa Rica, S.A.....	777	770	787	747
SyV Concesiones, S.A.....	47	3	2	–
M&S Desarrollo Internacional, S.A.....	792	778	801	397
Promotora de Infraestructura, S.A.	385	365	370	364
Total	2,001	1,916	1,960	1,508
<u>Financial asset – prepaid expenses</u>				
Constructora San José – Caldera CSJC, S.A.....	–	–	–	112,582
<u>Long-term debt</u>				
Bankia SAU ⁽¹⁾	–	–	75,572,912	79,463,056
<u>Interest payable</u>				
Bankia SAU ⁽¹⁾	–	–	206,286	194,657
<u>Interest payable (hedge)</u>				
Bankia SAU.....	–	–	641,931	718,175
<u>Accounts payable (long term and short term)</u>				
Constructora San José – Caldera CSJC, S.A. ⁽¹⁾	–	–	550,564	706,226
Globalvía Inversiones, S.A.	1,485,371	1,494,599	458,251	519,230
Global Vía Chile, S.A.	79,495	79,495	–	–
Total	1,564,866	1,574,094	1,008,815	1,225,456
<u>Accumulated expenses</u>				
Globalvía Inversiones, S.A.	32,071	–	697,496	–
Global Vía Infraestructuras Chile, S.A.	–	–	64,326	–
Total	32,071	–	761,822	–

	As of March 31	As of December 31,		
	2017	2016	2015	2014
<i>(in U.S. dollars)</i>				
Transactions with related parties				
<u>Miscellaneous fees (includes surety bonds and guarantees)</u>				
Global Vía Infraestructuras, S.A.....	–	–	–	87,367
Global Vía Infraestructuras Chile, S.A.	–	15,169	64,326	–
Globalvía Inversiones, S.A.	58,790	525,730	1,019,864	632,498
Total ⁽²⁾	58,790	540,899	1,084,190	719,865
<u>Financial Assets – outsourcing</u>				
Constructora San José – Caldera CSJC, S.A. ⁽¹⁾	–	–	–	1,161,153
<u>Interest Expense</u>				
Bankia SAU ⁽¹⁾	–	–	2,193,690	2,213,942
<u>Interest expense (hedge)</u>				
Bankia SAU.....	–	–	7,724,670	8,119,004

- (1) As of December 31, 2015, 2014 and 2013 the balances and transactions with Bankia SAU (“Bankia”) and Constructora San José Caldera (an associated entity of Fomento de Construcciones y Contratas S.A. (“FCC”)) are shown as related parties. As of December 31, 2016, after Bankia and FCC’s sale of Globalvía to USS, OP Trust and PGGM in March 2016, these balances are shown as unrelated third parties.
- (2) Miscellaneous fees include fees for services provided by Globalvía necessary for the development of the Project, including services in the areas of construction, traffic, information systems, sureties, and legal. In addition, miscellaneous fees include management services fees corresponding to compensation earned by the chief financial officer and the chief operations officer, who are expatriate employees from the Issuer’s shareholders (the amount earned by these officers is approved by the Issuer’s board of directors, and the sums paid are periodically billed to the Issuer by the respective employers of these persons).

Services Agreement with Globalvía Inversiones

On March 11, 2013, the Issuer and Globalvía Inversiones, which is 100% owned by Globalvía, entered into a services agreement, pursuant to which Globalvía Inversiones agreed to provide all the necessary services related to obtaining the final service order designating completion of Section II of the Toll Road.

In exchange for the services, the Issuer agreed to pay for all costs incurred plus a 7% margin, capped at EUR 550,000, as well as a success fee of EUR 161,000 if the final service order for Section II of the Toll Road was obtained prior to December 31, 2015. In accordance with its terms, the agreement was terminated on July 30, 2015, when the Issuer obtained the final service order for Section II of the Toll Road.

Services Agreement with Globalvía Inversiones

On December 20, 2013 the Issuer and Globalvía Inversiones, entered into another services agreement, pursuant to which Globalvía Inversiones agreed to provide, upon the Issuer’s request, certain business related services, which include: (i) negotiating or assisting the Issuer in negotiations with the Grantor or any other public entity and with any construction contractor or other services provider; (ii) managing any financial transactions, including the management of any financing and the negotiation of any refinancing; (iii) during the operation phase of the Project, reviewing the investments the Issuer may carry out, reviewing the budgeting and the economic plans of the Issuer, as well as performing traffic analysis; (iv) providing software and other necessary information systems; (v) providing legal, regulatory, tax, accounting and insurance services or assistance; and (vi) providing human resources services. The Issuer may at any time request a specific service to be provided by Globalvía Inversiones, and the Issuer and Globalvía Inversiones will then agree on the scope of the relevant service to be provided.

The Issuer agreed pay current market rates for the services. If any reference market rate is unavailable, the Issuer agreed to pay for all costs incurred plus a 7% margin, plus all expenses incurred by Globalvía Inversiones on behalf of the Issuer.

The agreement provides for a one-year term that renews automatically until terminated by either party (i) with immediate effect after such party gives notice that the other party has repeatedly breached its obligations under the agreement; or (ii) upon three months’ written notice if there is no cause. In addition, the agreement will be automatically terminated if the Issuer ceases to belong to the group of Globalvía, or ceases to be directly or indirectly owned by Globalvía Inversiones.

Consulting Services Agreement with Global Vía Infraestructuras Chile S.A.

On January 2, 2015, the Issuer and Globalvía Infraestructuras Chile S.A. (“GVI Chile”), a subsidiary of Globalvía, entered into a consulting services agreement pursuant to which GVI Chile agreed to provide strategic, financial and management consulting services to the Issuer.

The Issuer agreed to pay a service fee to GVI Chile, based on an hourly rate of the persons at GVI Chile involved in the services, plus a 7% margin. The consulting service agreement does not have a stated termination date, and it may be terminated by either party upon 30 days’ written notice.

Issuer's Loan to Shareholders

On the Closing Date, the Issuer intends to use part of the proceeds of the notes to fund a one-time loan to any or all of its Shareholders for an approximate aggregate principal amount of up to U.S.\$106.2 million. Pursuant to the terms of the Issuer's Loan to Shareholders, all payments of principal and interest will be set off against the Issuer's non-distributed profits. The Issuer's Loan to Shareholders will mature on (i) the date on which the Concession Agreement is terminated, (ii) the date on which the Issuer's Loan to Shareholders is repaid in full or (iii) July 1, 2033, whichever comes first.

DESCRIPTION OF THE PRINCIPAL PROJECT DOCUMENTS

The following summaries of certain provisions of the Concession Agreement, the ETC QuickPass Agreement and the STT Toll Collection Agreement are not complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of such agreements, including the definitions therein. Copies of the Concession Agreement, the ETC QuickPass Agreement and the STT Toll Collection Agreement will be provided for inspection upon written request of any holder of a note or any potential purchaser of any note to the Issuer. Documents will be provided in their original language. Unless otherwise stated, any reference in this offering memorandum to any agreement shall mean such agreement and all schedules, exhibits and attachments thereto, as amended, supplemented or otherwise modified and in effect as of the date hereof.

The Concession Agreement

Overview

On May 14, 2001, pursuant to an international bidding process, the Grantor awarded to the Cartellone – Acosol Consortium, the Concession for the Project. Subsequently, and in accordance with the requirements established by the LCOP, the Cartellone – Acosol consortium formed COVISA to enter into to the Concession Agreement. On December 18, 2001, the Grantor and COVISA executed the Concession Agreement. On March 9, 2006, SNC-Lavalin de Costa Rica, S.A., Jose Cartellone Construcciones Civiles, S.A. and COVISA assigned their rights and obligations under the Concession Agreement to the Shareholders and the Issuer.

The Concession has a term of 25 years and six months from the date of the initiation order, which occurred on January 9, 2008. The Concession can be terminated early if the net present value of the net toll collections (for purposes of calculating the NPV, Co-participation payments are netted and toll collections from exempted government and public service vehicles are deducted) (calculated in November 29, 2000 constant U.S. dollars and at an annual discount rate of 11.62%) (the “NPV”) reaches the maximum NPV quoted. In the original bid for the Project submitted on May 14, 2001, the maximum NPV quoted was U.S.\$258 million (the “Original NPV”). In 2015, pursuant to a Settlement Agreement with the Grantor, the Original NPV was increased to U.S.\$301.4 million (the “Current NPV”). The NPV is calculated on a monthly basis.

Under the terms of the Concession Agreement, the Issuer bears the risk of estimating gross toll collections, net toll collections, the construction costs and equipment, operating and maintenance expenses used in projecting traffic and the NPV. Exceptions to this assumption of risk include the provisions in the Concession Agreement relating to restoring the “economic financial equilibrium of the Concession Agreement” and the provisions relating to the payment of the Minimum Guaranteed Income. These provisions are described in more detail below under “—Economic Financial Equilibrium Adjustments” and “—Economic Matters—Minimum Guaranteed Income”, respectively.

The Concession Agreement has been amended seven times, on June 24, 2003 (first amendment), June 10, 2004 (second amendment), March 9, 2006 (third amendment), March 14, 2007 (fourth amendment), October 4, 2007 (fifth amendment), and July 30, 2015 (sixth and seventh amendments). Only the first, second, third and fifth amendments have been ratified by the General Comptroller and are effective. The fourth, sixth and seventh amendments have not been ratified by the General Comptroller, and are therefore not in effect. In addition, the Concession Agreement was further modified by the Complementary Agreement, dated July 1, 2008, and the Transaction Agreement, dated July 30, 2015. The material terms and conditions of the amendments in effect include: (i) changes in the procedure to adjust the toll rates, (ii) an increase in the NPV to restore the economic financial equilibrium of the Concession Agreement, (iii) changes in the mechanism to calculate the Minimum Guaranteed Income, (iv) the creation of a guarantee trust (which will be amended and restated in connection with the issuance of the notes and the Local Notes pursuant to the A&R Payment and Guarantee Trust Agreement), (v) the reflection of the changes in the structure and control of the Issuer, (vi) an extension of the term of the Concession and (vi) changes in the table that setting forth the Grantor’s Co-participation amounts. The Concession Agreement was further amended on July 30, 2015 through an amendment to the settlement agreement, dated March 2, 2015 between the Issuer, the Grantor and the Costa Rican government (the “Settlement Agreement”). For a description of the Settlement Agreement, see “—Settlement Agreement” below.

Below is a description of the current material terms of the Concession Agreement, including all amendments thereto, as of the date of this offering memorandum.

Term

The term of the Concession Agreement is 25 years and six months from the date of execution of the initiation order, which occurred on January 9, 2008. Accordingly, unless extended, the Concession ends on July 9, 2033. As long as the Issuer is in compliance with the terms and conditions of the Concession, the term of the Concession Agreement can be extended to a total of 50 years (including all extensions) by mutual agreement of the parties. Accordingly, in no event shall the term of the Concession be extended beyond January 2058.

The Concession Agreement can be terminated early if the Current NPV is reached before the expiration of the term. See “—Economic Financial Equilibrium Readjustments” for a description of the mechanisms and conditions to reestablish the economic financial equilibrium under the Concession Agreement.

Finance Obligations

The Issuer is responsible for obtaining any financing needed for the performance of its obligations under the Concession Agreement. The Issuer can place in trust, pledge or encumber all income derived from the operation of the Project, as well as any payments it receives from the Grantor pursuant to the Concession Agreement. In addition, the Issuer’s shareholders are authorized to transfer 100% of the Issuer’s share capital to the A&R Payment and Guarantee Trust (as described below).

Change of Control and Assignment

The change of control regime applicable to the Issuer is regulated under the Concession Agreement and by articles 31.4 and 46.2 of the Costa Rican Concession Law and articles 45.3 and 73.3 of its related regulations, which establish that the “awardee” of a concession (here, the Issuer’s Shareholders) must always hold at least 51% of the share capital of the concessionaire (here, the Issuer) during the construction phase of the concession, and any transfer of shares of the concessionaire during this period may not result in a decrease of such percentage. During the operational phase of the project, any transfer of the aforementioned 51% share capital of the Issuer must be previously and expressly authorized by the Grantor, and the transferee must not have any limitations or prohibitions for contracting with the Costa Rican government.

However, should the “awardee” of the Concession be a consortium, such as the Shareholders, then the members of such consortium can freely transfer the shares of the Issuer among themselves, or in any other way modify the proportion of each of their holdings in the Issuer, without the need of any authorization from the Grantor, as long as they jointly hold, at all times, the necessary 51% participation in the share capital of the Issuer, and each of the members of the consortium holds, at all times, a percentage of participation in the Issuer. The transfer of the other 49% of the share capital of the Issuer will not require any type of authorization from the Grantor, as long as the transferee does not have any limitations or prohibitions for contracting with the Costa Rican government, however, any such transfer must be notified to the Grantor within the following eight business days.

Since the Project is in the operational phase, the Shareholders are required at all times to retain 51% of the share capital of the Issuer. The remaining 49% can be freely transferred following written notice to the Grantor within eight business days, if the new owner of the shares is not forbidden from contracting with the Costa Rican government. Any transfer of 50% or more requires prior and express approval by the Grantor.

The transfer of the 100% of the Issuer’s share capital to the A&R Payment and Guarantee Trust and the subsequent transfer of such shares in accordance with the A&R Payment and Guarantee Trust are not considered a “change of control” event under the Concession Agreement.

Additionally, the Concession Agreement may be subject to assignment, which is regulated under article 36 of the Costa Rican Procurement Law and article 209 of its related regulation, as well as article 30.2 of the Costa Rican Concession Law and article 45.3 of its related regulations. According to such regulations, the Issuer’s Shareholders may partially or entirely assign their rights and obligations under the Concession Agreement, for qualified public interest reasons or in the case of a justified fortuitous event or *force majeure*. Any such assignment

requires prior and express authorization from the Grantor. Any assignment of more than a 50% interest in the Concession Agreement also requires prior and express authorization from the General Comptroller of Costa Rica (*Contraloría General de la República*). Should the assignment be authorized and become effective, the assignee shall be deemed for all effects and purposes the concessionaire and the assignor shall be released from any and all responsibility in regards to the concessionaire and the assignor(s).

Change in Law

The Concession Agreement provides that the Grantor must adjust the economic financial equilibrium of the Concession Agreement if there are certain changes in law or direct government action that result in significant increases in the costs of the Concession or adversely affect the Issuer's profitability. In particular, the economic financial equilibrium of the Concession Agreement must be adjusted if the relevant governmental agencies impose changes in the conditions and requirements for environmental protection that result in significant increases to the costs agreed under the Concession Agreement. Furthermore, the economic financial equilibrium of the Concession Agreement must also be adjusted to compensate the Issuer for (i) the adoption of new measures or policies, including the approval of new laws and regulations levying new costs, duties or additional taxes, (ii) the failure of the Costa Rican government to comply with its governmental obligations, or (iii) the direct or specific adverse result of unilateral measures or acts adopted by the Costa Rican government, in each case, when such changes, omissions or acts by the government adversely affect the Issuer's profitability.

Economic Matters

Compensation

In consideration for constructing, improving, rehabilitating, maintaining and operating the Toll Road, the Issuer has the right to receive all net toll collections obtained from vehicles using the Toll Road during the Concession's term, up to the Current NPV. The original maximum toll rate was set at U.S.\$2.70 per lightweight vehicle (calculated in November 29, 2000 constant U.S. dollars). The maximum rate per lightweight vehicle is used to calculate all other toll rates applicable to other types of vehicles and is subject to adjustments as described under "—Rates and Rate Adjustments" below.

In addition to toll collections, the Issuer is entitled to receive income from general commercial services in the mandatory rest areas and from new commercial services requested by third party vendors. The Grantor must authorize any new commercial services and the related third-party rights of way. The commercial services set out in the Concession Agreement include: obtaining access to landlocked properties; improving existing legal accesses; installing ducts, pipes and cables and towers; putting up advertising along the Toll Road; and providing other complementary services such as restaurants and gas stations inside the rights of way of the Toll Road. The Issuer receives de minimis income from commercial services.

Other income from the Project include the payment of the Minimum Guaranteed Income and, if the conditions are met, the Road Safety Award described under "—Rates and Rate Adjustments—Adjustments Relating to the Operation of the Toll Road—Road Safety Award". In 2015, the Minimum Guaranteed Income mechanism became available for the first time to the Issuer. See "—Minimum Guaranteed Income" below for a description of the conditions and requirements to receive the Minimum Guaranteed Income.

Under the Concession Agreement, the Grantor is entitled to Co-participation in toll collections if certain conditions are met. See "—Government Co-participation and other payments to the Grantor" for a description of the conditions that must be met for the Costa Rican government to co-participate in the Project's tolls collections income.

NPV

Under the Concession Agreement, the compensation that the Issuer will receive from the Grantor for executing the Project is expressed in terms of the NPV of tolls collected during the operation of the Toll Road. The Original NPV calculated in the original bid for the Project on November 29, 2000 was U.S.\$258 million. Pursuant to the Concession Agreement, it was agreed that the Original NPV was enough to cover all investments during the term of the Concession, including all financial, management and maintenance expenses, as well as net equity from the

quoted investment and any other applicable operating expenses. For purposes of calculating the NPV, all toll and tariffs collected during the Concession period are considered without inflation based on the constant 2000 toll rate and discounted at an annual rate of 11.62. The Concession Agreement provides that the Current NPV can be adjusted proportionally to reflect the payment of the Road Safety Award or certain additional investments by the Issuer. The Current NPV can also be adjusted to reestablish the economic financial equilibrium of the Concession Agreement.

Pursuant to the Settlement Agreement, the NPV set out in the Concession Agreement was increased in 2015 by U.S.\$43.4 million to the Current NPV of U.S.\$301.4 million (calculated in November 29, 2000 constant U.S. dollars) in order to adjust the economic financial equilibrium of the Concession Agreement. Pursuant to the Settlement Agreement, net toll collections received by the Issuer during the lifespan of the Concession shall be allocated first to the Original NPV of U.S.\$258.0 million. If the Concession Agreement is terminated early for any reason (other than reaching the Current NPV), or if the term of the Concession expires, and, in each case, the Issuer has not received the additional U.S.\$43.4 million agreed in the Settlement Agreement, the Issuer would receive a payment under the Settlement Agreement if the net toll collections received by the Issuer at termination are less than the Current NPV. If the net toll collections received by the Issuer at termination are less than or equal to the Original NPV, the Issuer would receive the full U.S.\$43.4 million (adjusted according to the U.S. CPI from November 29, 2000 to the then current payment year). If the net toll collections received by the Issuer at termination are greater than the Original NPV but less than the Current NPV, the Issuer would receive an amount equal to the difference between the Current NPV and such net toll collections. This onetime payment shall be made within 90 days following the early termination of the Concession Agreement or the expiration of its term. Interest on such payment will accrue after 90 days until payment is made at the prime rate calculated in accordance with Costa Rican law.

The U.S.\$43.4 million increase in the Original NPV shall not be taken into account for the calculation of any other compensation or amounts agreed by the parties in the Concession Agreement. Furthermore, the Settlement Agreement stipulates that the Grantor’s obligation with respect to the payment of the additional U.S.\$43.4 million survives in the event that any other obligation relating to the increased Current NPV is declared null, ineffective, unenforceable or void or is suspended or otherwise impossible to satisfy.

If the Current NPV is reached, the Concession Agreement will terminate automatically and the Issuer must deliver all Concession assets to the Grantor on the last day of the month in which the Current NPV is reached. The Issuer calculates the NPV monthly in November 29, 2000 constant U.S. dollars and at an annual discount rate of 11.62%.

Minimum Guaranteed Income

The Concession Agreement includes a contractual mechanism whereby the Grantor grants to the Issuer the right to receive a minimum level of income on a yearly basis, once the entire Project has reached its operation phase and for the duration of the Concession’s term (the “Minimum Guaranteed Income”). The Issuer did not have a right to the Minimum Guaranteed Income during the construction phase nor when the Project was operating partially. Accordingly, the Minimum Guaranteed Income became available to the Issuer for the first time in 2015 after the final service order was granted by the Grantor following the substantial completion of the Project. The Minimum Guaranteed Income is available during the remainder term of the Concession.

The Concession Agreement sets the Minimum Guaranteed Income per year of operation from July 31, 2015 as set forth in the table below.

Year in Operation⁽¹⁾	Minimum Guaranteed Income in November 29, 2000 constant U.S. dollars	Year in Operation	Minimum Guaranteed Income in November 29, 2000 constant U.S. dollars
1	28,700,000	11	45,770,000
2	30,530,000	12	47,200,000

Year in Operation⁽¹⁾	Minimum Guaranteed Income in November 29, 2000 constant U.S. dollars	Year in Operation	Minimum Guaranteed Income in November 29, 2000 constant U.S. dollars
3	32,530,000	13	48,690,000
4	34,700,000	14	50,220,000
5	37,640,000	15	51,810,000
6	39,640,000	16	53,450,000
7	40,790,000	17	54,450,000
8	41,980,000	18 (6 months)	27,735,000
9	43,210,000		
10	44,470,000		

(1) Year 1 beginning on July 31, 2015.

Because the Minimum Guaranteed Income is calculated in U.S. dollars, the amount to be paid each year is adjusted in accordance with the U.S. CPI. In addition, the Minimum Guaranteed Income will be adjusted if the Current NPV is increased to maintain the economic financial equilibrium of the Concession Agreement. Finally, in the event that the Concession Agreement is terminated early because of a breach by the Issuer, the Issuer will not be entitled to the payment of the Minimum Guaranteed Income starting with the year of such termination.

To access the Minimum Guaranteed Income, the Issuer must be in compliance with all payments to the Grantor under the Concession Agreement and have all the required guarantees (as described below) in place. In addition, the Project's gross annual income for the relevant year of operation must be less than the corresponding Minimum Guaranteed Income set forth in the table above, and greater than 80% of the Issuer's potential gross toll collections for the year. The Issuer's potential gross toll collections represents the Issuer's income from gross toll collections for a certain year of operation of the Concession, expressed in U.S. dollars in accordance with the tariffs included in the original bid for the Project and adjusted to inflation for the corresponding year. Under the Concession Agreement, the Costa Rican government agreed to issue a liquidity bond through the Costa Rican National Treasury in the amount of U.S.\$10.0 million to guarantee the payment of the Minimum Guaranteed Income in the event that such payment is not included in the national budget or paid when due.

To access the Minimum Guaranteed Income payment mechanism, the Issuer must notify the Grantor no later than May 30th of the year it wishes to avail itself of the Minimum Guaranteed Income for the next year. The Issuer must also pay a non-refundable fee of 1% of the Minimum Guaranteed Income (the "Minimum Guaranteed Income fee") by December 15th of the applicable year. Within eight days of the notification to the Grantor, the Issuer must post a bond to guarantee the payment of the Minimum Guaranteed Income fee. This bond must remain in place until December 31st of the applicable year and it is reimbursed 15 days after the Minimum Guaranteed Income fee is paid. The Issuer may opt out of the Minimum Guaranteed Income by November 15th of the applicable year.

The Grantor shall pay the Minimum Guaranteed Income, if it becomes due and payable, no later than the tenth business day of February of the year following the year on which the Issuer availed itself of the Minimum Guaranteed Income. The Issuer requested the Minimum Guaranteed Income for the July 15, 2016 to July 15, 2017 period prior to May 30, 2016 and, within eight days of notifying the Grantor, posted a bond to guarantee the payment of the Minimum Guaranteed Income fee.

Government Co-participation and other payments to the Grantor

The Grantor is entitled to Co-participation in the Issuer’s gross toll collections if the Issuer’s annual gross toll collections during the previous year of operation is greater than the estimated potential gross toll collections stated in the Concession Agreement, adjusted for inflation, set forth in the Co-participation table included in the Concession Agreement (the “Co-participation”) and reproduced below.

Year in Operation(1)	Estimated gross toll collections in November 29, 2000 constant U.S. dollars	Year in Operation	Estimated gross toll collections in November 29, 2000 constant U.S. dollars
1	31,010,000	13	45,940,000
2	32,300,000	14	46,820,000
3	33,620,000	15	47,730,000
4	34,860,000	16	49,160,000
5	36,170,000	17	50,630,000
6	37,670,000	18	52,150,000
7	37,720,000	19	53,720,000
8	37,640,000	20	55,330,000
9	39,150,000	21	56,990,000
10	40,710,000	22	58,700,000
11	42,330,000	23	60,460,000
12	44,090,000		

(1) Year 1 beginning in 2011.

The annual amounts collected from tolls will be calculated by an inspecting engineer appointed by the Grantor (the “inspecting engineer”) during the first 10 days of the following year based on monthly amounts in U.S. dollars provided by the Issuer. If the conditions for Co-participation are met, the Issuer is required to pay to the Grantor 50% of the difference between (i) the Issuer’s annual gross toll collections (minus toll collections from exempted government and public service vehicles which are not used to calculate Co-participation payments) and (ii) the estimated potential gross toll collections stated in the Concession Agreement (adjusted for inflation) set forth in the Co-participation table. This payment must be made within the first 15 days of the following year.

Each year, the Issuer will pay to the Grantor 1% of the gross profits received in *colones* as compensation for the costs incurred by the Grantor in connection with the inspection and monitoring of the Concession Agreement during the previous year. This 1% will be calculated based on the certification of the Issuer’s audited gross profits and audited financial statements provided each year to the Grantor.

In addition, each month the Issuer will deliver to the Grantor 6% of any income received for other services provided under the Concession Agreement. These other services include the exploitation and development of the commercial zones within the rest areas, but exclude services provided in connection with the collection of toll rates.

Rates and Rate Adjustments

The basic maximum toll rate to be charged for a full journey in each direction is U.S.\$2.70 for lightweight vehicles (automobiles, motorcycles and light cargo vehicles) in November 29, 2000 constant U.S. dollars. This maximum toll rate is used to calculate the applicable rate for other types of vehicles. The table below sets forth the initial rates per type of vehicle. For the rates for type of vehicle as of March 31, 2017, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations–Overview”.

Type of vehicle	x Maximum Rate	Rate (November 29, 2000 constant U.S. dollars)	Rate as of March 31, 2017
Lightweight	x 1	U.S.\$2.70	U.S.\$3.74
Buses	x 2	U.S.\$5.40	U.S.\$7.48
Heavy trucks (2 -3 axles)	x 2.5	U.S.\$6.75	U.S.\$9.35
Heavy trucks (4 axles)	x 4.42	U.S.\$11.93	U.S.\$16.53
Heavy trucks (5 or more axles)	x 6.33	U.S.\$17.09	U.S.\$23.67

The rates are paid in *colones*, rounded to the nearest multiple of ten *colones*. Each toll plaza charges a portion of the overall base tariff by vehicle, and driving the entire route would result in a toll equal to the full tariff. The rates are subject to adjustments as described below. As of March 31, 2017, the lightweight vehicle rate was U.S.\$3.74.

The Concession Agreement provides for two types of rate adjustments based on the factors triggering the adjustment. The first type of adjustment relates to changes in the economic environment that are not related to the operation of the Toll Road itself, such as the devaluation of the Costa Rican *colón* against the U.S. dollar or external inflation measured by the U.S. CPI. The second type of adjustment relates to factors affecting the operation and maintenance of the Toll Road and new investments in the Project and requires a written study setting forth the variables to be applied to implement the adjustment. Adjustments relating to the operation of the Toll Road include: the application of the Road Safety Award; compensation for peak hour traffic in certain segments of the highway; compensation for new or Consubstantial Investments; or indemnification to re-establish the economic financial equilibrium of the Concession Agreement.

Economic Adjustments

The toll rates charged on the Toll Road are regulated by the Concession Agreement, and adjusted pursuant to ordinary and extraordinary adjustments.

Ordinary adjustments. Ordinary adjustments take place (i) annually, on December 31st, to reflect positive or negative variations in the U.S. CPI, and (ii) quarterly, on March 31st, June 30th, September 30th and December 31st, to reflect variations in the accumulated depreciation or appreciation of the *colón* against the U.S. dollar. Ordinary economic adjustments must be submitted for review by a project manager appointed by the Grantor (the “Project Manager”) (*Gerencia del Proyecto*), which has five business days from the date the Issuer submits its proposal to review and approve the adjustment. If no objections are received within these five business days, the Issuer can proceed with the proposed rate adjustment. The Issuer must publicly announce the new fee structure at least five calendar days prior to implementation of the new rates through publication in two newspapers with wide circulation and by posting temporary signs and notices along the Toll Road, particularly near the pay stations. The Issuer may be subject to fines if the Project Manager determines that there was an error in the calculation and the rate increase has already been implemented.

Extraordinary adjustments. Extraordinary adjustments reflect variations of 5% or more in the U.S. CPI or the accumulated depreciation or appreciation of the *colón* against the U.S. dollar. Extraordinary adjustments are reviewed by the Grantor’s technical department (the “Technical Secretariat”) (*Secretaría Técnica*) within five business days of receipt of the Issuer’s application. If no objections are received within five business days, the Issuer may implement the extraordinary adjustment. The Issuer must publicly announce the extraordinary adjustment five calendar days prior to implementation, through publication in two newspapers with wide circulation and the posting of temporary signs and notices along the Toll Road, particularly near the pay stations. Any calculation errors in a proposal that is later implemented will result in fines. Extraordinary adjustments in connection with exchange rate

variations exceeding 5% have only occurred twice in the past four years: in February 7, 2014 and March 5, 2014, when the Costa Rica *colón* suffered volatility as a result of uncertainty around the Costa Rican parliamentary and presidential elections and the ongoing international financial crisis.

Adjustments Relating to the Operation of the Toll Road

Road Safety Award. Beginning with the fourth year of full operations, or 2019, the Issuer may increase toll rates up to 5% if it is able to demonstrate a significant reduction in the number of car accidents and fatalities throughout the Toll Road as compared to the previous year. This award is not cumulative. It is calculated and granted on a year-by-year basis on each year that the Issuer applies for it. The amount of the rate increase is calculated based on a formula set forth in the Concession Agreement, taking into account the reductions in accidents and fatalities. The determination and calculation of the number of accidents and fatalities is based on the official statistics provided by the traffic police, adjusted to reflect the statistics provided by the Costa Rican National Insurance Institute (*Instituto Nacional de Seguros*). The amounts relating to the Minimum Guaranteed Income and the Grantor's Co-participation payment for the relevant year must be adjusted proportionally in each year in which the Road Safety Award is granted.

Adjustments for peak traffic hours and congestion. The Grantor may require that the Issuer implement a rate increase in any of the three segments of the Toll Road to alleviate traffic congestion. To apply the peak traffic adjustment, traffic must be at an average speed of less than 40 km/hr for at least 30 minutes. Speed measurements must be taken ten times per hour during a four week period. Under the Concession Agreement, the Issuer is responsible for managing the payment stations efficiently so as to maintain the optimal flow of traffic. Accordingly, peak traffic hour rate increases are not permitted if the congestion is caused by lack of capacity or other inefficiencies in any payment station.

If the conditions described above are met, the Issuer must present a report to the Technical Secretariat of the Grantor for its approval of the increased toll rate. The increase in the rate will be implemented once the information provided by the Issuer is corroborated and approved by the Technical Secretariat. The increased rate will be 10% higher than the regular rate for each type of vehicle. It will apply only in the affected segment of the Toll Road during periods of at least 30 minutes. To encourage driving during off peak hours, the peak hour rate increase may be counterbalanced by a similar decrease in rates. If congestion persists after three months following the introduction of the increased toll rate, further increases of 10% can be implemented until traffic exceeds 40 km/hr, subject to a maximum increase of 100% from the current maximum toll rate.

The peak hour increase does not apply to buses with regular routes, except for tourist or excursion buses. In addition, if traffic congestion at the pay station results in an average waiting time of eight minutes or more and a toll collection remedy plan has been approved by the Grantor or the installation of additional lanes has not been conducted in accordance with the Concession Agreement, the Issuer must allow the free passage of vehicles through the toll station until there is no longer any congestion. As of the date of this offering memorandum, the Issuer has not experienced delays resulting in the free passage of vehicles.

New Investments and Substantial Investments

New Investments

The Concession Agreement provides mechanisms for the execution of new investments if the Project has to be improved or expanded during the term of the Concession because the work performed is not sufficient to satisfy the required service and quality levels (the "New Investments").

Substantial Investments

The Concession Agreement provides for the expansion of the Toll Road to four lanes in the Orotina – Caldera and Ciudad Colón – Orotina sections, and to six lanes in the San José – Ciudad Colón section in order to accommodate traffic, if traffic volume reaches certain thresholds (the "Substantial Investments"). The Issuer must submit a technical report certifying that the works agreed in the Concession Agreement for the term of the Concession are not sufficient to provide the level of services required by the public and that the general public will benefit from the expansion of the Toll Road. The technical report must include the details of the additional works

needed. A budget for the new works must be prepared once the parties have agreed the scope of the new works. The parties' agreement shall include an estimate of traffic volumes for the remaining term of the Concession, with and without the Consubstantial Investment.

Consubstantial Investments shall not be considered part of the original investment for purposes of calculating the Issuer's compensation for the additional works. The Issuer must provide a construction guarantee equivalent to 5% of the agreed value of the Consubstantial Investment. The Issuer is entitled to additional compensation if (i) the parties agree that part of the compensation for the Consubstantial Investment will be in the form of an increase in toll rates, and (ii) following completion of the Consubstantial Investment, the traffic demand is lower than that projected without considering the Consubstantial Investment. The additional compensation is calculated as the difference in actual demand and the demand projected without considering the Consubstantial Investment, and it will be paid through the re-establishment of the economic financial equilibrium of the Concession Agreement. Therefore, beginning the date the toll rate increase is put in place, the parties are required to verify annually the traffic demand and the difference between actual and projected traffic.

Common Terms

New Investments and Consubstantial Investments may be either imposed unilaterally by the Grantor, for public interest reasons, or agreed upon between the Grantor and the Issuer, and then the costs budgeted for those New Investments and Consubstantial Investments must be reflected in a complementary agreement to be entered into between the Grantor and the Issuer, which must also be endorsed by CGR. In no event, however, can the cost of the New Investments exceed 25% of the total investment amount quoted in the original bid for the Project. There is no limit with respect to the cost of the Consubstantial Investments as there is with the New Investments.

The Issuer cannot be required to make a New Investment or a Consubstantial Investment within the last two years before the term of the Concession expires. The Grantor will compensate the Issuer for the costs of any New Investments or Consubstantial Investments plus a profit margin no lower than 15.95% annually.

The compensation for New Investments and for Consubstantial Investments imposed unilaterally by the Grantor must be funded in cash, through a direct payment to the Issuer. Other payment mechanisms provided for in the Concession Agreement and described below are not available. Prior to unilaterally requiring any New Investments or Consubstantial Investments, the Grantor must ensure that there are funds allocated within the budgetary cycle to pay for such investments. If the New Investments or the Consubstantial Investments extend beyond a budgetary period, the Grantor must take the necessary steps to guarantee the payment of its obligations.

The national budgetary process is regulated by the Costa Rican constitution and by the Costa Rican Financial Administration Act of the Republic and Public Budgets. The national ordinary budget is issued on a yearly basis and covers the period from January 1 to December 31. The ordinary budget includes all probable revenues and all authorized public administration expenses for a certain fiscal year. The extraordinary budget includes expenses arising after the ordinary budget has been approved that must be covered by the Costa Rican government. Such budgets set the limit on governmental expenditures and may only be amended by law. Any proposed amendment to increase or create expenses must be supported by new revenue. The National Budget General Department (*Dirección General de Presupuesto Nacional*) prepares the national budget for a given year. The national budget must reflect the priorities established in the national development plan (*Plan Nacional de Desarrollo*). As per the Costa Rican constitution, the Costa Rican congress is entitled to enact the law that approves the national budget. In this regard, the Costa Rican treasury department (Ministerio de Hacienda) delivers to the congress the draft of the national budget by September 1st of each year, and a congressional sub-committee provides an initial report to the congress's finance committee which has to approve it and then send the national budget bill of law to discussion and obtain the approval (in two occasions) of the congress in full prior or on November 30 of each year.

Except as described above, the compensation for the New Investments or the Consubstantial Investments agreed upon with the Issuer may be funded by the Grantor by: (i) adjusting toll rates upward, (ii) extending the Concession's term up to 50 years, (iii) adjusting the Current NPV to reflect the new investment, (iv) making a direct payment, in the form of a onetime payment or in installments, or (v) a combination of (i) to (iv). If a portion of the compensation or indemnification paid to the Issuer is implemented through an increase in toll rates, the Minimum Guaranteed Income and Co-participation tables must also be adjusted to reflect the income the Issuer receives from the New Investments or the Consubstantial Investments, as applicable.

The Issuer cannot refuse to carry out a New Investment or a Consubstantial Investment if: (i) the investment's rate of return is equivalent to the rate of return included in the original bid for the Project (15.95% calculated based on annual inflation of 2%); (ii) the net toll collections at the time of the investment (calculated from the beginning of the Concession to the date the investment is implemented) equals 90% of the total income from the toll rates indicated in the original bid for the Project, (iii) the additional income to be generated by the investment are bankable, and (iv) the investment does not result in a breach of any debt coverage ratio assumed by the Issuer in its financing agreements.

If the entities financing the New Investment or Consubstantial Investment are not willing to finance 100% of the investments agreed between the Issuer and the Grantor, the Issuer shall only contribute such amount as would allow it to maintain and not exceed the 80:20 debt to equity ratio required by the Concession Agreement; and the Grantor shall assume the balance of the financing not covered by the financing banks.

If the Issuer and the Grantor are unable to agree on the need for a New Investment or a Consubstantial Investment, the Grantor may unilaterally require the new works for reasons of public interest. Any such New Investment or Consubstantial Investment can only be requested before the last two years of the Concession's term and must be funded in cash, through a direct onetime payment to the Issuer, unless otherwise agreed between the parties. Other payment mechanisms provided for in the Concession Agreement, such as toll rate increases or adjustments to the Current NPV, are not available. In addition, if the New Investment or the Consubstantial Investments required by the Grantor alters the economic financial equilibrium of the Concession Agreement, the Grantor must reestablish the equilibrium by making a onetime cash payment to the Issuer. The other forms of reestablishing the economic financial equilibrium of the Concession Agreement are not available.

Economic Financial Equilibrium Readjustments

The Issuer may request that the Grantor modify the terms and conditions of the Concession Agreement to reestablish the "economic financial equilibrium" existing at the time the agreement was made if such equilibrium is changed or altered as a result of: (i) unilateral measures implemented by the Grantor or other Costa Rican governmental entities, (ii) *force majeure* or fortuitous events adversely affecting the Issuer's ability to perform its financial obligations under the Concession Agreement or (iii) costs and losses not covered by insurance. The Grantor must show that the financial equilibrium has been changed.

Requests for the reestablishment of the economic financial equilibrium adjustment can be made at any time during the term of the Concession. If the parties do not agree on the terms of the adjustment, the parties must submit the matter to arbitration pursuant to the procedures set forth in the Concession Agreement.

If the economic financial equilibrium is reestablished through an adjustment in toll rates, the Minimum Guaranteed Income and the Grantor's Co-participation payment must be adjusted proportionally. In addition, the agreement to modify the toll rates must be approved by the Public Services Regulatory Authority (*Autoridad Reguladora de los Servicios Públicos*).

The Costa Rican government shall readjust the economic financial equilibrium of the agreement if the government puts in place new environmental law requirements and conditions that result in a material increase in the costs of the Project. Similarly, the Costa Rican government shall readjust the economic financial equilibrium of the Concession Agreement in all instances where new laws and regulations result in new costs, tariffs or taxes that affect adversely the profitability of the Project.

Insurance

The Issuer is required, at its sole cost and expense, to obtain and maintain throughout the operational phase of the Concession the following insurance policies: (i) all-risk liability insurance for completed works, (ii) civil liability insurance, (iii) automobile liability insurance, and (iv) all other insurances required by Costa Rican law, including workmen compensation insurance. To the extent practicable under market conditions, all insurance policies should be issued in U.S. dollars.

The insurance policies should contain automatic renewal clauses and clauses forbidding the termination or revocation of the policy by the Issuer, absent written approval from the Grantor. In addition, the Grantor shall be named beneficiary of or co-insured under all policies.

The all-risk liability insurance must include coverage for catastrophic events, including without limitation, earthquakes, floods, hurricanes, volcanic eruptions, and landslides, and the insured amount must be equal to the total value of the replacement cost of the completed works, expressed in adjustable units. The insured limit can never be less than 25% of the total value of the replacement cost of the completed works, and must include a maximum deductible of 2% of the total value of the completed works.

The Issuer must take all necessary precautions to avoid any damages to third parties or properties, and shall be the sole party responsible for any such damages caused by the operation of the Project. The insured amount may not be less than U.S.\$3,000,000 per event and U.S.\$10,000,000 as the annual aggregate limit, and must have a maximum deductible of 10% per event.

If the Grantor is required to make any indemnification payments for damages to third parties, properties, or vehicles under the civil liability insurance or the automobile liability insurance (which covers any vehicles in transit within the Project area), such amounts shall be paid directly by the Issuer and charged to these insurance policies. The Issuer shall be responsible for covering any difference if the insured amount is insufficient to pay any indemnifications. This cover amount shall be paid by the Issuer to the Grantor within 10 days before the Grantor has to make such indemnification payments, and in case of default of this obligation, the Issuer shall be subject to the corresponding penalties.

Guarantees

Under the Concession Agreement, the Issuer agreed to provide the following guarantees: performance, construction, operation and environmental. All guarantees will be deposited with nationally recognized insurance companies or a national bank. The guarantees may be provided by an international bank that has a correspondent bank in Costa Rica and the guarantees are issued and enforceable in accordance with Costa Rican law.

The operation and environmental guarantees must be in place throughout the term of the Concession. In the event that a guarantee expires prior to the Concession's term, the Issuer must put in place a substitute guarantee. The operation Guarantee will be returned to the Issuer within 30 days following the expiration of the Concession.

Operation Guarantee. The operation guarantee was a condition precedent to the Grantor's authorization to commence the operation of the Toll Road and it represents 5% of the estimated annual costs of operating and maintaining each segment of the Toll Road. In the tender rules, the Costa Rican government estimated the Project's total operation and maintenance costs during the operational phase at U.S.\$5,000,000 per year. The operation guarantee shall remain in place for as long as the Concession is operating. The guarantee provided during the construction phase shall be returned to the Issuer at the time operation starts and the operation guarantee is provided.

Environmental Guarantee. The Issuer must provide two environmental guarantees. First, the Issuer must demonstrate to the Grantor that it has satisfied the requirements relating to the environment set forth by SETENA and provide a guarantee in the amount of U.S.\$1 million. This guarantee shall be deposited in a custody account at the *Banco Nacional de Costa Rica*.

Second, the Issuer must put in place an environmental performance guarantee in an amount to be determined by SETENA in accordance with the relevant rules and regulations. If this performance guarantee exceeds U.S.\$1 million, the Grantor will reimburse the difference to the Issuer.

Both environmental guarantees will be determined by SETENA and reviewed annually to reflect any changes in environmental protection regulations.

In the event of a default by the Issuer, and without prejudice to any other sanctions established by law, these guarantees may be executed in accordance with the Costa Rican Concession Law and Procurement Law and their related regulations, the public tender rules and the Concession Agreement, as well as in accordance to the terms of the guarantees themselves.

Penalties

The Issuer is subject to penalties and fines in certain circumstances stipulated by Costa Rican law and the Concession Agreement. Any fines imposed shall not be considered a cost or operating expense with respect to maintaining the economic financial equilibrium of the agreement, nor will they be considered in connection with tariffs and rate readjustments. Except for fines calculated by reference to the Costa Rican minimum wage, all fines shall be paid in U.S. dollars or the equivalent in *colones* based on the referenced exchange rate published by the Costa Rican Central Bank at the time of payment. The fines and penalties stipulated in the Concession Agreement are described in more detail below.

Fines for Other Issues

The Issuer is subject to a fine of U.S.\$250 per day if there is an unjustified delay in the fulfillment of its obligations under the original bid for the Project or the Concession Agreement and the agreement does not specify the amount of the fine.

Fines under Costa Rican Legal Provisions

The Issuer is subject to a fine of 150 minimum salaries payable in *colones* (approximately 63.3 million *colones* (U.S.\$114,485), as of the date of this offering memorandum) for: (i) unauthorized use of waters, minerals or other materials found during the construction of the Project, (ii) failure to put in place a temporary route when access to the existing roads is interrupted, (iii) failure to maintain the Toll Road, road access, signage, and services as provided under the Concession Agreement, (iv) unauthorized use of the Toll Road or the provision of unauthorized services, and (v) operation of the Toll Road prior to receipt of the initiation order.

Fines During the Operational Phase of the Project

During the operational phase of the Project, the Issuer is subject to the following fines and penalties as follows:

- U.S.\$50,000 per day for the total or partial interruption of service without prior consent of the Grantor;
- U.S.\$100,000 every time the Issuer breaches the Concession Agreement by charging rates above the authorized maximum;
- U.S.\$5,000 per day for undue congestion at the pay stations as a result of non-compliance with the congestion relief plans or failure to build additional lanes within the six months term granted to do so;
- U.S.\$10,000 per month for failure to provide the required statistical information within five days of the dates agreed in the Concession Agreement;
- U.S.\$10,000 per day for failure to make timely payments to the Grantor;
- U.S.\$1,000 per day for failure to comply with the maintenance and service standards required under the Concession Agreement, *provided* that such failure continues after the remedy period agreed with the Project Manager has expired; and
- U.S.\$1,000 per day for failure to comply with other requirements established under the Concession Agreement, as instructed by the inspecting engineer, *provided* such failure continues after the remedy period to put in place the inspecting engineer's instructions has expired.

The penalties under the Concession Agreement during the operational phase of the Project are capped at a maximum of 1% of gross toll collections for the applicable year. Penalties above 1% of gross toll collections will result in a reduction of the term of the Concession. The reduction is calculated as one day for every U.S.\$10,000 above the 1% of gross toll collections. The maximum reduction in the term is three months.

If a breach of the Concession Agreement results in the imposition of fines, the Issuer may request a five-day cure period, prior to the breach, *provided* that the five-day period does not adversely affect the Grantor or third

party users of the Toll Road. In the event that the cure period is not approved by the Grantor or the Issuer has not remedied the breach within the period, the Grantor will notify the Issuer of the amount of the fine to be paid and commence the related administrative procedure.

Force Majeure or Fortuitous Events

Failure to comply with the provisions of the Concession Agreement will not be deemed a contractual breach if caused by force majeure or fortuitous events outside the control of the parties. To be released from its obligations under the agreement, the party invoking force majeure or a fortuitous event must notify the other party and provide a description of the event, its effects and any actions taken to resolve it.

Any party wishing to invoke the force majeure provisions under the Concession Agreement to excuse a delay in compliance with its obligations, must do so by notifying the other party in writing as soon as possible after the date of the event, but no later than five days from the date the event has ceased or eight business days from the date the party became aware of the event, whichever occurs first. The party invoking the force majeure or fortuitous event must provide reasonable proof of the causes for the delay and its consequences under the agreement. The parties will use reasonable efforts to (a) prevent, minimize or mitigate the effects of any delay or breach caused by the fortuitous event or force majeure, including substituting with acceptable options any third party service providers, equipment or materials and (b) restart operations as soon as practicable following the end of the fortuitous or force majeure event.

For an event to be considered “force majeure” or “fortuitous” it must be extraordinary, inevitable, unpredictable and unknown to the parties. For all purposes under the Concession Agreement, any change in the law or applicable regulations or a judicial disposition that prevents the Issuer from fulfilling its obligations under the Concession Agreement, shall be deemed force majeure or a fortuitous event, *provided* that the change in law or adverse judicial disposition is not the result of the Issuer’s acts or negligence. If, as a result of the change in law or judicial disposition, the Issuer suffers damages, the Issuer should be compensated through a direct payment from the Grantor in accordance with the economic financial equilibrium provisions under the Concession Agreement.

Suspension and Termination of the Concession

Temporary Suspension

The construction of the Project or the operation of the Concession can be suspended temporarily in the following circumstances:

- as a result of force majeure or a fortuitous event that prevents temporarily the provision of services;
- as required by the Grantor for reasons of public interest properly proven, in which case the Grantor should indemnify the Issuer in order to maintain the economic financial equilibrium of the Concession Agreement; or
- when required by the Issuer in accordance with applicable law.

Early Termination of the Concession Agreement

The Concession Agreement can be terminated by the Grantor for cause if (i) the Issuer fails to put in place or renew the guarantees required under the original bid for the Project and the Concession Agreement or (ii) there is a material breach of the Concession Agreement. Any termination resolution will be preceded by an administrative proceeding. The Grantor has the right to enforce the Guarantees following a final administrative resolution against the Issuer.

The Concession can also be extinguished for the following reasons:

1. expiration of the Concession’s term on the date agreed in the agreement or when the Current NPV has been reached by the Issuer. All agreements entered by the Issuer in connection with the operation of the Project shall provide that such agreements are terminated when the Concession’s term expires;

2. impossibility due to actions taken by the Costa Rican government;
3. appropriation of the Project by the Grantor for public interest reasons. The Grantor has the right to unilaterally recover the Concession for public interest reasons in order to operate the Project and provide the related services. The appropriation of the Concession shall be agreed through a reasoned opinion of the competent body as provided under Costa Rican law and the Concession Agreement;
4. mutual accord of the parties, subject to prior approval by the Issuer's creditors, if applicable;
5. material breach by the Issuer of its obligations under the original bid for the Project and the Concession Agreement;
6. bankruptcy of the Issuer; and
7. the occurrence of a force majeure or fortuitous event

Upon extinguishment of the Concession, all rights, property and equipment transferred or acquired prior to the extinguishment, shall be returned by the Issuer to the Grantor free of liens and at no cost.

Termination Payment

- *Reaching Current NPV – no termination payment.* If the Concession is extinguished because the Current NPV is reached prior to the Concession's agreed term, the Issuer must return all rights, property and equipment as if the end of term had been reached, and there is no obligation for the Grantor to make any termination payment to the Issuer. Sixty days prior to the end of the term of the Concession, the Issuer is required to prepare an inventory of the property and equipment.
- *Mutual agreement of the parties – negotiated termination payment.* If the Concession is extinguished as a result of mutual agreement, the Grantor and the Issuer must come to an agreed termination payment amount.
- *Reasons not attributable to the Issuer – costs and expenses less accumulated depreciation plus 50% of the present value of pre-tax lost profit.* If the Concession is extinguished for reasons not attributable to the Issuer, the Issuer shall have the right to receive a termination payment equal to incurred costs and expenses minus accumulated depreciation at the time of termination, plus 50% of the present value of pre-tax lost profit resulting from the termination, including, among others, legal, fiscal, contractual or financing costs. There is no long-stop date by which the termination payment must be made. See "Risk Factors—The Issuer's receipt of any termination payment amount under the Concession Agreement may be subject to substantial delays".
- *Force majeure or fortuitous event – costs and expenses less accumulated depreciation plus other costs.* If the Concession is extinguished as a result of a force majeure or fortuitous event, the Issuer is entitled to receive as termination payment equal to all incurred costs and expenses, less the accumulated depreciation as of the date of the event, plus other costs such as legal, contractual, fiscal or financial not contemplated in the value of its investment, or the costs and expenses actually incurred by the Issuer. The Grantor shall not indemnify the Issuer, if for reasons attributable to the Issuer, it cannot recover from the insurances required to be put in place by the Issuer naming the Grantor as beneficiary.
- *Reasons attributable to the Issuer – costs and expenses less accumulated depreciation less damages caused to the Grantor.* If the Concession is extinguished for reasons attributable to the Issuer (e.g. default of the Issuer), the Issuer is entitled to receive, a termination payment equal to incurred costs and expenses, minus accumulated depreciation at the time of extinguishment. In addition, the Grantor shall be entitled to deduct from such termination payment any damages incurred due to the Issuer's default. Such damages will be calculated by the Grantor in accordance with the Concession Agreement.

Basis for calculation of Termination Payment

In the event the Concession is terminated early for reasons not attributable to the Issuer, the incurred costs and expenses, depreciation and pre-tax lost profit will be determined as follows:

- *Incurred costs and expenses.* Incurred costs and expenses includes those expenses and investments relating to the Issuer's investment in the Project, as approved and ratified by the Grantor and relating to the following items, at their current value on the month in which the early termination occurred:
 1. Construction works subject to the Concession approved by the Grantor by means of Agreement No. 2 (*Acuerdo No. 2*) of the Grantor's Extraordinary Session No. 09-07 held on October 2, 2007, which amounted to U.S.\$229.9 million (applicable only for calculating the termination payment taking into consideration the Issuer's investment in construction works, as a lump sum payment);
 2. new investments approved by the Grantor;
 3. systems, equipment and installed toll stations;
 4. administrative expenses incurred between March 9, 2006 and the completion of the construction phase;
 5. capitalized interests, bank fees and other financial expenses until completion of the construction phase;
 6. insurance policies; and
 7. maintenance expenses and expenses relating to the initiation order for each section of the Toll Road.
- *Depreciation.* Depreciation will be calculated using the straight-line depreciation method as per the lifespan of works and equipment detailed in the following table:

WORKS	Accounting (Lifespan in years)
Section 1 Construction Works	23
Section 2 Construction Works	23
Section 3 Construction Works	23
EQUIPMENT	
Computers	5
Equipment and Office Furniture	10
Generator Sets	10
JD Edwards Software Purchase	23
Vehicles (officers of the Issuer)	10
Transfer vehicles	7
Roadside inspection	10
Personnel transfers	7
Lightweight tow-truck	15
Heavyweight tow-truck	15
Pick Up (operation)	10
Fixed scale	10
Booths	23
Central equipment (Hard and Soft)	5
CCTV – Toll Stations	10
Variable Message Panels	20
Telephony	10
Radio Communication	10
Traffic control system	5
Data Communication (modems)	5

- *Pre-tax lost profit.* Pre-tax lost profit will be calculated as follows:

PV(EBIDTA): Present Value (to month x) of the Issuer's loss of benefits, calculated in accordance with the original bid for the Project before taxes, plus any loss of benefits related to new investments, if applicable. The period covers from month x until the end of the Concession, pursuant to the following formula:

$$PV(EBITDA)_x = \sum_{i=x}^S \frac{EBITDA_i}{[1 + (r/12)]^{(i-x)}}$$

Where: S = the total term of the Concession, in months

r = the total discount rate defined as the Project's expected profit margin: (15.95%, according to the original bid of the Project, to be adjusted assuming an annual inflation of 2%).

EBITDA = the sum of (i) income, (ii) operating costs of exploitation, (iii) routine maintenance, (iv) periodic maintenance, (v) reimbursement of inspection costs, (vi) insurance and guarantees, (vii) implementation costs, and (viii) Minimum Guaranteed Income. The EBITDA to be used to estimate the pre-tax profit lost was included in the original bid, and corresponds to the information set out in Annex A to this offering memorandum.

In addition to the termination payment described above, if the Concession is terminated early for any reason, other than reaching the Current NPV, the Issuer will receive up to U.S.\$43.4 million pursuant to the Settlement Agreement described below.

The Issuer's receipt of the termination payment is subject to a number of factors. In particular, all termination payments to the Issuer or its creditors must be approved by the General Controller of Costa Rica (*Contraloría General de la República*), and the Issuer and Grantor may disagree as to the amount of any termination payment. See "Risk Factors—Risks Related to the Concession Agreement—The Grantor and the Issuer may disagree as to the amount of the termination payment in the case of the early termination of the Concession Agreement."

Payment pursuant to the Settlement Agreement

If the Concession Agreement is terminated for any reason before the Current NPV is reached, the Issuer is entitled to a payment of up to U.S.\$43.4 million as described under "—Settlement Agreement".

Payment and Guarantee Trust

The Grantor authorizes the Issuer's Shareholders to put in trust 100% of the share capital of the Issuer as part of the guarantees to be provided for the financing of the Project. The Issuer established a trust in connection with the Bankia/BCIE Term Loan, which will be modified pursuant to the A&R Payment and Guarantee Trust Agreement. The Shareholders of the Issuer, as settlers, transferred into such trust, as fiduciary property, their shares for the benefit of the Issuer's creditors. Under the Concession Agreement, the trustee of the Payment and Guarantee Trust must be a bank that belongs to the Costa Rican National Banking System. Currently, the trustee of the Payment and Guarantee Trust is Scotiabank de Costa Rica, S.A. The Issuer will always be responsible to its creditors and shall have the right to put in place any guarantees required by them. Neither the Grantor, nor the Costa Rican government shall be responsible for any debt or other obligations of the Issuer.

The A&R Payment and Guarantee Trust shall provide for the execution of the trust when there is a force majeure or fortuitous event resulting in the termination of the Concession Agreement, as well as instances where the Concession Agreement is terminated due to a breach by the Issuer (except in the event of bankruptcy), due to measures adopted by the Costa Rican government for public interest reasons, due to bail-out of the Concession, or due to mutual agreement. The occurrence of one of these events triggers the mechanism to execute the Payment and

Guarantee Trust and the trustee must appoint a third party approved by the Grantor to temporarily administer the trust until the shares of the shareholders are sold. Any income received during the temporary administration of the Payment and Guarantee Trust, net of operating and maintenance costs to run the Project will be used to serve the debt owed to the Issuer's creditors.

The trustee of the Payment and Guarantee Trust shall arrange for the sale of the Issuer's shares to a third party that satisfies the conditions to become a concessionaire under the Concession. In no event shall the new concessionaire be part of the economic group of the Issuer. The Concession will be extinguished if the shares of the Issuer are not sold within a six month period and a new concessionaire is not approved by the Grantor, unless an extension is requested and expressly granted by the Grantor.

During this six-month period (or any extensions thereof), the Trustee can appoint a third party to assume the temporary administration of the Concession, which must be approved by the Grantor. The Grantor must be notified at all times of any issues regarding the temporary administration of the Concession.

Any income received during this temporary administration period of the Concession, net of operating and maintenance costs to run the Project, shall be used to pay the debt owed to the Issuer's creditors. If the amount available to pay the creditors is not sufficient, they should be paid *pro rata* to their lending.

At all times, the Grantor shall ensure the continuous provision of services and seek the protection of the Toll Road users and the Issuer's creditors. Accordingly, the Grantor shall promptly initiate the legal proceedings to appoint a new concessionaire under the Concession Agreement. It shall also establish a creditors' committee to represent the creditors during the proceedings to appoint a new concessionaire.

Any termination payments due to the Issuer shall be payable to the Payment and Guarantee Trust trustee for the benefit of the trust's beneficiaries.

Governing Law and Dispute Resolution

The Concession Agreement is governed by the laws of Costa Rica. Any disputes between the Issuer and the Grantor will be resolved in the following order: (i) first, through the administrative courts of Costa Rica pursuant to the administrative rules and procedures set forth in the Concession Agreement and the Public Works Concession Act (*Ley de Concesión de Obra Pública*), or (ii) second, in certain circumstances specified in the Concession Agreement, through mediation or arbitration pursuant to the Costa Rican Alternative Dispute Resolution and Promotion of Social Peace Act Number 7727 of December 4, 1997.

Prior to submitting a dispute to arbitration, the parties have the option of mediating those matters that cannot be settled at the administrative level in accordance with the terms of the Concession Agreement or where the parties have different interpretations of the agreement. Agreeing to participate in mediation does not prevent a party from filing a formal arbitration procedure at a later date. Nor does it allow a party to avoid the expiration of any applicable statute of limitation or the payment of any fines or penalties due under the Concession. The mediation shall be conducted by one or more professionals chosen by mutual accord of the parties.

The parties can submit to arbitration any dispute arising from the Concession Agreement that: (i) relates to interpretation, performance, liquidation, resolution or indemnification under the agreement and that cannot be resolved at the administrative level through the procedures established in the Concession Agreement, or (ii) can only be suitably resolved through a judicial procedure, or (iii) has not been submitted to mediation by either party. Such arbitration will be subject to the terms of the Concession Agreement and the Alternative Dispute Resolution Act Number 7727.

The authorization to arbitrate disputes under the Concession was granted by the executive branch of the Costa Rican government and is incorporated and forms part of the Concession Agreement. The arbitration shall be at law and the proceedings shall be governed by the laws of Costa Rica. The place of arbitration shall be San José, Costa Rica. The language of the arbitration shall be Spanish and the requesting party shall be liable for the payment of any necessary translations.

The procedure and rules for the arbitration shall be those provided in the Costa Rican Alternative Dispute Resolution and Promotion of Social Peace Act, No. 7727. In addition, the arbitration may be conducted under the rules of the Center for Arbitration of the Costa Rican Chamber of Commerce, the rules of the Center for Arbitration of the American Chamber of Commerce or the rules of the International Chamber of Commerce, *provided* that such rules do not contravene Costa Rican law. If no agreement between the parties is reached on which rules to apply, then the Rules of Arbitration of the International Chamber of Commerce shall apply.

The dispute resolution provisions described above do not apply to any matters within the competence of, or that need to be reviewed by, the Public Utilities Regulatory Agency.

The Settlement Agreement

The Issuer invoked the arbitration provisions of the Concession Agreement on January 20, 2012. The controversy concerned the alleged breach by the Grantor of its obligations under the fifth amendment to the Concession Agreement. In the fifth amendment, the Issuer and the Grantor had agreed to reestablish the economic financial equilibrium of the Concession Agreement within 24 months from January 9, 2008 (the date of the initiation order) in order to reflect certain additional extraordinary expenses incurred by the Issuer as a result of delays in the construction of the Project. The arbitration was conducted in accordance with the rules of the Center for Arbitration of the Costa Rican Chamber of Commerce.

On March 2, 2015, the Issuer, the Grantor and the Costa Rican government submitted a Settlement Agreement to the arbitration tribunal. On March 18, 2015, the arbitration tribunal rendered its settlement award and approved the Settlement Agreement. In the Settlement Agreement, the parties acknowledged and agreed the amount to be paid for cost overruns pursuant to the fifth amendment to the Concession Agreement. The agreed amount to reestablish the economic financial equilibrium of the Concession Agreement was set at U.S.\$43,377,209.79. The parties further agreed that this amount would be paid through an increase in the NPV for the Project. As a result, all references to the NPV in the Concession Agreement are deemed to include this increase.

As described above under “—The Concession Agreement—Economic Matters—NPV”, net toll collections received by the Issuer during the lifespan of the Concession shall be allocated first to the Original NPV of U.S.\$258.0 million. If the Concession Agreement is terminated early for any reason (other than reaching the Current NPV) or if the term of the Concession expires and, in each case, the Issuer has not received the additional U.S.\$43.4 million agreed in the Settlement Agreement, the Issuer would receive a payment under the Settlement Agreement if the net toll collections received by the Issuer at termination are less than the Current NPV. If the net toll collections received by the Issuer at termination are less than or equal to the Original NPV, the Issuer would receive the full U.S.\$43.4 million (adjusted according to the U.S. CPI from November 29, 2000 to the then current payment year). If the net toll collections received by the Issuer at termination are greater than the Original NPV but less than the Current NPV, the Issuer would receive an amount equal to the difference between the Current NPV and such net toll collections.. This onetime payment shall be made within 90 days following the early termination of the Concession Agreement or the expiration of its term. Interest on such payment will accrue after 90 days until payment is made at the prime rate calculated in accordance with Costa Rican law.

The U.S.\$43.4 million increase in the NPV shall not be taken into account for the calculation of any other compensation or amounts agreed by the parties in the Concession Agreement. Furthermore, the Settlement Agreement stipulates that the Grantor’s obligation with respect to the payment of the additional U.S.\$43.4 million survives in the event that any other obligation relating to the increased NPV is declared null, ineffective, unenforceable or void or is suspended or otherwise impossible to satisfy.

On July 30, 2015, the Grantor and the Issuer executed an amendment to the Settlement Agreement whereby they ratified the conditions established in the Settlement Agreement and modified the Settlement Agreement in order for it to become valid and binding upon execution.

On August 20, 2015, the arbitration tribunal concluded the arbitration proceeding and ordered the case closed.

Complementary Agreement

The Issuer, the Grantor and the Shareholders entered into a complementary agreement on July 1, 2008 (the “Complementary Agreement”), whereby the parties agreed to undertake certain necessary New Investments to the Project under the Concession Agreement.

These New Investments were required prior to the construction of Sections II and III, as well as for the development of the works already initiated in Section II. They are intended to enhance the security, durability and service of the Project and adapt it to the needs and current conditions of the users, with improvements in transit capacity, functionality and local connectivity.

The Concession Agreement sets forth the following New Investments:

- Repair of the rigid pavement in Section I in the area between La Sabana and Escazú exchange.
- Repair and reinforcement of existing structures of Sections I and III.
- Additional investments to improve the capacity and functionality of certain exchanges of Section I.
- Other necessary New Investments agreed under the Complementary Agreement include:
- Implementation of a new transit management plan, adapted to the programming and current needs of the construction works on the Toll Road.
- Works to avoid additional expropriation procedures.
- Structures to improve local connectivity conditions.
- Additional investments for the construction of fences and closures along Section II of the Project.

The Issuer is responsible for the maintenance of the New Investments under the Complementary Agreement during the term of the Concession Agreement.

The Issuer must (i) extend the insurance coverage originally required under the Concession Agreement to include all additional works under the Complementary Agreement, (ii) deliver a construction guarantee equal to 5% of the value of the New Investments under the Complementary Agreement, and (iii) deliver an exploitation guarantee equal to 5% of the estimated cost of operation and annual maintenance of the works under the Complementary Agreement.

The Grantor will compensate the Issuer for costs incurred under the Complementary Agreement through a direct payment mechanism in accordance with the monthly estimates presented by the Issuer.

Transaction Agreement

The Issuer, the Grantor and the Costa Rican government entered into a transaction agreement on July 30, 2015 (the “Transaction Agreement”) whereby the parties agreed certain elements relating to the execution of the Concession Agreement and the scope of the agreed construction works to be performed by the Issuer. Pursuant to the Transaction Agreement the parties agreed that:

1. The costs relating to certain construction works in the El Coyol interchange, the Rincon Chiquito, Siquiaries and Turrucars marginal roads and Ramp D of the Balsa Interchange, all in Section II of the Toll Road did not represent additional costs to the Issuer and accordingly were deemed to be part of the Original NPV included in the original bid for the Project. Accordingly, the Issuer cannot seek additional compensation from the Grantor or the Costa Rican government for such constructions works, including through measures such as adjusting the NPV to reestablish the economic financial equilibrium of the Concession Agreement. The parties acknowledged that these works were completed and delivered to the satisfaction of the Grantor.

2. The parties agreed to complete certain construction works pending in Sections I and III of the Toll Road within 25 and 30 weeks of the later of (i) the ratification of the sixth amendment to the Concession Agreement, (ii) the date on which the relevant land plots become available and (iii) the date on which the additional works are approved by the Grantor. These works include the extension of the Cajon – Pozos segment and access to the extensions in Section I and the construction of four ramps in the La Rita exchange in Section III. The parties agreed that the cost of these works was included in the calculation of the Original NPV under the original bid for the Project. Accordingly, these works do not involve additional costs, and the Issuer cannot seek additional compensation from the Grantor or the Costa Rican government in connection with these works. However, the parties agreed that if the Grantor did not deliver the required land prior to August 31, 2015, the Issuer had the right to assert a readjustment of the price of the works pursuant to the Concession Agreement. The land was delivered prior to the deadline. These works have not been completed.
3. The parties agreed that the Issuer would complete certain additional minor works in Section II of the Toll Road that were not included in the scope of the Concession Agreement and the original bid for the Project within 50 weeks of the later of (i) the ratification of the sixth amendment to the Concession Agreement, (ii) the date on which the relevant land plots become available or (iii) the date on which the additional works are approved by the Grantor. The parties further agreed to waive any claims relating to these works that arose prior to the execution of the Transaction Agreement. The parties further agreed that if the Issuer fails to satisfy the timetable set forth in the Transaction Agreement for completion of these works, it would be subject to the fines provided for in the Concession Agreement. These minor works have not been completed.
4. After reviewing the works described in 1 to 3 above as well as other completed works, the parties agreed that there was a balance of U.S.\$639,201 due in favor of the Grantor and that such balance would be used by the Grantor to pay the costs of the additional new works needed in Section II, as described in 3 above.
5. The parties agreed to amend the Concession Agreement through the seventh amendment to clarify the methodology used to calculate the NPV. Although the seventh amendment was not ratified by the CGR, the parties agreed that as of May 31, 2015, the accumulated NPV was U.S.\$124,041,766.

Because the sixth amendment to the Concession Agreement is not likely to be ratified as of the date of this offering memorandum, the Issuer is not required to perform the obligations under 2 and 3 above. Nevertheless, the Issuer intends to complete these works as described above.

Davivienda Toll Collection Services Agreement

Overview

On December 11, 2008, the Issuer entered into a tolling services agreement (the “Davivienda Agreement”) with Banco Davivienda (Costa Rica) S.A. (formerly known as Banco HSBC (Costa Rica S.A.)) (“Davivienda”), whereby Davivienda undertook to provide the Issuer with the electronic toll collection services, distribution of tags and management of the tariff collection. The Davivienda Agreement was amended on December 12, 2013 to extend its term to December 12, 2018.

Obligations of Davivienda

Pursuant to the Davivienda Agreement, Davivienda agreed to (i) provide and distribute the tokens to the users, and managing the collection of tariffs from the users’ accounts in Davivienda or from the payment method selected by the user; (ii) distribute and maintain the tags in, at least, its branches in the Toll Road’s area of influence; (iii) set up a system that allows the tags to be repaid with credit or debit cards from other banks or through direct debit from accounts in other banks, *provided* that these other banks are allowed by the Issuer; (iv) set up a call center to deal with users’ claims; (v) develop and maintain a system that tracks the payments and tariff collection; and (vi) pay for the tokens and any and all taxes and costs associated to their distribution.

Obligations of the Issuer

Pursuant to the Davivienda Agreement, the Issuer agreed to (i) have the electronic toll collection system installed in the Toll Road; (ii) develop an IT system that verifies and registers the transactions made with tokens; (iii) deliver to Davivienda the statistical information collected with regards to the use of tags on the Toll Road; and (iv) deliver to Davivienda the list of transactions made with tags in the prior 30 days, as well as the photographic evidence of the transaction in case the user has placed a claim with respect to such transaction.

Commission

Davivienda receives a variable commission, linked to the amount of toll rates collected with its tags, ranging from 0.5% to 1% of the amount of toll rates.

Termination

The Davivienda Agreement may be terminated: (i) by expiration of its term; (ii) by agreement between the parties; (iii) by breach of any of the parties of any of the undertakings included in the Davivienda Agreement; (iv) if any of the parties enters into insolvency or begins insolvency proceedings; (v) if any of the parties' directors or representatives are sentenced for financial crimes, are involved in acts against moral, customs or laws, or make any act that hinders the good name or reputation of the other party; (vi) termination of the Concession Agreement or loss of the right to operate the Concession; and (vii) by unilateral decision of any of the parties, with at least one year prior notice to the other party.

Assignment

The Davivienda Agreement or the rights granted therein may be assigned by any of the parties with the consent of the other party.

Governing Law

The Toll Collection Service Agreement is governed by the laws of the Republic of Costa Rica. All disputes arising under the agreement shall be resolved through arbitration in Costa Rica pursuant to the rules of the Center for Arbitration of the Costa Rican Chamber of Commerce and the Costa Rican Alternative Dispute Resolution and Promotion of Social Peace Act Number 7727 of December 4, 1997.

ETC QuickPass Agreement

Overview

On May 27, 2010, the Issuer entered into a tolling services agreement (the "ETC QuickPass Agreement") with ETC Peajes Electrónicos, S.A. ("ETC Peajes"), whereby the Issuer granted ETC Peajes a master license to distribute and manage the electronic toll collection for the QuickPass ETC system. The ETC QuickPass Agreement has been amended four times. It was last amended on May 8, 2015. The material terms and conditions of these amendments include: (i) expanding the scope of the license to include other sales channels and recharging options and prices for prepaid tokens, (ii) changing the fee schedule for the amount to be charged for the tokens and (iii) extending the term of the ETC QuickPass Agreement to May 27, 2020.

Scope of the License

Pursuant to the license granted by the Issuer to ETC Peajes, ETC Peajes can:

1. Enter into agreements with entities authorized by the Issuer to distribute the QuickPass (the "Participating ETC Distributors") and collect payments on a prepaid, debit or credit card basis.
2. Receive on a daily basis information about all credit and debit transactions processed by those enterprises that accept the QuickPass electronic token as payment, such as Toll Road operators, parking operators, and gas stations (the "Affiliated Businesses"). ETC Peajes must distribute the information received from the Affiliated Businesses to the Participating ETC Distributors for

collection of amounts due from the user. For purposes of the ETC QuickPass Agreement, the Issuer is an Affiliated Business.

3. Receive (on a daily basis) the account statements produced by the Participating ETC Distributors and distribute the consolidated statements to the Issuer or other Affiliated Businesses.
4. Enter into an agreement with a Costa Rican bank approved by the Issuer for the debit and credit of the Participating ETC Distributors' accounts in accordance with ETC Peaje's instructions, or in the event of a breach of the ETC QuickPass Agreement by ETC Peajes, the Issuer's instructions.
5. Enter into agreements with other Affiliated Businesses previously approved by the Issuer for the inclusion of the QuickPass electronic payment as a form of payment.

In addition, the Issuer and ETC Peajes agreed to offer QuickPass on a prepaid basis subject to the following conditions:

1. The tokens may be acquired at Walmart stores or at other places designated by ETC Peajes. The prepaid tokens should be added to the White List described below in order for the users to be able to use them immediately after purchase
2. The prepaid tokens can be recharged electronically at Walmart, Mas x Menos, Maxi Bodega and Pali locations. Additional recharging places can be added, such as ATMs.
3. The user must be informed of how long it will take for the recharge to be processed. Recharges during business hours should be credited the following day.
4. Recharges should be available for 10,000, 15,000, 25,000 and 50,000 *colones*. These amounts will be increased when they are not sufficient to cover a category 2 round trip.
5. The users must be offered the option of receiving SMS notifications regarding their balance and checking their balance and receiving monthly statements through a designated website, www.quickpasscr.com.

Obligations of ETC Peajes

Under the ETC QuickPass Agreement, ETC Peajes is responsible, among others, for:

1. Entering into a required number of agreements with Participating ETC Distributors, of which at least one must be a public bank with at least 150 branches throughout Costa Rica;
2. Importing and distributing the tokens at its own cost, under the trademarks, models and specifications previously approved by the Issuer;
3. Ensuring compliance with the applicable commercial policy;
4. Ensuring that the tokens are sold by the Participating ETC Distributors at the prices stipulated in the ETC QuickPass Agreement;
5. Processing all transactions required under the agreement on a daily basis;
6. Processing any claims by the Participating ETC Distributors, for which it will develop a platform in which the Participating ETC Distributors can log on, indicate their claims and follow-up on the process;
7. Selling the tokens to the Participating ETC Distributors or other authorized distributors and keeping a detailed registry of which tokens are assigned to each Participating ETC Distributor, which must be delivered to the Issuer;

8. Putting in place a payment and invoicing system;
9. Including an obligation in the agreements entered into with the Participating ETC Distributors whereby the Participating Distributors undertake to provide the QuickPass users the necessary information for them to use for tax deduction purposes;
10. Providing an agreed number of QuickPass tokens to the Issuer for its use of the Toll Road in the course of business;
11. Ensuring that all advertising by the Participating ETC Distributors relating to QuickPass is previously approved by the Issuer, which has a maximum of three business days to approve, reject or condition the requests it is presented with;
12. Incorporating into the agreements with the Participating ETC Distributors an undertaking of a minimum distribution of tokens;
13. Delivering to the Issuer a bank guarantee for U.S.\$5,000, to guarantee that the information relating to the transactions is delivered on a daily basis and is true and correct, which may be executed by the Issuer if ETC Peajes does not comply with this obligation 3 times during a given month, and if the guarantee is executed, ETC Peajes must renew it or otherwise the Issuer may terminate the agreement; and
14. Incorporating into the agreements with the Participating ETC Distributors an obligation for them to issue a guarantee for a minimum of U.S.\$10,000 in favor of the Issuer to secure the transactions of the past ninety (90) days.

In addition, ETC Peajes is responsible for providing the White, Gray and Black Lists described below to the Issuer and processing the payment to the Issuer of all QuickPass transactions sent to ETC Peajes for settlement by the Participating ETC Distributors. All payments to the Issuer shall be made into the A&R Payment and Guarantee Trust created in connection with the Project's financing. In the event of delays in the payment by ETC Peajes to the Issuer, a 2% monthly penalty interest will be charged by the Issuer.

The White List shall include all authorized QuickPass users. The Black List shall include those users who are not authorized to use QuickPass. The Gray List shall include those users using prepaid tokens that have low balances. ETC Peajes and the Issuer must update and exchange these lists every 24 hours.

With respect to the clearance of the QuickPass transactions, ETC Peajes is responsible for, among others; (i) delivering to the Issuer the aforementioned lists; (ii) arranging the corresponding clearance and payment to the Issuer of the QuickPass transactions during the business day following receipt of the information, which is made directly into the A&R Payment and Guarantee Trust, and is subject to a 2% default interest rate if payment is made with more than a 15-day delay; (iii) ensuring compliance with the corresponding procedure in case of claims by users of the system; and (iv) not charging more than the official toll rate.

Obligations of the Issuer

Under the ETC QuickPass Agreement, the Issuer is responsible for, among others:

1. Acknowledging and accepting the commissions paid to the Participating ETC Distributors, which must be paid by the Issuer to the Participating ETC Distributors on the 15th day of each month (or the following business day if such day is not a business day);
2. Not entering into any other agreements or documents similar to the ETC QuickPass Agreement, unless ETC Peajes is in default of its obligations;
3. Maintaining the ETC system in good condition;
4. Putting in place the required IT system to monitor the traffic going through the toll using QuickPass;

5. Overlooking and following up on the traffic going through the toll stations using QuickPass, as well as the recording of the corresponding information;
6. Providing preferential access to users of QuickPass, as long as they are not on the Black List;
7. Providing the necessary technical support to ETC Peajes for the operation of the system;
8. Promoting to the best of its capabilities the use of the system through road signals and proper instructions;
9. Providing ETC Peajes detailed information of all transactions with QuickPass at each toll station;
10. Selecting, together with ETC Peajes, the supplier of the tokens; and
11. Complying with its obligations relating to the electronic toll system set out in the Concession Agreement.

In addition to the obligations set out above, regarding the liquidation of the QuickPass transactions, the Issuer is responsible for, (1) providing ETC Peajes within 30 days the list of authorized QuickPass transactions and, if a user challenges a charge, photographic evidence of the transaction; (2) taking responsibility for the total value of the transaction in case of charges disputed by a user if there is no photographic evidence of the transaction or the vehicle in the photo is not the one associated with the token. (However, the Issuer shall not be liable for disputed charges notified to it more than 90 days after the transaction); and (3) taking responsibility for the total value of the transaction in case that the token or user is part of the Black List.

Commissions

ETC Peajes is entitled to charge to the Issuer, in representation of the Participating ETC Distributors, the following maximum commissions, based on the total annual amount of QuickPass transactions: (i) 0.80% for transactions between U.S.\$0 and U.S.\$2,000,000; (ii) 0.64% for transactions between U.S.\$2,000,001 and U.S.\$6,000,000; (iii) 0.56% for transactions between U.S.\$6,000,001 and U.S.\$8,000,000, and (iv) 0.40% for transactions greater than U.S.\$8,000,001.

Termination

The agreement can be terminated: (i) at the expiry of its term; (ii) by mutual agreement of the parties; (iii) in the event of a breach by ETC Peajes of its obligations under the agreement; (iv) if any of the parties is adjudicated bankrupt, goes into liquidation or transfers its rights under the agreement to its creditors, (v) if any director or representative of either party is prosecuted for committing a financial crime or crime of similar nature, (vi) if the Concession Agreement is terminated early or the Issuer loses its rights to operate the Toll Road, or (vii) after the first three years of the term of the agreement, by the unilateral decision of either party, with at least six months prior notice to the other party.

If the ETC QuickPass Agreement is terminated for other reasons or without following giving the required notice set forth above, in addition to any damages the parties may be entitled to, the party that did not cause the termination will be entitled to a U.S.\$250,000 termination payment.

Assignment

ETC Peajes cannot negotiate, assign or transfer in any way, whether partially or completely, ETC QuickPass Agreement or the rights granted therein, without prior written authorization from the Issuer. The Issuer may assign the ETC QuickPass Agreement to another corporation of its group, who will grant the licenses to be used in those businesses that accept QuickPass transactions that are not on the Toll Road.

Governing Law and Dispute Resolution

The ETC QuickPass Agreement is governed by the laws of the Republic of Costa Rica. All disputes arising under the agreement shall be resolved through arbitration in Costa Rica pursuant to the rules of the Center for

Arbitration of the Costa Rican Chamber of Commerce and the Costa Rican Alternative Dispute Resolution and Promotion of Social Peace Act Number 7727 of December 4, 1997.

STT Toll Collection Service Agreement

Overview

On October 18, 2012, the Issuer and S.T.T. Group de CR S.A. ("**STT**") entered into a Toll Collection Service Agreement pursuant to which STT carries out certain specific activities necessary for the collection of cash at the toll stations of Escazú, Ciudad Colón, San Rafael, Atenas and Pozón (the "Toll Collection Services"). These Toll Collection Services include collecting and processing all tolls collected from the Issuer's toll stations covered by such agreement, preparing monthly invoices detailing the services rendered and depositing the cash collected from the toll stations into a safe deposit vault.

The agreement had an initial term of one year commencing on November 13, 2012. Such term is automatically extended unless earlier terminated by either party in writing with at least 60 days notice, or in the event of a material breach by either party.

Obligations of STT

Pursuant to the agreement, STT is responsible for complying with all labor and occupational health regulations with respect to the employees rendering the Toll Collection Services. STT is responsible for causing its employees to collect the toll rates, whether in cash, through credit or debit card payments or through an electronic toll collection system, from the users of the Toll Road in accordance with the terms of the Concession Agreement.

STT is responsible for the amounts collected in each of the toll stations of Escazú, Ciudad Colón, San Rafael, Atenas and Pozón, from the moment they are collected by STT's employee until they are deposited in the mailbox that grants access to the safe deposit vault, located at each toll station. STT maintains an electronic record of the transactions at each toll station to confirm the amounts due to be paid to the Issuer. STT is responsible for any differences between the amounts deposited in the safe deposit vault and the amounts stated in the electronic records.

In addition, STT is responsible for maintaining these toll stations, including the electronic toll system elements if available in those stations, supervising the capacity of the Toll Road in the relevant toll stations, and dealing with any claims raised by the users of the Toll Road with respect to the toll rates.

STT must also keep updated insurance to cover any labor disputes that may arise in connection with STT's employees working on the Toll Road.

Obligations of the Issuer

The Issuer is responsible for paying STT for its services. The compensation for these services is variable, determined based on (i) the amount of personnel required; and (ii) the time period these services are carried out.

Termination

The Toll Collection Service Agreement will terminate (i) upon the termination of the Concession Agreement; (ii) by mutual agreement of the parties; (iii) by unilateral decision by either of the parties with at least sixty days prior notice to the other party; (iv) insolvency of any of the parties; and (v) by request of one of the parties, prompted by the breach of the other party's obligations. If STT terminates the Toll Collection Service Agreement before its term and the Issuer cannot collect the toll rates, STT will be liable for the loss of toll rates.

Assignment

The assignment of the Toll Collection Service Agreement or the rights granted therein may be assigned by either of the parties with the consent of the other party.

Governing Law

The Toll Collection Service Agreement is governed by the laws of the Republic of Costa Rica. All disputes arising under the agreement shall be resolved through arbitration in Costa Rica pursuant to the rules of the Center for Arbitration of the Costa Rican Chamber of Commerce and the Costa Rican Alternative Dispute Resolution and Promotion of Social Peace Act Number 7727 of December 4, 1997.

DESCRIPTION OF THE PRINCIPAL FINANCING DOCUMENTS

The following summaries of certain provisions of the Intercreditor Agreement, the Collateral Agency Agreement and the A&R Payment and Guarantee Trust Agreement are not complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of such agreements, including the definitions therein. Copies of the Financing Documents will be provided for inspection (i) prior to the Closing Date, upon written request of any potential purchaser of any note to the Issuer at inforuta27@globalvia.com, and (ii) after the Closing Date, upon written request by any holder of a note to the Indenture Trustee. Documents will be provided in their original language. Unless otherwise stated, any reference in this offering memorandum to any agreement shall mean such agreement and all schedules, exhibits and attachments thereto, as amended, supplemented or otherwise modified and in effect as of the date hereof. Certain terms that are given special meanings in this “Description of the Principal Financing Documents” are used as defined under the sub heading “—Certain Definitions” below.

Intercreditor and Security Sharing Agreement

General

On or prior to the Closing Date, the Issuer, the Indenture Trustee, the Onshore Collateral Agent, the Intercreditor Agent and the Local Noteholder Agent will enter into the Intercreditor and Security Sharing Agreement (the “Intercreditor Agreement”) to set forth certain intercreditor provisions applicable to the exercise of their respective rights (on behalf of the holders of the notes and the holders of the Local Notes (together, the “Debt Providers”)) under the Collateral Documents and the other Financing Documents, including the *pari passu* treatment between the holders of the notes and the holders of the Local Notes.

Intercreditor Agent

Each Intercreditor Party (for itself and also for the respective Debt Providers on whose behalf it executed the Collateral Agency Agreement and any other Person claiming through such Debt Providers) has appointed Citibank, N.A. (acting through its agency and trust division) as the Intercreditor Agent and has authorized it to exercise such rights, powers and authorities as are specifically delegated to it in the Intercreditor Agreement and each other Financing Document to which it is a party, together with all such rights, powers and authorities as are reasonably incidental thereto. The Intercreditor Agent has agreed to undertake any action as the Intercreditor Parties may instruct through a Decision made in accordance with the Intercreditor Agreement. In the event any Decision needs to be reached through an Intercreditor Vote the Intercreditor Agent will promptly (i) provide to all Intercreditor Parties and the Onshore Collateral Agent (who in turn shall notify the Onshore Trustee in writing) all information and copies of all documentation and other materials received by it; (ii) inform all Intercreditor Parties and the Onshore Collateral Agent (who in turn shall notify the Onshore Trustee in writing) of any determination, appointment, consent, confirmation, approval, receipt of information or other action taken pursuant to the Intercreditor Agreement; and (iii) notify the Issuer and each other Sponsor Party and provide a copy of any amendment or other modification made to the Intercreditor Agreement in accordance with the terms thereof.

Sharing of Payments

Amounts not Subject to Sharing

Subject to the following provisions set forth in the Intercreditor Agreement and any other provision in any other Financing Document, no Debt Provider has any obligation to share:

- (a) any payment made to such Debt Provider pursuant to any Financing Document which is in the nature of a closing or commitment fee, or an indemnity against or reimbursement for (1) additional funding costs or similar costs incurred by such Debt Provider (including, without limitation, payments with respect to increased reserve provisions, capital adequacy provisions, make-whole premium, breakage provisions or other similar provisions), (2) costs with respect to taxes incurred or payable by such Debt Provider on principal, interest or other payments payable to it under such Financing Document, or (3) costs, liabilities, claims or other expenses incurred by such Debt Provider which are subject to any indemnity or reimbursement provision contained in such Financing Document;

(b) any payment resulting from mandatory redemption of notes, Local Notes and any Bank Project Debt made for the benefit of the holders of the notes, the holders of the Local Notes or the holders of any Bank Project Debt, respectively, that are non *pro rata* in accordance with the terms of the Financing Documents;

(c) any payment of fees or any indemnity payment made to any of the Agents, in each case pursuant to any Financing Document to which such Person is a party or to any separate fee arrangement between such Person and the Sponsor Parties; and

(d) any payment made by any Person to a Debt Provider pursuant to a contract of participation or assignment or any other arrangement by which such Debt Provider acquired a direct or indirect interest under any Financing Document, except if such contract or other arrangement is entered into with the Issuer.

If any Debt Provider obtains any amount other than in accordance with the Intercreditor Agreement and the A&R Payment and Guarantee Trust Agreement (whether (a) by way of voluntary or involuntary payment, (b) by virtue of an exercise of any right of set-off, banker's lien or counterclaim, (c) as proceeds of any insurance policy covering any properties or assets of the Issuer, (d) from proceeds of liquidation or dissolution of the Issuer or distribution of its assets among its creditors (however such liquidation, dissolution or distribution may occur), (e) as payment of any Obligations following the acceleration thereof (whether in whole or in part), (f) from any realization on any Collateral or any draw under any Approved Letter of Credit, (g) by virtue of the application of any provision of any of the Financing Documents (other than the Intercreditor Agreement), or (h) in any other manner), such Debt Provider, acting through the relevant Intercreditor Party must notify in writing the Intercreditor Agent thereof and within three (3) Business Days thereafter, return such amount (less any reasonable costs and expenses incurred by such Debt Provider in obtaining such amount) to the payor by transferring it back to the account from which it was paid.

Joint Benefit of Collateral

Notwithstanding the date, manner or order of grant, attachment or perfection of any Lien on the Collateral, and notwithstanding any provision of Applicable Law or the Collateral Documents, each Intercreditor Party (for itself and for each Debt Provider represented by it and any other Person claiming through such Debt Provider) agrees that all Collateral shall be for the joint benefit of all Secured Parties on a first priority basis; *it being understood* that the notes will be *pari passu* with the Local Notes and any Bank Project Debt.

Application of Payments under the Financing Documents

The application of payments under a particular Financing Document will be governed by such Financing Document.

Decision Making and Voting Requirements

Subject to the provisions of the Intercreditor Agreement, the determination of all Intercreditor Votes will be made on the basis of all Obligations owing to the holders of the notes, the holders of the Local Notes and the holders of any Bank Project Debt as of the Voting Determination Date.

Each Intercreditor Party (for itself and for each Debt Provider represented by it and any other Person claiming through such Debt Provider) and each other party subject to the Intercreditor Agreement has agreed that any calculation or determination made by the Intercreditor Agent in accordance with the terms of the Intercreditor Agreement that results in a Decision will be binding upon such party.

Pursuant to the Intercreditor Agreement or any other Financing Document, any decision by any Debt Provider except for (a) Individual Facility Decisions or (b) Decisions that do not require an Intercreditor Vote must be determined by an Intercreditor Vote, according to the following requirements:

Remedies Decisions.

No Remedies Decision will be made, unless, in each case, such Remedies Decision is made in accordance with the Intercreditor Agreement by the Intercreditor Parties acting on behalf of the Debt Providers representing the percentage of Obligations listed below:

(a) from and including the first date on which the Event of Default triggering such Remedies Decision has occurred to but excluding the ninetieth (90th) day following the occurrence thereof, Debt Providers holding more than 50% of the Obligations entitled to vote in such Remedies Decision; or

(b) thereafter, Debt Providers holding more than 25% of the Obligations entitled to vote in such Remedies Decision, *provided* that, in the event more than one group of Debt Providers holds more than 25% of such Obligations, the group of Debt Providers holding the greater percentage shall be entitled to vote in such Remedies Decision.

Unanimous Decisions.

None of the following Unanimous Decisions will be made, unless, in each case, it is made in accordance with the Intercreditor Agreement by the Intercreditor Parties representing the Debt Providers holding 100% of the Obligations entitled to vote in such Unanimous Decision:

(a) any Decision that would increase the principal amount of any Obligations; *provided* that the incurrence of Project Debt and the creation of any security interest therewith otherwise permitted under the Financing Documents will not be subject to this provision or any other Decision pursuant to the Intercreditor Agreement;

(b) any Decision that would increase the stated rate of interest payable on the Obligations under any Financing Document;

(c) any Decision that would increase the existing fees or other similar amounts or add new fees or similar amounts in any material respect, in each case relating to the Obligations payable under any Financing Document;

(d) any Decision that would shorten the stated maturity of the Obligations under any Financing Document; *provided* that the acceptance of any prepayment or redemption required or permitted by such Financing Document as in effect on the date of the Intercreditor Agreement will not be subject to this provision or any other Decision pursuant to the Intercreditor Agreement;

(e) any Decision that would change the repayment schedule of any Obligation under any Financing Document, except, for (i) any extension of its stated maturity or its repayment schedule with the result that such Obligation has a longer average life, and (ii) any extension of its stated maturity that does not result in (A) any modification of the scheduled payment dates under such Financing Document prior to the original stated maturity of such Obligation, or (B) the rescheduling of any repayment of principal under such Financing Document that would increase the principal repayment amount due thereunder on any payment date prior to the original stated maturity of such Obligation;

(f) any Decision with respect to any Financing Document that would change the currency in which the Obligations under such Financing Document are denominated or repayable;

(g) any Decision with respect to any Financing Document that would modify (i) the first priority status of the Liens under the Collateral Documents (unless, with respect to each affected Debt Provider, the Intercreditor Party representing such affected Debt Provider consents to such modification) *provided* that a modification of the Collateral Documents related to the creation of any security interest related to any Project Debt otherwise permitted under the Financing Documents will not be subject to this subclause (i), (ii) the ranking or payment priority of the Obligations, (iii) the Revenue Account Standard Waterfall, or (iv) Transfers Order of Priority;

- (h) any Decision with respect to any Financing Document that would eliminate the right of any Debt Provider party thereto to receive any notice thereunder (unless such elimination is waived by the Intercreditor Party representing such Debt Provider);
- (i) any Decision with respect to a Financing Document that has the effect of:
 - (i) releasing all or a material portion of the Collateral from the Lien of any of the Collateral Documents except in accordance with the terms thereof; or
 - (ii) reducing the amount available for drawing under any Approved Letter of Credit or otherwise materially and adversely affecting the rights of the Onshore Collateral Agent or the Onshore Trustee to draw thereunder except as permitted in accordance with the terms of the Financing Documents; or
- (j) any Decision with respect to any Financing Document that would violate the terms of the Intercreditor Agreement;
- (k) any Decision with respect to any Financing Document that would add a mandatory prepayment or redemption not otherwise in effect in such Financing Document as of the Closing Date
- (l) any Decision that would modify the provisions that regulate Unanimous Decisions or any voting requirement, procedure or percentage applicable to Unanimous Decisions;
- (m) any Decision that would modify any definition or other term contained in any Financing Document but only to the extent such Decision would result in the making of any of the other Unanimous Decisions pursuant to the Intercreditor Agreement; and
- (n) any waiver of an Event of Default pursuant to the Intercreditor Agreement, but only to the extent such waiver would permit any action that otherwise would have required an Intercreditor Vote pursuant to the Unanimous Decisions provision of the Intercreditor Agreement;

it being understood that (i) in case of a replacement, renewal, refinancing or extension of any outstanding Permitted Debt, such replacement, renewal, refinancing or extension will not be subject to a Unanimous Decision unless the terms of the replaced, renewed, refinanced or extended Permitted Debt, when compared with the Permitted Debt being replaced, renewed, refinanced or extended, would otherwise be subject to the foregoing provisions; and (ii) any Decision that would modify any of the terms and conditions of the notes, Local Notes or any Bank Project Debt shall require an affirmative vote of 100% of the holders of the notes, the holders of the Local Notes and/or the holders of any Bank Project Debt, respectively.

Super Majority Decisions.

Other than with respect to Unanimous Decisions, none of the following Decisions (the “Super Majority Decisions”) will be made, unless, in each case, such Decision is made in accordance with the Intercreditor Agreement by the Intercreditor Parties acting on behalf of the Debt Providers representing at least 66% of the Obligations entitled to vote in such Decision:

- (a) any Decision with respect to any Financing Document that could reasonably be expected to:
 - (i) materially and adversely affect the rights and remedies of any Intercreditor Party or any Debt Provider under the Financing Documents (unless such material adverse effect is waived by each Intercreditor Party representing the affected Debt Providers); or
 - (ii) materially and adversely affect the Collateral other than those requiring unanimous decisions;
- (b) any Decision that would waive or amend any condition to the making of any Restricted Payment;

(c) any Decision that would amend or otherwise modify any provision of the Indenture or the Intercreditor Agreement containing a covenant of the Issuer or an Event of Default that, in each case, is common (in form and substance taking into account the translation thereof) to each of the Indenture and the Intercreditor Agreement (*it being understood and agreed* by the parties hereto on their behalf and on behalf of the Debt Providers they represent that any amendment or other modification according to this clause (d) will operate as an amendment or other modification of such provision in all Financing Documents containing such provision);

(d) any Decision that would modify the Super Majority Decisions provisions of the Intercreditor Agreement or any voting requirement, procedure or percentage applicable to Super Majority Decisions; and

(e) any Decision that would modify any definition contained in any Financing Document to the extent such Decision would otherwise be subject the Super Majority Decisions of the Intercreditor Agreement;

it being understood that any Decision that would modify any of the terms and conditions of the notes, Local Notes or any Bank Project Debt shall require an affirmative vote of 100% of the holders of the notes, the holders of the Local Notes and/or the holders of any Bank Project Debt, respectively

Majority Decisions.

Other than with respect to (a) Remedies Decisions, (b) Unanimous Decisions, (c) Super Majority Decisions, (d) Individual Facility Decisions, and (e) Decisions that do not require an Intercreditor Vote, no Decision will be made unless, in each case, such Decision is made in accordance with the Intercreditor Agreement by the Intercreditor Parties acting on behalf of the Debt Providers representing at least 50% of the Obligations entitled to vote in such Decision (a "Majority Decision"); *it being understood* that any Decision that would modify any of the terms and conditions of the notes, the Local Notes or any Bank Project Debt shall require an affirmative vote of 100% of the holders of the notes, the holders of the Local Notes and/or the holders of any Bank Project Debt, respectively.

Individual Facility Decisions

Other than with respect to Remedies Decisions, Unanimous Decisions, Super Majority Decisions and Majority Decisions, the Debt Providers party to any Financing Document may, at any time and from time to time, pursuant to the terms of such Financing Document, without going through an Intercreditor Vote, obtaining any other consent of or giving any notice to any other party, and without impairing or releasing the obligations of any Person under the Intercreditor Agreement, make any Decision:

(a) with respect to the satisfaction or waiver or elimination of any condition precedent or subsequent under such Financing Document;

(b) to waive the acceleration of the Obligations owing to such Debt Providers following the occurrence of an Event of Default;

(c) that would decrease the rate of interest or any fee due in respect of the Obligations owing under such Financing Document (including any fee paid under any fee letter provided for in respect of such Financing Document);

(d) to (i) extend the stated maturity or the repayment schedule of any Obligation under such Financing Document with the result that such Obligation has a longer average life and (ii) extend the stated maturity of any Obligation under such Financing Document if such extension does not result in (A) any modification of the scheduled payment dates under such Financing Document prior to the original stated maturity of such Obligation or (B) the rescheduling of any repayment of principal under such Financing Document that would increase the principal repayment amount due thereunder on any payment date prior to the original stated maturity of such Obligation;

- (e) with respect to the suspension, cancellation or reduction of any prepayment under the applicable Financing Document;
- (f) to reduce any outstanding principal under such Financing Document or otherwise forgive any Obligation under such Financing Document;
- (g) to release the Issuer from its obligations under, or in respect of, the Obligations owing under such Financing Document;
- (h) to request information from the Issuer, any Shareholder or any other Person permitted to be requested under the relevant Financing Document;
- (i) to assign its interests under the relevant Financing Document;
- (j) to amend or otherwise modify any term of the relevant Financing Document or grant any waiver or make any other Decision thereunder, unless such amendment, modification, waiver or other Decision relates to a Remedies Decision, a Unanimous Decision, a Super Majority Decision or a Majority Decision; and
- (k) to make any correction to the applicable Financing Document that is ministerial in nature or is necessary to correct an error or inconsistency therein and that is reflective of the clear intent of the parties thereto, does not involve any material change and does not materially and adversely affect the rights of the Debt Providers under any other Financing Document (for example, errant cross-references and misspelled defined terms);

it being understood that (i) any Individual Facility Decision will only affect the rights and obligations of the Debt Provider making such Individual Facility Decision and shall have no effect on, or impact the ability of, any other Debt Provider's ability to make or be bound by Decisions under the Intercreditor Agreement, and (ii) other than Individual Facility Decisions, any Decision that would modify any of the terms and conditions of the notes, the Local Notes or any Bank Project Debt shall require an affirmative vote of 100% of the holders of the notes, the holders of the Local Notes and/or the holders of any Bank Project Debt, respectively.

Certain Decisions that do not require an Intercreditor Vote

Notwithstanding anything to the contrary in the Intercreditor Agreement or in any of the other Financing Documents, no Decision of the Intercreditor Parties will be required to authorize any correction to the Intercreditor Agreement or any other Financing Document that (i) is ministerial in nature or is necessary to correct an error or inconsistency therein and that is reflective of the clear intent of the parties, does not involve any material change and does not materially and adversely affect the rights of the parties or the third-party beneficiaries or (ii) is necessary to conform the text to accurately reflect the provisions of the sections entitled "Description of the Notes", "Description of the Principal Financing Documents", or "Description of the Principal Project Documents" in this offering memorandum or the terms of the other Financing Documents if such amendment does not materially and adversely affect the rights of the parties to any of the Financing Documents or the third-party beneficiaries thereof; *provided* that notice of such amendment is promptly given to all parties to the amended agreements and their beneficiaries (and, in the case of the Intercreditor Agreement, to the Issuer and each other Sponsor Party).

Issuer Consent and Third Party Beneficiaries

Any Decision that (i) requires the Issuer to provide its prior consent under any Financing Document, (ii) modifies the calculation of any voting requirement under the Intercreditor Agreement, (iii) modifies the list of Remedies Decisions, Unanimous Decisions, Super Majority Decisions or Individual Facility Decisions, (iv) modifies any definition of the Intercreditor Agreement that is incorporated by reference into the Indenture, (v) violates the terms of the Intercreditor Agreement, or (vi) would have the effect of (A) depriving the Issuer from rights, protections, immunities or indemnities explicitly granted to it under any Financing Document or (B) modifying or increasing any duties or responsibilities of the Issuer, will, in each case, require the prior written consent of the Issuer. All other Decisions will not require the consent of the Issuer.

Any Decision that (i) requires any Agent to provide its prior consent under any Financing Document, or (ii) would have the effect of (A) depriving any Agent from rights, protections, immunities or indemnities explicitly granted to it under any Financing Document or (B) modifying or increasing any duties or responsibilities of such Agent, will, in each case, require the prior written consent of such Agent. Each Agent not a party to the Intercreditor Agreement will be deemed a third-party beneficiary under the Intercreditor Agreement with respect to these limited rights.

Governing Law; Submission to Jurisdiction

The Intercreditor Agreement will be governed by and construed in accordance with the laws of the State of New York (without reference to such state's conflict of laws provisions, other than section 5-1401 of the New York General Obligations Law).

Each of the parties to the Intercreditor Agreement will:

(a) (i) irrevocably and unconditionally submit to the non exclusive jurisdiction of the courts of the State of New York sitting in the Borough of Manhattan and of the United States of America District Court for the Southern District of New York, and any appellate court from any thereof, in any legal action, suit or proceeding arising out of or relating to the Intercreditor Agreement or for recognition or enforcement of any judgment, (ii) irrevocably and unconditionally agree, to the fullest extent permitted by applicable law, that all claims in respect of any such action or proceeding may be heard and determined in such New York state court or in such federal court, (iii) agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law,

(b) agree that nothing in the Intercreditor Agreement shall affect any right that any of the parties to the Intercreditor Agreement may otherwise have to bring any action or proceeding relating to the Intercreditor Agreement in the courts of any jurisdiction,

(c) waive to the fullest extent permitted by applicable law: (i) any objection that it may, on the Closing Date or thereafter, have to the laying of venue of any action, suit or proceeding arising out of or relating to the Intercreditor Agreement brought in any court referred to in clause (a), and (ii) any claim that any such legal action, suit or proceeding brought in any such court has been brought in an inconvenient forum and any right to which it may be entitled on account of place of residence or domicile, and

(d) agree that a final judgment (in respect of which time for all appeals has elapsed) in any such suit, action or proceeding shall be conclusive and may be enforced in any court to the jurisdiction of which the Issuer is or may be subject, by suit upon judgment.

Each of the parties to the Intercreditor Agreement that is organized under the laws of a jurisdiction outside the United States will appoint an agent for service of process in any matter related to the Intercreditor Agreement and shall provide written evidence of acceptance of such appointment by such agent on or before the Closing Date.

Representations and Warranties of the Issuer

On the Closing Date (both immediately before and immediately after giving effect to the purchase of the notes and each series of the Local Notes issued as of the Closing Date), and at the closing of any future issuances of the notes and/or the Local Notes, or any incurrence of Bank Project Debt, the Issuer makes the representations and warranties as of the date set forth in the Intercreditor Agreement for the benefit of each Secured Party, except as to those representations and warranties that by their express terms relate to an earlier date, which are made as of such earlier date.

(a) *Organization; Requisite Power and Authority; Qualification.* The Issuer (i) is duly organized, validly existing and in good standing under the laws of Costa Rica, (ii) has all requisite power and authority to own and operate its Property, to conduct its business as now conducted and as proposed to be conducted, to enter into the Transaction Documents to which it is a party and to carry out the

transactions contemplated thereby, and (iii) has no assets or operations in any jurisdiction other than Costa Rica. The Issuer is single purpose entity created in accordance with article 31 of the LGCOPSP.

(b) *Enforceability.*

(i) Each of the Transaction Documents to which the Issuer is a party has been duly authorized and executed by the Issuer and constitutes valid and legally binding obligations of the Issuer, enforceable in accordance with their terms, except as may be limited by applicable bankruptcy, insolvency, fraudulent transfer, judicial administration, reorganization, liquidation, moratorium and other similar laws relating to or affecting the rights and remedies of creditors generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(ii) The Concession Agreement was validly executed and delivered by, and constitutes the legal, valid and binding obligation of each party thereto, enforceable in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, fraudulent transfer, judicial administration, reorganization, liquidation, moratorium and other similar laws relating to or affecting the rights and remedies of creditors generally and general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). To the best of the Issuer's knowledge, neither the Concession Agreement nor the award of the concession subject thereto is subject to a legal challenge or any other legal proceedings that would reasonably be expected to result in the invalidity thereof. The Grantor is the competent authority under the Applicable Law of Costa Rica to award the concession granted by the Concession Agreement and execute and deliver the Concession Agreement.

(iii) The Issuer has not agreed to, or received notice of, any termination of any of the terms and conditions of the Concession Agreement (or any act purporting to do any of the foregoing). The Issuer has not agreed to, or received notice of, any amendment to or any breach or default under, or any waiver of, any of the terms and conditions of the Concession Agreement (or any act purporting to do any of the foregoing), other than the amendments to the Concession Agreement described in this offering memorandum.

(iv) Neither the Issuer nor, to the best of its knowledge, the Grantor is in breach of any of its material obligations under the Concession Agreement.

(v) The Financing Documents entered into as of the date hereof are in full force and effect and no event has occurred under any such Financing Documents that would entitle the Issuer, or to the Issuer's knowledge, any other person thereunder to terminate any such agreement. The Issuer has not received any termination notice pursuant to any such Financing Document.

(vi) The Issuer has not agreed to, or received notice of, any amendment, or modification, supplement or waiver of (except for those that would not constitute a material breach of the Intercreditor Agreement), or any termination or assignment of, or any breach or default under, any Transaction Document or any provision of any Transaction Document (or any act purporting to do any of the foregoing) other than the amendments described in the definition of the Concession Agreement and notices of certain fines.

(c) *No Violation.* Neither the execution nor the delivery by the Issuer of any Transaction Document to which it is a party nor the performance by the Issuer of its obligations thereunder will:

(i) contravene any judgment, decree or order or any law, rule or regulation applicable to the Issuer in any material respect;

(ii) contravene or result in any breach of any of the terms of, or constitute a default or require any consent under the terms of, any material indenture, mortgage, deed of trust, agreement or other material arrangement to which the Issuer is a party or by which it or any part of the Project is bound or to which it may be subject (other than any consents required in connection

with the repayment in full of all amounts outstanding under the Bankia/BCIE Term Loan and the release of any Liens in connection with such loan);

(iii) result in the creation or imposition of (or the obligation to create or impose) any Lien (other than Permitted Liens) upon any part of the Issuer's Property, including the Project; or

(iv) violate the terms of the Issuer's Organizational Documents.

(d) *Additional Insured.* Except as set forth in the Concession Agreement, there is no restriction for the inclusion of the Intercreditor Agent, the Onshore Collateral Agent or the Onshore Trustee as loss payee or additional insured of all insurance policies required to be obtained under the Concession Agreement.

(e) *Compliance with Applicable Law.* Each of the Issuer and the Project is and has been in compliance with all Applicable Laws (including Environmental Laws) binding on it or its Property, except for any such noncompliance that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(f) *Prohibited Practices.* The Issuer is not, nor to the knowledge of the Issuer, any of its officers, directors, employees or agents, acting on its behalf, has committed or engaged in any Prohibited Practices with respect to any transaction contemplated by any Financing Document.

(g) *ERISA.* The Issuer does not maintain, administer, contribute to, participate in, or have any obligation to contribute to or any liability under, any employee benefit plan within the meaning of Section 3(3) of ERISA, nor, since the date which is six (6) years immediately preceding the Closing Date, has the Issuer established, sponsored, maintained, administered, contributed to, participated in, or had any obligation to contribute to or liability under, any such plan. The Issuer does not have any ERISA Affiliates.

(h) *Costa Rican Social Security.* With respect to each of the Issuer's employee social security rights mandated by the Applicable Laws of Costa Rica:

(i) all material employer and employee contributions required by the Applicable Laws of Costa Rica with respect to social security rights to be made by the Issuer have been made;

(ii) all material filings of the Issuer in respect of its material Labor and Social Security Liabilities required by the Applicable Laws of Costa Rica to be filed as of the date this representation is made or deemed made have been duly filed, and all material Labor and Social Security Liabilities of the Issuer that are due and payable have been paid; and

(iii) the Issuer has timely paid all due and payable material Labor and Social Security Liabilities in respect thereof that, under the Applicable Laws of Costa Rica, would otherwise be reasonably likely to result in a Lien being created over Property of the Issuer, other than those being diligently contested by appropriate proceedings in good faith and with respect to which adequate reserves have been established on the books of the Issuer in accordance with the Accounting Principles (or appropriate provisions shall have been made for such payment).

(i) *PATRIOT Act, Anti-Corruption, etc.*

(i) To the extent applicable, the Issuer is in compliance with (A) Sanctions Laws and Regulations and any other enabling legislation or executive order relating thereto and (B) the PATRIOT Act.

(ii) The Issuer has not taken any actions in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any government official (including any officer or employee of a government or government-controlled entity or instrumentality or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or official thereof, or candidate for political office, all of the foregoing being referred to as "Government

Officials”) or to any other person while knowing or having reason to know that all or some portion of the money or value will be offered, given or promised to a Government Official for the purpose of illegally influencing official action or securing an improper advantage in relation to the business of the Issuer.

(iii) No part of the payments or other value received by the Issuer, directly or indirectly, will be used by the Issuer or by any Sponsor Party for any purpose which would cause a violation of the United States Foreign Corrupt Practices Act of 1977, as amended (if applicable) or any other applicable anti-corruption law or regulation.

(j) *Project Documents.*

(i) The Project Documents constitute and include all material contracts and agreements required for the operation, maintenance and development of the Project by the Issuer.

(ii) The Issuer and, to the best of the Issuer’s knowledge, each Project Party is in compliance with all Project Documents to which it is party, except where any noncompliance, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(k) *Ownership of Property; Liens.*

(i) Other than any Property contributed by the Issuer to the A&R Payment and Guarantee Trust, the Issuer has good and marketable title to its Property of any kind whatsoever owned or leased by the Issuer free of all Liens other than Permitted Liens.

(ii) The Concession Agreement grants to the Issuer the exclusive right to operate and to enjoy the financial economic benefit of the Project (including the Toll Road) for the term specified therein.

(iii) The Issuer owns or has the right to use all Intellectual Property required in connection with the Project, and no claim has been asserted and is pending by any Person challenging or questioning the use of any such Intellectual Property or the validity or effectiveness of any such Intellectual Property, nor does the Issuer know of any valid basis for any such claim that could reasonably be expected to have a Material Adverse Effect. The Issuer has not received any notice that its use of such Intellectual Property infringes on the rights of any Person.

(l) *Real Property Rights.* No Real Property Rights are required to be obtained by the Issuer for the Project.

(m) *Business of the Issuer.* The Issuer has not undertaken or agreed to undertake any substantial activity except for the Project and the obligations set forth in and permitted by the Transaction Documents and its Organizational Documents.

(n) *Relevant Permits.*

(i) The Issuer possesses, and is in compliance with, all Relevant Permits issued by, and has made all declarations and filings with, the appropriate regulatory authorities necessary to conduct its business, except in each case, where any failure to possess, comply with or file the same would not result in a Material Adverse Effect and the Issuer has not received any notice of proceedings relating to the revocations or modification of any such authorization or permit which, individually or in the aggregate, would have a Material Adverse Effect.

(ii) The Issuer has no reason to believe that any material Relevant Permit applicable to it that requires renewal will not be renewed as and when required under Applicable Law or the Concession Agreement without the imposition of additional material restrictions or conditions.

(o) *Provision of Information, etc.*

(i) There are no documents, events or conditions in the possession of the Issuer or known to the Issuer that have not been disclosed in writing to the Intercreditor Agent that are material in the context of the Transaction Documents or that could reasonably be expected to have a Material Adverse Effect.

(ii) The opinions, projections and other forward-looking statements included in such information provided in writing to the Indenture Trustee, the Onshore Collateral Agent and the Intercreditor Agent were prepared in good faith, with due care and diligence, utilizing reasonable assumptions that were believed to be reasonable in light of the conditions existing at the time, by or on behalf of the Issuer or any of its Affiliates, and such opinions, projections and other forward-looking statements represented the Issuer's or such Affiliate's views, as applicable, as at the date on which they were provided to the Intercreditor Agent.

(p) *Litigation.* Other than as set forth in this offering memorandum, there is no action, suit, other legal proceeding or other claim (other than any arbitral proceeding, administrative proceeding or investigation) before or of any Governmental Authority or arbitration panel currently in progress or pending, nor has the Issuer been notified in writing of any arbitral proceeding, administrative proceeding or investigation, against the Issuer, the Project or any of the Issuer's other material Property nor, to the best of the Issuer's knowledge, any suit, other legal proceeding, arbitral proceeding, administrative proceeding, investigation or other claim has been threatened in writing against the Issuer, the Project or any of the Issuer's other material Property, that if determined adversely to the Issuer, would, individually or in the aggregate, have a Material Adverse Effect. No action, suit, other legal proceeding before any court, Governmental Authority or Arbitration Panel is presently in progress or pending, nor, to the best of the Issuer's knowledge, after due inquiry, any suit, other legal proceeding, arbitral proceeding, administrative proceeding, investigation or other claim has been threatened against the Issuer, in each case relating to a violation or an alleged violation of Sanctions Laws and Regulations.

(q) *Status of Security.*

(i) Each Collateral Document is sufficient to create, in favor of the Indenture Trustee, the Onshore Trustee or the Onshore Collateral Agent, as applicable, for the benefit of the Secured Parties, and with respect to the IT Collateral, the Indenture Trustee, a legally valid and enforceable Lien in accordance with the applicable law of each Collateral Document on or in all of the assets described in such Collateral Document and the IT Collateral in respect of which it purports to grant Liens, in each case free and clear of all Liens (except for Permitted Liens).

(ii) All necessary recordings and filings required to be made under or with respect to the Collateral Documents have been made or will be made in all necessary public offices, and all other necessary and appropriate actions have been taken so that the Liens created by each Collateral Document constitute valid, perfected, enforceable and, upon such filings, first priority, Liens on or in the Collateral intended to be covered thereby.

(r) *Independent Accountants; Financial Statements.* The Auditors are independent auditors with respect to the Issuer and satisfy the requirements of independence established by IFRS. The Auditors have audited, in accordance with the Accounting Principles, the Financial Statements of the Issuer as of and for the years ended December 31, 2016, 2015 and 2014.

(s) *No Material Adverse Effect.* Since December 31, 2016, no event, circumstance or condition has occurred or exists that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(t) *Share Capital.*

(i) As of the Closing Date, the authorized Share Capital of the Issuer consists of 2,500,000 shares, par value one U.S. dollar all of which have been subscribed to and paid in and have been issued as shares that are owned and legally transferred to the A&R Payment and Guarantee Trust by the Shareholders indicated below:

(A) PI Promotora de Infraestructuras S.A. holds 875,000 shares, which constitutes 35% of the Share Capital of the Issuer;

(B) SyV CR Valle del Sol S.A. holds 875,000 shares, which constitutes 35% of the Share Capital of the Issuer;

(C) Infraestructuras SDC Costa S.A. holds 425,000 shares, which constitutes 17% of the Share Capital of the Issuer; and

(D) M&S DI-M&S Desarrollos Internacionales S.A. holds 325,000 shares, which constitutes 13% of the Share Capital of the Issuer.

(ii) Each share issued by the Issuer is entitled to one vote with respect to all matters requiring a vote of the Shareholders under Applicable Law.

(iii) All shares issued by the Issuer have been duly authorized, validly issued and fully paid for full cash consideration and are non-assessable.

(iv) As of the Closing Date, all Share Capital of the Issuer has been legally transferred to the A&R Payment and Guarantee Trust as fiduciary property.

(v) As of the Closing Date, there is no existing option, warrant, call, right, commitment or other agreement to which the Issuer is a party requiring, and there is no membership interest or other Share Capital of the Issuer outstanding which upon conversion or exchange would require, the issuance by the Issuer of any additional Share Capital of the Issuer or other securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase, Share Capital of the Issuer.

(u) *Taxes.*

(i) The Issuer has filed timely (after giving effect to any applicable extension) or caused to be filed timely (after giving effect to any applicable extension) all material Tax Returns required to be filed by it and has paid or caused to be paid all material Taxes due and payable by it, whether shown to be due and payable on such Tax Returns or on any assessment received by it, except to the extent any such Taxes are being diligently contested by appropriate proceedings or other actions in good faith and with respect to which adequate cash reserves have been established on the books of the Issuer in accordance with the Accounting Principles.

(ii) All material Taxes required to be deducted or withheld from payments by the Issuer under any Financing Document have been timely and duly deducted or withheld and properly paid to the appropriate Governmental Authority.

(iii) The Issuer has not received notice of any Lien (other than Permitted Liens) with respect to Taxes that have been filed against any of its Property, nor has any such Lien been threatened in writing by any Governmental Authority, other than in respect of any immaterial amounts, except (A) as otherwise disclosed in its audited financial statements, (B) to the extent any such Taxes that are the subject of such Lien are being diligently contested by appropriate proceedings in good faith and with respect to which adequate reserves have been established on the books of the Issuer in accordance with the Accounting Principles or (C) such Liens related to Taxes, if executed, would not individually or in the aggregate have or may have a Material Adverse Effect.

(iv) There are no pending audits, examinations, investigations, proceedings or claims against the Issuer with respect to any Taxes, nor are any such actions threatened, in each case that could reasonably be expected to result in a Material Adverse Effect.

(v) *Affiliate Transactions.* Other than as disclosed in this offering memorandum, under the heading “Certain Relationships and Related Party Transactions” and the Issuer’s audited financial statements, there are no Affiliate Transactions.

(w) *Investment Company Act.* The Issuer is not required to register under the Investment Company Act.

(x) *Insurance.* The Issuer maintains insurance in compliance with the requirements set forth in the Intercreditor Agreement.

(y) *Internal Controls of the Issuer.* The Issuer maintains an accounting and cost control system and management information system that are adequate for the purpose of the Issuer’s compliance with the requirements set forth in the Intercreditor Agreement.

(z) *Pari Passu.* The obligations of the Issuer under the Financing Documents are direct, senior and unconditional obligations and rank at least *pari passu* in priority of payment with all present and future unsecured and unsubordinated obligations of the Issuer (other than obligations preferred by statute or by operation of law).

(aa) *Enforceability of Foreign Judgments.* Any final and conclusive judgment obtained against the Issuer in any foreign court having jurisdiction in respect of any suit, action or proceeding for the enforcement of any of the obligations of the Issuer under the Indenture and/or any of the other Financing Documents that are governed by New York law will, upon request, be deemed valid and enforceable in Costa Rica through an *exequatur* judiciary proceeding (without re-examination of the matters adjudicated upon); *provided*, that the conditions and requirements set forth in “Service of Process and Enforcement of Civil Liabilities” in the offering memorandum are met.

(bb) *Legal Form; Enforceability.*

(i) The Transaction Documents are or, when duly executed and delivered, will be in proper legal form under the laws of Costa Rica for the enforcement thereof against the Issuer; *provided*, that, for the enforceability of any Transaction Document governed under Costa Rican law before Costa Rican government offices, courts, or arbitration panels, an official translation into Spanish of any such Transaction Document must be (A) filed with the relevant court and (B) to the extent required by applicable Costa Rican tax laws, a stamp tax attached to it. Subject to the preceding sentence, all formalities required in the United States and Costa Rica for the validity and enforceability (including any necessary registration, recording or filing with any court or other Governmental Authority) of each Transaction Document have been accomplished, and no Taxes (other than stamp tax, if applicable) are required to be paid for the validity and enforceability thereof.

(ii) Neither the issuance of the notes nor the execution and delivery of other Financing Documents nor the enforcement thereof is subject to any registration or transfer tax, stamp duty, recordation tax or similar levy imposed by or within Costa Rica or any political subdivision or Taxing Authority thereof or therein, other than (a) fees for the registration of the Collateral Documents and (b) stamp tax payable in the event the notes or any of the Financing Documents are enforced in Costa Rica.

(cc) *Choice of Law; Consent to Jurisdiction; Appointment of Agent to Accept Service of Process.* Under the Applicable Law of Costa Rica, (A) the choice of the law of New York to govern the notes and the other Financing Documents stated to be governed by the law of New York is valid and binding and (B) the consent to the jurisdiction of the courts of the State of New York sitting in the Borough of Manhattan and of the United States of America District Court for the Southern District of New York, and any appellate court from any thereof, by the Issuer in the Financing Documents is valid and binding and not subject to revocation, and service of process effected in the manner set forth in the Financing Documents will be effective to confer personal jurisdiction over the Issuer in such courts.

(dd) *No License or Qualification to Carry on Business Requirement.* It is not necessary under the Applicable Law of Costa Rica that any Secured Party be licensed, qualified or entitled to carry on business in Costa Rica to enable any of them to enforce their respective rights under the notes or any other Financing Document to which it is a party or any other document to be delivered in connection herewith or therewith.

(ee) *No Default.* No Default, Event of Default, Local Note Default or Local Note Event of Default, Bank Project Debt Default or Bank Project Debt Event of Default has occurred and is continuing.

(ff) *Debt and Contractual Obligations.* The Issuer has no outstanding Debt, except for Permitted Debt. As of the Closing Date, the Issuer is not a party to any material agreement other than the Transaction Documents. The Issuer has provided to the Intercreditor Agent true, correct and complete copies of all Transaction Documents to which it is a party (including all material agreements entered into between the Issuer and any Affiliate thereof). The Issuer has not executed or delivered any powers of attorney or similar documents that grant or purport to grant authority to another Person to manage or control the affairs of the Issuer except as required or permitted by the Financing Documents.

(gg) *Level of Indebtedness.* The Issuer has not exceeded the level of total individual or consolidated indebtedness permitted under the Concession Agreement and Applicable Law.

(hh) *Permitted Investments.* The Issuer does not have (i) any permanent investment in Share Capital or (ii) Investments in any Person other than Permitted Investments.

(ii) *No Immunity.* The execution and delivery by each Shareholder and the Issuer of, and the compliance with its obligations under the Transaction Documents to which each is a party, constitute private and commercial acts of such Person rather than public or governmental acts. No Sponsor Party has any immunity (sovereign or otherwise) from any legal action, suit or proceeding (whether service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) or from the jurisdiction of any court or from set-off.

(jj) *Accounts.* The Issuer does not maintain any bank accounts other than the Indenture Trustee Accounts, the A&R Payment and Guarantee Trust Accounts and such other de minimis bank accounts with an aggregate balance of up to one million U.S. dollars (\$1,000,000) as the Issuer may require for the operation and maintenance of its business.

(kk) *Transaction Documents.* Other than as disclosed in this offering memorandum, the Issuer has not agreed to, or received notice of, any amendment, or modification, supplement or waiver of (except for those that would not constitute a breach of the Indenture or the Intercreditor Agreement), or any termination or assignment of, or any material breach or default under, any Transaction Document or any provision of any Transaction Document (or any act purporting to do any of the foregoing).

(ll) *Annual Budget; Base Case Model.* The initial Annual Budget and the Base Case Model accurately set forth in all material respects all O&M Costs projected to be incurred in each period covered thereby and have been prepared in good faith, with due care and diligence, on the basis of reasonable assumptions and market practice, and the Issuer has no reason to believe that such assumptions are incorrect or misleading in any material respect.

(mm) *Employees.* There are no strikes, slowdowns or work stoppages by the employees of the Issuer or, to the Issuer's knowledge, the Project Parties, that are ongoing or, to the Issuer's knowledge, currently threatened.

(nn) *Solvency.* The Issuer is Solvent.

(oo) *Bankruptcy; Insolvency; Winding Up.* No Sponsor Party has taken any corporate action nor have any other legal steps been taken or legal proceedings been commenced or, to the best of the Issuer's knowledge, threatened, against any Sponsor Party seeking a declaration of bankruptcy, reorganization, moratorium, judicial administration, arrangement, adjustment or composition or for the

appointment of a receiver, liquidator, assignee, sequestrator (or similar official) in relation to any or all of the Property of any of the foregoing or for the winding up, dissolution, judicial or extrajudicial recovery or reorganization of any Sponsor Party or any of its Property.

(pp) *Availability and Transfer of Foreign Currency.* No foreign exchange control approvals or other Authorizations are required to ensure the availability of U.S. dollars and such other foreign currency as may be required to enable the Issuer to perform all of its payment obligations under each Transaction Document to which it is a party in accordance with the terms thereof. There are no restrictions or requirements that limit the availability or transfer of U.S. dollars and such other foreign currency for the purpose of the performance by the Issuer of its obligations under each Transaction Document to which it is a party.

(qq) *No Event of Force Majeure or Event of Loss.* No (i) Event of Force Majeure that could reasonably be expected to have a Material Adverse Effect or (ii) Event of Loss has occurred and is continuing.

(rr) *Reserve Accounts.* With respect to the Closing Date only, after application of the proceeds of the notes and the Local Notes pursuant to the terms of the Intercreditor Agreement, (i) the notes Debt Service Reserve Account Balance (as defined in “The Offering” above) (including the face value of any notes Debt Service Reserve Letter of Credit) is at least equal to the notes Debt Service Reserve Required Amount, (ii) the Local Notes Debt Service Reserve Account Balance (including the face value of any Local Notes Debt Service Reserve Letter of Credit) is at least equal to the Local Notes Debt Service Reserve Required Amount, and (iii) the O&M Reserve Account Balance (including the face value of any O&M Reserve Letter of Credit) is at least equal to the O&M Reserve Required Amount.

(ss) *Intercreditor and Security Sharing Agreement.* The Issuer has been provided with, and acknowledges receipt of, a copy of the Intercreditor Agreement.

Affirmative Covenants of the Issuer

The Issuer agrees in the Intercreditor Agreement that, until the Final Termination Date:

(a) *Maintenance of Relevant Permits.*

(i) The Issuer shall obtain timely and maintain in force, or cause to be obtained timely and maintained in force (and where appropriate, timely renew or cause to be timely renewed), all Relevant Permits required to be obtained or maintained by the Issuer in connection with the operation and maintenance of the Project and the performance of its obligations under the Project Documents the notes, the Local Notes, the Bank Project Debt, the Indenture and the Intercreditor Agreement, except, in each case, to the extent any noncompliance with the foregoing, individually or in the aggregate, has not had and could not reasonably be expected to have a Material Adverse Effect.

(ii) The Issuer shall perform and comply with, or cause to be performed or complied with, all obligations, conditions and restrictions contained in, or imposed by, all Relevant Permits applicable to it.

(b) *Property.* (i) The Issuer shall maintain, and shall cause to be maintained, the Project in good working order and condition (ordinary wear and tear excepted), in compliance with the Concession Agreement. (ii) the Issuer shall maintain good, legal and valid title to all its Property, free of all Liens other than Permitted Liens, and (iii) except to the extent any failure to do so has not had and could not reasonably be expected to have a Material Adverse Effect, the Issuer shall obtain and maintain all required property rights as are required in order to permit the expansion, ownership, operation, maintenance and development of the Project in compliance with the requirements of the Transaction Documents.

(c) *Insurance.* The Issuer shall:

(i) insure and keep insured with Acceptable Insurers the Project in accordance with the requirements set forth in the Intercreditor Agreement,

(ii) comply with all obligations under and terms and conditions of each Insurance Policy, including:

(A) punctually pay or cause to be paid when due any premium, commission and any other amounts necessary for effecting and maintaining in force each Insurance Policy,

(B) comply with all warranties under each Insurance Policy,

(C) disclose, as promptly as practicable after obtaining knowledge of any such event, and no later than the applicable notice period set forth in the applicable Insurance Policy, all material facts to insurers in relation to any risk modifications or Project detail that may differ from the Project's information initially provided to the Acceptable Insurer and alter the Insurance Policy's conditions, clauses, provisions or endorsements therefrom,

(D) take all reasonable action to ensure that:

(1) no Insurance Policy, or any provision of that Insurance Policy obtained pursuant to the Intercreditor Agreement or any other Financing Document, becomes void, is suspended or impaired, in whole or in part, or

(2) the Issuer's or, where the Secured Parties are loss payees or additional named insured, the Secured Parties' right to claim or recover under any Insurance Policy is prejudiced,

(E) other than as permitted under the applicable Insurance Policy, not vary, rescind, terminate, cancel or cause a material change to any Insurance Policy,

(F) use its best efforts to ensure that each Acceptable Insurer under all Insurance Policies obtained pursuant to the Intercreditor Agreement and any other Financing Document:

(1) is promptly notified of the security interests created in favor of the Secured Parties in the Issuer's title to, and rights, interest and benefits under, such policies,

(2) unless otherwise prohibited under the Concession Agreement, notes on each such Insurance Policy (i) by way of endorsement in favor of the Secured Parties' interest in that Insurance Policy under the security, such endorsement to be in form and substance satisfactory to the Secured Parties, and issues a notice of confirmation and acknowledgment of assignment, (ii) specifying that as of the Closing Date, *Caja de Ahorros y Monte de Piedad de Madrid* (now Bankia, S.A.U.), Banco Centroamericano de Integración Económica and any other creditors of the Issuer in connection with the Bankia/BCIE Loan shall not be loss payees, additional insured, beneficiaries or assignees thereto, (iii) specifying that any clause preventing the extension of a multiple insured clause to the Secured Parties shall not be applicable, (iv) specifying that any communication made to Grantor in connection with (x) any cancellation of any Insurance Policy, (y) any reduction in limits or coverage, any increase in deductibles, or any early termination of any Insurance Policy or (z) any act, omission or event that may invalidate or render unenforceable any Insurance Policy, shall also be made simultaneously to the Secured Parties, and (v) specifying the contact information of each of the Indenture Trustee, the

Local Noteholder Agent, the Intercreditor Agent and the Onshore Collateral Agent,

(3) agrees to notify the Secured Parties of the issuance of any notice of cancellation or suspension or modification of the relevant Insurance Policy,

(4) acknowledges that no Secured Party is liable to the insurers for the payment of any insurance premiums nor for any other obligations of the Issuer under or in respect of the relevant Insurance Policy,

(5) agrees that any Insurance Policy containing any loss payee, assignment or additional insured provision in favor of the Secured Parties will not be vitiated or voided against the Secured Parties as a result of any misrepresentation, act or neglect or failure to disclose on the part of any insured party or any circumstances beyond the control of the relevant innocent Secured Party, and

(6) where applicable, use its best efforts to ascertain that payments of insurance premiums under insurance policies of insurances required to be maintained pursuant to the Intercreditor Agreement and any other Financing Document are paid in a timely manner and promptly inform the Intercreditor Agent when it receives written notice that any such premiums have not been paid,

(iii) subject to clause (iv) below, not vary, rescind, terminate, cancel, renew (other than on substantially similar terms), replace or cause a material change to any Insurance Policy, unless after giving effect to such variation, rescission, termination, cancellation, renewal replacement or change, the Insurance Policies satisfy the requirements set forth in the Financing Documents and in the Concession Agreement,

(iv) within ten (10) Business Days after any new, renewed or modified Insurance Policy becomes available, furnish to the Intercreditor Agent all certificates of insurance and certified true and complete copies of all Insurance Policies,

(v) provide to the Intercreditor Agent as soon as possible after its occurrence, notice of any event or series of events which entitles the Issuer to claim for an aggregate amount exceeding the equivalent of one million U.S. dollars (\$1,000,000) under any one or more Insurance Policies,

(vi) unless otherwise prohibited under the Concession Agreement, ensure that all Insurance Policies covering the Issuer's Property will name the Onshore Collateral Agent or, to the extent required by the Concession Agreement, the Onshore Trustee, as an additional insured and loss payee of all indemnification proceeds with respect to such Insurance Policies (other than those Insurance Policies covering liabilities to third parties, that are payable directly to such third parties),

(vii) furnish to the Intercreditor Agent within the first thirty (30) days of the initial one (1)-year renewal of each Insurance Policy, a certification from an Authorized Representative of the Issuer that the Insurance Policies required pursuant to this clause (c) to be effective, (A) are effective as required pursuant to this clause (c), (B) are in compliance with the Intercreditor Agreement and (C) are in compliance with the Concession Agreement

(viii) to the extent permitted under the Concession Agreement (while it remains in full force and effect), use all Insurance Proceeds to repair or replace the relevant damaged assets unless such Insurance Proceeds are required to be applied to the prepayment of the Obligations in

accordance with the Indenture and the other Financing Documents, and use any Insurance Proceeds it receives for loss of or damage to any asset solely to replace or repair that asset.

(d) *Security and Further Assurances.* The Issuer shall:

(i) no later than fifteen (15) Business Days after the Closing Date, create, perfect and cause to be created and perfected, the Liens purported to be created pursuant to the Collateral Documents as valid and enforceable, and within fifteen (15) Business Days after the Closing Date, create, perfect and cause to be created and perfected, first priority Liens or other interests or rights of the kind the relevant Collateral Documents purport to create over all the Collateral (other than Intellectual Property) subject only to Permitted Liens, by means of filing with the applicable public offices or taking such other actions as set forth in such Collateral Documents; *provided* that, with respect to Intellectual Property, the Issuer shall (A) within five (5) Business Days after the Closing Date, create and cause to be created, first priority Liens or other interests or rights of the kind the relevant Collateral Documents purport to create over all Intellectual Property subject only to Permitted Liens, by means of filing with the applicable public offices or taking such other actions as set forth in such Collateral Documents, and (B) within one hundred eighty (180) days thereafter, perfect and cause to be perfected such first priority Liens or other interests or rights over the applicable Intellectual Property.

(ii) (A) from time to time, and (B) otherwise upon request by the Onshore Collateral Agent, the Onshore Trustee or the Intercreditor Agent (acting solely at the written direction of the Intercreditor Parties pursuant to the Intercreditor), at the Issuer's cost and expense, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further documents and instruments as contemplated in the Collateral Documents and/or any other Financing Document or under Applicable Law and take, or cause to be taken, all other actions necessary, or, in respect of paragraphs (1) through (4) below, as may be necessary:

(1) for perfecting or maintaining in full force and effect the Liens created pursuant to the Collateral Documents or for re-registering the Liens created pursuant to the Collateral Documents;

(2) subject to timing and materiality thresholds set forth in the relevant Collateral Documents, to ensure that any Property that the Issuer acquires after the Closing Date is subject to a valid and enforceable first priority Lien or other interest or right in favor of the Secured Parties, subject only to Permitted Liens;

(3) to enable the Issuer to comply with its obligations under the Financing Documents; and

(4) to preserve and protect the Secured Parties' rights under the Financing Documents.

(iii) Defend and, if requested by any Secured Party, defend or cause to be defended, at the cost and expense of the Issuer, the Secured Parties' right, title and interest to the Collateral and the Liens created pursuant to the Collateral Documents.

(e) *Event of Loss.* The Issuer shall, if an Event of Loss occurs, pursue all of its respective rights to compensation in respect of such event under Applicable Law or any applicable Insurance Policy.

(f) *Use of Proceeds.* The Issuer shall cause the proceeds of the notes and the Local Notes to be applied solely and exclusively to:

(i) pay all amounts outstanding under the Bankia/BCIE Term Loan;

(ii) fund the following reserve accounts on the Closing Date:

- (A) Indenture Notes Debt Service Reserve Account;
 - (B) Local Notes Debt Service Reserve Account; and
 - (C) O&M Reserve Account;
- (iii) pay certain fees and expenses related to the issuance of the notes and the Local Notes;
- (iv) funding the Issuer's Loan to Shareholders, on or prior to the Closing Date;
 - (v) Shareholder Distributions; and
 - (vi) general corporate purposes.

(g) *Regulatory Requirements.* The Issuer shall ensure that (i) no part of the proceeds of the notes will be used for the purpose, whether immediate, incidental or ultimate, of buying or carrying any "margin stock" (as defined in Regulation U of the Board of Governors of the U.S. Federal Reserve System) or to extend credit to others for such purpose, and (ii) no part of the proceeds of the notes will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of, or that is inconsistent with, Regulation T, U or X promulgated by the Board of Governors of the Federal Reserve System of the United States (12 C.F.R. Sections 220, 221 and 224, respectively).

(h) *Existence; Continuing Engagement in Business.* The Issuer shall: (i) maintain its corporate existence; and (ii) take all reasonable actions necessary to maintain all rights, privileges and franchises necessary in the normal conduct of its business.

(i) *Conditions of Business; Compliance with Applicable Law.* The Issuer shall comply (and shall use its best efforts to cause each Person under its control to comply) with all Applicable Laws (including all Environmental Laws, Environmental Authorizations, and those related to labor and social security), except to the extent any noncompliance, individually or in the aggregate, has not had and could not reasonably be expected to have a Material Adverse Effect. The Issuer shall operate, monitor, repair and develop the Project (or procure that this is done), including all of its sites, equipment, facilities and other Property, and otherwise conduct its business in accordance with (i) the Sanctions Laws and Regulations, (ii) the Project Documents, (iii) the Organizational Documents (iv) the Relevant Permits applicable to it and (v) all other Applicable Laws, except to the extent any noncompliance, individually or in the aggregate, has not had and could not reasonably be expected to have a Material Adverse Effect.

(j) *Books and Records; System.* The Issuer shall maintain at all times books, accounts and records (financial, regulatory and otherwise) in material compliance with all Applicable Laws of Costa Rica, the Accounting Principles, the Transaction Documents, the material Relevant Permits applicable to it and prudent industry practice. The Issuer shall maintain an accounting and cost control system and management information system adequate to reflect fairly and accurately the financial condition of the Issuer and the results of its operations in conformity with the Accounting Principles and prudent industry practice.

(k) *Auditors.* The Issuer shall: (i) maintain the Auditors or any other Approved Auditor as its auditors, (ii) authorize the Auditors (whose fees and expenses will be solely for the account of the Issuer) to communicate in writing directly with the Intercreditor Agent at any time upon reasonable request regarding its respective accounts and operations by executing and delivering to the Auditors (with a copy to the Intercreditor Agent) an authorization substantially in the form agreed pursuant to the Indenture, or such other form reasonably agreed among such auditor, the Issuer and the Intercreditor Agent, and use commercially reasonable efforts to obtain the Auditors' acknowledgement and consent to such authorization; *provided*, that so long as no Default or Event of Default has occurred and be continuing, the Issuer will be given ten (10) Business Days' prior written notice of any request from the Intercreditor Agent (acting solely at the written direction of the Intercreditor Parties pursuant to the Intercreditor Agreement) to

communicate in writing with the Auditor and opportunity to respond to any communications (which response will not be unreasonably withheld or delayed), and (iii) if the Auditor ceases to be the auditor to the Issuer appoint another Approved Auditor as soon as practicable and, no later than forty five (45) days after the appointment of successor Auditors, issue to the new Auditors an authorization substantially in the form agreed pursuant to the Indenture, or such other form substantially agreed among such Auditor, the Issuer and the Intercreditor Agent (acting solely at the written direction of the Intercreditor Parties pursuant to the Intercreditor Agreement), provide a copy of such authorization to the Intercreditor Agent, and use commercially reasonable efforts to obtain such Auditor's acknowledgement and consent to such authorization.

(l) *Taxes.* The Issuer shall file timely or cause to be filed timely all Tax Returns required to be filed by it and pay or cause to be paid when due all Taxes due and payable by it whether shown to be due and payable on such Tax Returns or on any assessment received by it or otherwise, except (i) to the extent any such Taxes are being diligently contested by appropriate proceedings in good faith and with respect to which adequate cash reserves have been established in accordance with the Accounting Principles and (ii) to the extent any failure to so file or pay has not had and could not reasonably be expected to result in a Material Adverse Effect.

(m) *Ranking.* The Issuer shall take such actions as may be necessary to ensure that, at all times, the respective obligations of the Issuer under the Financing Documents are direct, senior, unconditional obligations and rank at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated financial obligations of the Issuer (other than obligations preferred by statute or by operation of law).

(n) *Concession Liquidity Bond.* To the extent available to the Issuer, on April 30 of each year and until the notes have been repaid in full, the Issuer shall provide to the Indenture Trustee, to the satisfaction of the Independent Engineer, a copy of a fully effective liquidity bond (*bono de liquidez*) issued by the Grantor guaranteeing the payment of the Minimum Revenue Guarantee (*Ingreso Mínimo Garantizado*) in connection with the Project in case such funds were not allocated in the Grantor's yearly budget for the prior year, in accordance with sections 3.7.4 and 3.7.5 of the Concession Agreement.

(o) *Rights under Project Documents.* The Issuer shall:

(i) perform, observe, comply and fulfill its obligations, covenants and conditions contained in each of the Project Documents to which it is a party, the breach or failure to perform of which would cause the termination of such Project Document or give any other party to such Project Document the right to suspend performance under or terminate such Project Document unless such termination is otherwise permitted under the Financing Documents, except to the extent any noncompliance with the foregoing, individually or in the aggregate, has not had and could not reasonably be expected to have a Material Adverse Effect; and

(ii) preserve, protect, maintain and enforce all of its rights and remedies under the Concession Agreement and all other Project Documents in accordance with the terms thereof and Applicable Law, except to the extent any noncompliance with the foregoing, individually or in the aggregate, has not had and could not reasonably be expected to have a Material Adverse Effect.

(p) *Access to the Project.* The Issuer will, upon the request of the Intercreditor Agent (acting solely at the written direction of the Intercreditor Parties pursuant to the Intercreditor Agreement) and at the expense of the directing Intercreditor Parties, which request is to be made with reasonable notice, permit representatives of any Secured Party (including any agents or trustees thereof), including the Consultants, during normal business hours to:

(i) visit and inspect the Project, the Project Site and any premises where the business of the Issuer relating to the Project is conducted and make photocopies or reproductions of any of the Issuer's books of account and records and any other records relating to the Project, and

(ii) have access to those of the Issuer's employees, officers and agents who have or may have knowledge of the matters with respect to which any Secured Party seeks information or of the business, operations, Property, and financial and other condition of the Issuer generally.

The Issuer shall allow (a) the Independent Engineer to perform inspections and visits to the Project (i) once every two (2) years and (ii) to the extent reasonably requested by the Joint Required Holders, no more than once every twelve (12) months, in each case, on a date notified by the Independent Engineer, and reasonably acceptable to the Issuer, pursuant to the terms of the Independent Engineer Agreement, and (b) the Indenture Trustee (or an agent or designee thereof) to review operational data and information in connection with traffic revenue of the Project once every calendar year.

(q) *Process Agent.* The Issuer will appoint or renew the appointment (in the same terms as the appointment made on or before the Closing Date) of the Process Agent at least thirty (30) days before its expiration date.

(r) *Funding of Certain Reserve and Other Accounts.* The Issuer shall:

(i) on the Closing Date, fund the Indenture Notes Debt Service Reserve Account in an amount equal to the notes Debt Service Reserve Required Amount, which amount will be funded with a transfer from the IT Note Proceeds Account; and thereafter cause the Indenture Notes Debt Service Reserve Account to be funded from time to time in an amount at least equal to the notes Debt Service Reserve Required Amount to the extent amounts are available as determined in accordance with the A&R Payment and Guarantee Trust Agreement;

(ii) on the Closing Date, fund the Local Notes Debt Service Reserve Account in an amount equal to the Local Notes Debt Service Reserve Required Amount, which amount will be funded with a transfer from the Local Notes Proceeds Account; and thereafter cause the Local Notes Debt Service Reserve Account to be funded from time to time in an amount at least equal to the Local Notes Debt Service Reserve Required Amount to the extent amounts are available as determined in accordance with the A&R Payment and Guarantee Trust Agreement; and

(iii) not later than five (5) Business Days after the Closing Date, fund the O&M Reserve Account in an amount equal to the O&M Reserve Required Amount, which amount will be funded with a transfer from the Local Notes Proceeds Account or the IT Note Proceeds Account; and thereafter cause the O&M Reserve Accounts to be funded in an amount at least equal to the O&M Reserve Required Amount to the extent amounts are available as determined in accordance with the A&R Payment and Guarantee Trust Agreement;

(s) *Reporting and Disclosure.* The Issuer shall:

(i) as promptly as practicable provide, and cause the Project Parties to as promptly as practicable provide, to the Traffic Consultant and the Independent Engineer any information they may reasonably request in connection with the preparation of any report or certification either is required to deliver, in the case of the Independent Engineer, pursuant to the Independent Engineer Agreement,

(ii) no later than the date that is 120 days after the end of each Financial Year, deliver to the Intercreditor Agent and, if any rated notes are outstanding, the applicable Rating Agencies, a report relating to traffic volumes, revenues and other traffic-related information in respect of the Project (in each case, with respect to the immediately preceding Financial Year) in the form agreed pursuant to the Indenture,

(iii) not later than seven (7) Business Days following each Calculation Date, provide to the Intercreditor Agent and the Indenture Trustee a financial ratio certificate pursuant to the Indenture (I) calculating the Debt Service Coverage Ratio for the most recently ended Calculation Period, (II) calculating the Projected Debt Service Coverage Ratio for the Calculation Period commencing on such Calculation Date, (III) calculating the Local Notes Debt Service Reserve

Required Amount, the notes Debt Service Reserve Required Amount and the O&M Reserve Required Amount for the Calculation Period immediately following such Calculation Date if such Calculation Date is the last Business Day of the year, in each case, including in detail the information used by the Issuer in calculating such ratios and amounts,

(iv) cause to be delivered to the Intercreditor Agent, not less frequently than once every twelve (12) months, a report of the Issuer certifying as to the existence of Environmental and Social Claims, if any, in respect of the Project and, if an Environmental and Social Claim exists, prepare and deliver to the Intercreditor Agent a corrective action plan to correct any identified non-compliance or deficiency, whereupon the Issuer shall implement such corrective action plan,

(v) not later than thirty (30) days following each payment date, provide to the Intercreditor Agent a report of the actual Project revenues, O&M Costs and capital expenditures for the six-month period ending on such payment date,

(vi) deliver to the Calculation Agent, at least fifteen (15) Business Days prior to each NPV Calculation Date, all necessary information required for the Calculation Agent to calculate the Net Present Value, including the most recent traffic reports, information related to the Project's revenue and all of the most recent reports prepared by the Grantor containing traffic data and the Grantor's calculation of the Net Present Value; *it being understood* that in the event the Calculation Agent determines that the Net Present Value has exceeded, at any point in time, 95% of the Maximum Net Present Value, the Issuer shall deliver such information during the first seven (7) days of each calendar month; and

(vii) not later than five (5) Business Days after its occurrence, notify the Intercreditor Agent in writing of any change in the Shareholders or in the Shareholders' or Globalvía's ability to direct the business and affairs of the Issuer to the extent such change was not required to be previously notified as part of any Change of Control notice, and provide to the Intercreditor Agent any information in respect of such change that the Intercreditor Agent may reasonably request (acting solely at the written direction of the Intercreditor Parties pursuant to the Intercreditor Agreement).

(t) *Financial Statements.* The Issuer will deliver to the Intercreditor Agent and, if any rated notes are outstanding, to the Rating Agencies, in electronic format:

(i) as soon as the same become available but in any event within one-hundred twenty (120) days after the end of each Financial Year, copies of the audited Financial Statements of the Issuer for such Financial Year setting forth in each case in comparative form the corresponding figures for the previous Financial Year in accordance with the Accounting Principles and accompanied by a report of the Auditors reporting on such Financial Statements, stating that such Financial Statements have been prepared in accordance with the Accounting Principles,

(ii) as soon as the same become available but in any event within sixty (60) days after the end of each Financial Quarter of each Financial Year copies of the unaudited Financial Statements of the Issuer for such Financial Quarter setting forth in each case in comparative form the corresponding figures for such Financial Quarter of the previous Financial Year in accordance with the Accounting Principles and accompanied by a certificate of an Authorized Representative of the Issuer to the effect that such Financial Statements: (A) have been prepared in accordance with the Accounting Principles and (B) present fairly, in all material respects, the financial condition of the Issuer and the results of its operations and cash flows for such period (subject to normal year-end audit adjustments), and

(iii) each set of Financial Statements delivered by the Issuer pursuant to clauses (i) and (ii) above will be accompanied by a certificate of an Authorized Representative of the Issuer certifying, in each case, that no Default, Event of Default, Local Note Default or Local Note Event

of Default, Bank Project Debt Default or Bank Project Debt Event of Default occurred during the applicable Financial Year or Financial Quarter, except as specified in such certificate.

(u) *Notices.* Without prejudice to any other obligations of the Issuer set forth in the Intercreditor Agreement, the Issuer shall deliver to the Intercreditor Agent promptly, and in any event within seven (7) Business Days:

(i) after receipt by the Issuer, all notices relating to material issues of the Project, including but not limited to amendments or proposed amendments to the Concession Agreement, changes of control in respect of the Project, assignment of the Concession Agreement, changes regarding permits, material changes to existing requirements or new requirements imposed on the Issuer by the Grantor, material economic matters (including but not limited to Grantor payments to the Issuer and calculation of the Net Present Value), Toll adjustments, construction works of the Project not included in the Annual Budget, updates on the material works being conducted in the San José – San Ramón route or any other alternative routes, changes in law materially impacting the Project, changes in rights of way, new investments in the Project not included in the Annual Budget, events that lead to an adjustment of the Project's economic-financial equilibrium, enforcement guarantees or imposition of material penalties, in connection with the Project, the Issuer and, to the extent related to the Project, the Shareholders and any other Project Party including notices from any Governmental Authority seeking a modification, amendment or termination of the Concession Agreement, any noncompliance in any material respect by the Issuer or the Grantor with the provisions of the Concession Agreement and notices from any Project Party seeking a modification, amendment or termination of any Project Document, together with copies of such notices, if written,

(ii) after a responsible officer of the Issuer obtains knowledge or becomes aware of the occurrence of a Default, Event of Default, Local Note Default, Local Note Event of Default, Bank Project Debt Default or Bank Project Debt Event of Default a written notice specifying the nature of such Default, Event of Default, Local Note Default or Local Note Event of Default and any steps the Issuer is taking to remedy it,

(iii) after a responsible officer of the Issuer obtains knowledge or becomes aware thereof, notice of the occurrence of any material default under, or any amendment, waiver, modification, supplement, cancellation, suspension or termination of, under or in respect of any Transaction Documents (except for any amendments, modifications, suspensions, waivers or supplements of a clerical, technical or administrative matter),

(iv) after a responsible officer of the Issuer obtains knowledge or becomes aware thereof, notice of any pending or threatened material monetary or non-monetary action, investigation, suit, other legal proceeding, administrative proceeding, legal challenge or other claim before any Governmental Authority, dispute resolution or arbitration panel against the validity or enforceability of any Financing Document or that, if adversely determined, could reasonably be expected to have a material impact on any rights of the Issuer under the Concession Agreement or the ability of the Issuer to comply in any material respect with any obligations under the Transaction Documents to which it is a party or any action, suit, other legal proceeding, administrative proceeding or other claim affecting the Project or the Issuer in which the potential liability of the Issuer is in excess of U.S.\$2,500,000 (or its equivalent in any other currency), together with a description of the nature of those proceedings and the steps the Issuer is taking or proposes to take with respect thereto,

(v) after a responsible officer of the Issuer obtains knowledge or becomes aware thereof, notice of any Event of Loss, Extraordinary Event or Event of Force Majeure materially affecting the Issuer or its operations or any of its material Property (including any notice of an Event of Force Majeure, or the assertion of the occurrence of any Event of Force Majeure, delivered or received in respect of any Project Document),

(vi) after a responsible officer of the Issuer obtains knowledge or becomes aware of the existence of any violation of any of any Sanctions Laws and Regulations by the Issuer or any investigation by any Governmental Authority relating thereto, notice thereof, including a description of the violation or the matter under investigation, as the case may be, and the steps that are being taken to resolve such matter,

(vii) notice, upon obtaining knowledge thereof, of any amendment or modification of any Transaction Document, together with a copy thereof, or any other event or condition that has had or would reasonably be expected to have a Material Adverse Effect,

(viii) after a responsible officer of the Issuer obtains knowledge or becomes aware thereof, notice of any request for the Grantor to pay, or that the Grantor has paid, the Minimum Revenue Guarantee (*Ingreso Mínimo Garantizado*) in accordance with the Concession Agreement,

(ix) after a responsible officer of the Issuer obtains knowledge or becomes aware thereof, notice of any noncompliance with Environmental Laws, specifying in each case the nature of the noncompliance and any effect resulting or likely to result therefrom, the measures the Issuer is taking or plans to take to address them and, if possible, prevent any future similar noncompliance, and, upon cure, notice that such noncompliance has been resolved or is not continuing; and

(x) from time to time as soon as reasonably practicable after reasonable request from the Intercreditor Agent, such other information with respect to (i) the financial condition or results of operations of the Issuer, (ii) the Transaction Documents and the transactions contemplated thereby, or (iii) the Project.

(v) *Annual Budget and Base Case Model.* The Issuer will:

(i) not later than December 1 of each calendar year, deliver to the Intercreditor Agent and the Rating Agencies, the Annual Budget for the next calendar year (in English) and containing (x) the Projected Debt Service Coverage Ratio for each Calculation Period covered in whole or in part by such Annual Budget and (y) an explanation of any material changes from the then-current Annual Budget; *provided*, that:

(A) if the Projected Debt Service Coverage Ratio for the Calculation Period covered by such Annual Budget is less than 1.20:1, such Annual Budget shall be accompanied by a certificate of the Independent Engineer approving such Annual Budget and affirming that such Annual Budget reasonably sets forth the minimum amount of O&M Costs required for the Issuer to comply with its obligations under the Transaction Documents in all material respects; and

(B) if the Projected Debt Service Coverage Ratio for the Calculation Period covered by such Annual Budget is less than 1.10:1, such Annual Budget shall also be accompanied by updated traffic projections from the Traffic Consultant, and

(C) if the requirements set forth in clauses (A) or (B) above are applicable with respect to a proposed Annual Budget and such requirements have not been met pursuant to the terms of this subclause (i), the Annual Budget for the then-current year will remain in effect for the next calendar year, until the Issuer has met the requirements of this clause (i) with respect to a new Annual Budget;

(ii) if during any calendar year, the Issuer determines that the aggregate amount projected to be payable by the Issuer (other than Restricted Payments) during such calendar year would exceed one hundred and ten percent (110%) of the corresponding aggregate amount under the then-current Annual Budget, as promptly as practicable deliver to the Intercreditor Agent, and each Rating Agency, any amendment, modification or supplement to the then-current Annual Budget (which will be clearly labeled in English as such) containing (x) the Projected Debt

Service Coverage Ratio for each Calculation Period covered in whole or in part by such Annual Budget and (y) an explanation of any material changes from the then-current Annual Budget; *provided*, that:

(A) if the Projected Debt Service Coverage Ratio for the Calculation Period covered by such Annual Budget is less than 1.20:1, such Annual Budget shall be accompanied by a certificate of the Independent Engineer approving such Annual Budget and affirming that such Annual Budget reasonably sets forth the minimum amount of O&M Costs required for the Issuer to comply with its obligations under the Transaction Documents in all material respects; and

(B) if the requirements set forth in clause (A) above are applicable with respect to the proposed amendment, modification or supplement to the then-current Annual Budget and such requirements have not been met pursuant to the terms of this clause (ii), the then-current Annual Budget shall remain in effect, until (x) the Issuer has met the requirements of this subclause (ii) with respect to the amendment, modification or supplement to the then-current Annual Budget or (y) the Issuer has met the requirements of subclause (i) above with respect to a new Annual Budget;

(iii) to the extent the Issuer incurs any material cost or expense due to the occurrence of any actual, constructive, compromised or arranged loss, destruction, impairment or damage of any of its Property or assets, the Issuer shall deliver to the Intercreditor Agent, as promptly as practicable upon receiving any proceeds in connection with such event, a revised Annual Budget exclusively to reflect such costs or expenses and such proceeds, and upon delivery, such Annual Budget shall be considered the then-current Annual Budget; *provided*, that, if the aggregate amounts projected to be payable by the Issuer (other than Restricted Payments) under the revised Annual Budget would cause the Projected Debt Service Coverage Ratio for the Calculation Period covered by such Annual Budget to be less than the thresholds set forth in (i) or (ii) above, then such Annual Budget will have to comply with the requirements of (i) or (ii) above, as applicable;

(iv) not later than December 1 of each calendar year, deliver to the Intercreditor Agent, the Calculation Agent and, if any rated notes are outstanding, each applicable Rating Agency, a revised Base Case Model accompanied by a certificate of the chief financial officer of the Issuer to the effect that, to such chief financial officer's knowledge after due inquiry, such revised Base Case Model has been prepared in good faith on the basis of reasonable assumptions and that such chief financial officer has no reason to believe that such assumptions are incorrect or misleading in any material respect. The revised Base Case Model shall (A) be clearly labeled in English, and (B) contain, clearly labeled, (1) updated Debt Service, (2) the Projected Debt Service Coverage Ratio, (3) updated traffic projections reflecting the actual traffic volumes as evidenced in the most recent report relating to traffic volumes, (4) projected Capex, projected O&M Costs, projected working capital expenses and projected taxes, and (5) any other items approved by the Independent Engineer, in each case of (1), (2), (3), (4) and (5), for each Calculation Period ending on any date following the date of such revised Base Case Model; and

(v) not later than each of December 1 and June 1 of each calendar year, deliver to the Intercreditor Agent, the Independent Engineer and, if any rated notes are outstanding, each applicable Rating Agency, (A) a report, which shall be clearly labeled in English as such, from an Authorized Representative of the Issuer setting forth the actual aggregate amounts paid by the Issuer during the immediately previous year or six (6)-month period, respectively, and (B) a comparison of such amounts to the aggregate amounts projected to be payable by the Issuer under the relevant Annual Budget for such year or six (6)-month period, as applicable.

(w) *Environmental Compliance.* The Issuer shall:

(i) deliver to the Intercreditor Agent prompt written notice of any update, amendment, revocation, denial or non-renewal of any Relevant Permit or any substantial change in

the environmental, social or health and safety framework applicable to the Project under Applicable Law; and

(ii) comply with the obligations related to the Environmental Licenses.

(x) *Road Safety Reports.* The Issuer shall deliver to the Intercreditor Agent, within six (6) months from the Closing Date, the road safety reports required to be prepared under the Concession Agreement;

(y) *Maintenance of Ratings.* The Issuer will at all times use commercially reasonable efforts to maintain the engagement of (i) at least one Rating Agency for purposes of rating each series of the notes, and (ii) at least one Costa Rican rating agency for purposes of rating each series of the Local Notes, in each case including without limitation paying monitoring fees to each such rating agency and providing such reports and documents as such rating agencies shall reasonably request.

(z) *NPV Calculation.*

(i) On January 30 and July 30 of each year (each, an “NPV Calculation Date”), the Issuer shall cause the Calculation Agent to calculate the NPV Excess Amount of the Project as of the immediately preceding calendar semester according to the formulae set forth in the Intercreditor Agreement.

(ii) The results of the NPV Excess Amount shall be set forth in a notice to be delivered to the Issuer, the Indenture Trustee, the Onshore Collateral Agent and the Intercreditor Agent jointly with the details of such calculation (such notice, the “NPV Calculation Notice”). The Issuer shall be entitled to review and provide comments to the Calculation Agent on the contents of the NPV Calculation Notice, with copy to the Indenture Trustee, the Onshore Collateral Agent and the Intercreditor Agent, on a non-binding basis. The NPV Calculation Notice shall also set forth the amount of revenues of the Project received by the immediately preceding calendar semester corresponding to the amount by which the Actual Toll Income exceeded the Base Case Scheduled Toll Income as of such date.

(aa) *English Translations.* From and after the Closing Date, the Issuer will deliver in English each notice, certificate, instrument, communication or other document required to be delivered pursuant to the Indenture and/or the Intercreditor Agreement, as applicable, and at its own expense, provide to the Indenture Trustee a certified English translation of all material communications received by the Issuer from the Grantor relating to the Project. The Issuer will deliver a certified translation of the A&R Payment and Guarantee Trust Agreement no later than ninety (90) days following the Closing Date. It is understood and agreed that the Issuer is providing such translations as an accommodation to the Secured Parties and that the original Spanish documents shall govern for all purposes.

(bb) *Rule 144A Information.* For so long as any of the notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer shall furnish, or shall cause to be furnished, upon the request (an in any event within seven (7) Business Days of such request) of any holder of notes through the Indenture Trustee, such information as is specified in Rule 144A(d)(4) under the Securities Act: (i) to such Investor, (ii) to a prospective purchaser of such note (or beneficial interests therein) who is a “qualified institutional buyer” (as defined by Rule 144A) designated by such holder and (iii) to the Indenture Trustee for delivery to any applicable holder or such prospective purchaser so designated, in each case in order to permit compliance by such holder with Rule 144A in connection with the resale of such note (or beneficial interest therein) in reliance upon Rule 144A unless, at the time of such request, the Issuer is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or is included in the list of foreign private issuers that claim exemption from the registration requirements of Section 12(g) of the Exchange Act (and therefore is required to furnish the United States Securities and Exchange Commission certain information pursuant to Rule 12g3-2(b) thereunder) (collectively, the “Rule 144A Information”). All such information shall be in the English language.

(cc) *Grantor Information.* The Issuer shall ensure and as promptly as practicable, to the extent available, provide to the Intercreditor Agent satisfactory evidence that all information in respect of any Debt Provider, any Transaction Document or any of the transactions contemplated thereby that is required to be delivered by the Issuer to the Grantor pursuant to the Concession Agreement.

(dd) *Sanctions Laws and Regulations.* The Issuer shall comply in all respects with the Sanctions Laws and Regulations and will take measures necessary to ensure compliance thereof by its Shareholders, its administrators or representatives.

(ee) *Prohibited Practices.* The Issuer shall take all measures necessary to avoid engaging in any Prohibited Practice and to prevent any of its Shareholders, administrators or representatives from engaging in any Prohibited Practice.

(ff) *Solvency.* The Issuer shall be Solvent immediately after the Closing Date.

(gg) *Listing.* In connection with any notes listed and traded on the SGX-ST, the Issuer shall use all reasonable endeavors to maintain the listing of the notes on the SGX-ST and the admission to trading of the notes on SGX-ST for as long as any notes are outstanding and to pay all fees and supply all further documents, information and undertakings as may be necessary for such purpose.

Negative Covenants of the Issuer

The Issuer agrees that until the Final Termination Date:

(a) *Limitations on Debt.* The Issuer shall not incur, assume or suffer to exist any Debt other than Permitted Debt.

(b) *Limitation on Liens.* The Issuer shall not create, assume or permit to exist any Lien on any of its Property, other than Permitted Liens.

(c) *Level of Indebtedness.* The Issuer shall not exceed a level of total individual or consolidated indebtedness permitted under the Concession Agreement and Applicable Law.

(d) *Amendments and Waivers under the Project Documents.* The Issuer shall not, (A) except by virtue of the scheduled expiration in the ordinary course of a Project Document in accordance with its terms, amend, modify, terminate or assign or permit the termination or assignment, or give any consent or grant any waiver or extension under, or permit the amendment or modification of, or the giving or granting of any consent, approval, waiver or extension, of any material provision relating to any Project Document to which it is a party, or (B) except as required or otherwise permitted by the Financing Documents, enter into any Project Document, unless in either case: (x) the Issuer delivers to the Intercreditor Agent a certificate of an Authorized Representative describing in reasonable detail the relevant action and stating that such action could not reasonably be expected to result in a Material Adverse Effect, (y) the Independent Engineer has provided written confirmation that it does not object to such action, and (z) to the extent such action relates to a material amendment or modification of the Concession Agreement, the Joint Required Holders have affirmatively approved such action in accordance with the Indenture and the Intercreditor Agreement, *provided* that, with respect to clause (z) above, any amendment or modification of the Concession Agreement in connection with Incremental Works shall not require such affirmative approval by the Joint Required Holders.

(e) *Termination and Assignment of Transaction Documents; Exercise of Remedies.* The Issuer shall not:

(i) except by virtue of the scheduled expiration in the ordinary course of a Financing Document in accordance with its terms, terminate, assign (except in favor of the Onshore Collateral Agent or Onshore Trustee pursuant to the terms of the Collateral Documents) or consent or agree to any termination, assignment of (except in favor of the Onshore Collateral Agent pursuant to the terms of the Collateral Documents) or waiver under or with respect, to any

Financing Document, except, in each case, in a manner that would be permissible in accordance with its terms,

(ii) assign any rights and/or obligations under any Relevant Permit (except in favor of the Onshore Collateral Agent or Onshore Trustee pursuant to the terms of the Collateral Documents), or

(iii) compromise or settle any claim against any Project Party in excess of two million five hundred thousand U.S. dollars (\$2,500,000) unless the compromise or settlement, as certified by an Authorized Representative of the Issuer to the Intercreditor Agent, could not reasonably be expected to have a Material Adverse Effect or unless any such compromise or settlement is necessary to avoid a breach under the Concession Agreement.

(f) *Investments.* The Issuer shall not have nor will it make or permit to exist (i) any permanent investment in Share Capital or (ii) Investments in any Person other than Permitted Investments.

(g) *Limitation on Restricted Payments.* The Issuer shall not declare or make any Restricted Payment, unless each of the following conditions shall have been satisfied, both prior to and immediately after giving effect to any such Restricted Payment (collectively, the “Restricted Payment Conditions”):

(i) no Default or Event of Default exists, or would exist after such a payment;

(ii) all required payments of Debt Service and all amounts due and payable under the Project Documents and Financing Documents through the month-end date immediately preceding the date such Restricted Payment is to be made have been fully accounted for through the Indenture Trustee Accounts, the A&R Payment and Guarantee Trust Accounts or paid in full,

(iii) the Debt Service Coverage Ratio with respect to the most recently completed Calculation Period is equal to or greater than 1.20:1.00, as verified by the Intercreditor Agent through the receipt of a certificate, pursuant to the Intercreditor Agreement,

(iv) the Projected Debt Service Coverage Ratio, with respect to the Calculation Period in effect on the date such calculation is made (as set forth in the current Annual Budget and Base Case Model), is equal to or greater than 1.20:1.00, as verified by the Intercreditor Agent through the receipt of a certificate, pursuant to the Intercreditor Agreement,

(v) (1) the Indenture Notes Debt Service Reserve Account is funded in an aggregate amount not less than the notes Debt Service Reserve Required Amount, the Local Notes Debt Service Reserve Account is funded in an aggregate amount not less than the Local Notes Debt Service Reserve Required Amount and the O&M Reserve Account is funded in an aggregate amount not less than the O&M Reserve Required Amount, and, if applicable, the Bank Project Debt Service Reserve Account is funded in an aggregate amount not less than the Bank Project Debt Service Reserve Required Amount, and (2) all other transfers required to be made, as of the relevant Restricted Payment Date, to or from the A&R Payment and Guarantee Trust Accounts have been made prior to such Restricted Payment;

(vi) the Issuer has not made any other Restricted Payment since the immediately preceding Restricted Payment Date; and

(vii) the Issuer, not earlier than thirty (30) days nor later than fifteen (15) days prior to the proposed Restricted Payment Date, has provided the Intercreditor Agent and the Onshore Trustee with a certificate of an Authorized Representative, as agreed pursuant to the Indenture, certifying as to the satisfaction of all conditions set forth above.

(h) *Additional Contractual Obligations.* The Issuer will not enter into any agreements, contracts or other arrangements or commitments other than the following:

(i) the Transaction Documents in effect on the Closing Date,

(ii) agreements, contracts or other arrangements or commitments entered into by the Issuer with respect to any action required or permitted by the Financing Documents,

(iii) replacement of Project Documents, as permitted and contemplated by the Financing Documents, and

(iv) agreements, contracts or other arrangements or commitments required pursuant to the Concession Agreement, or entered into by the Issuer in the ordinary course of its business and consistent with prior practice, in each case so long as the terms of the same (i) would not reasonably be expected to result in a Material Adverse Effect and (ii) are consistent with the terms of the Concession Agreement.

(i) *Fundamental Changes.* The Issuer will not: (i) (A) enter into any agreement or arrangement whereby the right to manage the Issuer is conferred to any Person other than the Issuer or its management, directors or Shareholders, (B) change any provision of its Organizational Documents, in any manner that would breach any provision of any Transaction Document, (C) enter into a shareholders' agreement (or amendments, modifications or supplements thereof), in any manner that would breach any provision of any Transaction Document or that could be reasonably likely to have a Material Adverse Effect, or (D) change its jurisdiction of formation outside of Costa Rica; (ii) undertake or permit any merger of the Issuer, including any share merger, consolidation, spin-off, transformation into any other type of company, transfer of establishment or reorganization; or (iii) reorganize, liquidate or wind up its affairs or sell, transfer, lease or otherwise dispose of all or substantially all of its Property.

(j) *Sale of Assets.* The Issuer will not sell, lease, transfer or otherwise dispose of (by one or a series of transactions, related or not) any of its Property except: (A) non-material items in the ordinary course of business not exceeding one million U.S. dollars (\$1,000,000) (or its equivalent in any other currency, with each such disposal valued as of the date it occurs) per calendar year, and (B) sales or disposals of obsolete, worn out or defective Property if, (i) such Property is replaced within ninety (90) days using for such purchase all of the proceeds from such sale or disposal to buy new or refurbished Property or (ii) such Property is no longer required for carrying out the Project, *provided*, that such sale, lease, transfer or other disposal would not constitute, or could not reasonably be expected to result in, a Material Adverse Effect.

(k) *Affiliate Transactions.* The Issuer will not enter into, amend, modify, renew or extend the term of, or supplement any transaction, including the purchase, sale, lease or exchange of Property or the rendering of any service, with any Affiliate (an "Affiliate Transaction"); *provided*, that the Issuer may enter into, amend, modify, renew or extend the term of, or supplement an Affiliate Transaction if undertaken upon terms not materially less favorable to the Issuer than could be obtained in a comparable arm's length transaction with a Person that is not an Affiliate of the Issuer, but which Person is of adequate financial and technical capability to perform the transactions.

(l) *Change of Name, Etc.* The Issuer will not change its registered domicile office (or the office at which it keeps its corporate records), its principal place of business or legal name as disclosed under its Organizational Documents unless it shall have given the Intercreditor Agent, at least thirty (30) days' prior written notice and all actions to perfect and maintain in full force and effect the Liens created pursuant to the Collateral Documents will have been completed in accordance with the Financing Documents.

(m) *Scope of Business.* The Issuer will not change the nature or scope of its business, its corporate purpose, its business purpose, or enter into any other business, either directly or indirectly, other than the Project or the performance of its obligations under the Transaction Documents to which it is a party or any other business described in its Organizational Documents.

(n) *Partnership, Profit Sharing or Royalties.* The Issuer will not, unless mandatorily required under Applicable Law or under the Concession Agreement, enter into any partnership, joint venture, consortium, profit-sharing or royalty agreement or other similar arrangement or policy whereby its income or profits are, or might be, shared with any other Person.

(o) *Abandonment.* Other than a suspension permitted pursuant to the Concession Agreement, the Issuer will not abandon or cease operation and maintenance activities of the Project for any period of more than sixty (60) consecutive days.

(p) *Share Capital.*

(i) The Issuer shall not issue any Share Capital or otherwise change its capital structure; *provided* that the Issuer shall be entitled to issue Share Capital or otherwise change its capital structure at any time, to the extent that any such action (1) would not result in a breach under the Concession Agreement and (2) could not reasonably be expected to have, individually or in the aggregate, in a Material Adverse Effect.

(ii) The Issuer shall not permit any Person other than the Onshore Trustee or a replacement to the Onshore Trustee acceptable to the Intercreditor Parties to be the trustee under the A&R Payment and Guarantee Trust Agreement and shall not issue any fiduciary rights to any Person other than the Onshore Trustee or a replacement to the Onshore Trustee acceptable to the Intercreditor Parties.

(q) *Speculative or Derivative Hedging Agreements.* The Issuer shall not enter into any Derivatives Transaction or engage in any speculative or derivative transactions, except with respect to derivative transactions entered into in connection with Project Debt incurred by the Issuer in accordance with the Financing Documents.

(r) *No Other Accounts.* The Issuer shall not maintain any bank accounts other than the Indenture Accounts, the A&R Payment and Guarantee Trust Accounts and such other de minimis bank accounts with an aggregate balance of up to one million U.S. dollars (\$1,000,000) as the Issuer may require for the operation and maintenance of its business.

(s) *Accounting Changes.* The Issuer will not change its Financial Year, or make or permit any change in accounting policies, except as required to comply with applicable Taxing Authority resolutions, the Accounting Principles or Applicable Law.

(t) *Incremental Works.* The Issuer shall not perform or procure the performance of any Incremental Works, unless each of the following conditions shall have been satisfied: (i) to the extent the amount of the Incremental exceeds eleven million U.S. dollars (\$11,000,000) (or its equivalent in any other currency), the Intercreditor Agent shall have received from the Issuer written evidence of a Ratings Reaffirmation with respect to the notes; and (ii) the Intercreditor Agent shall have received an Officer's Certificate from the Issuer certifying that (A) prior to the performance or procurement of any Incremental Works, a corresponding amendment or complementary agreement to the Concession Agreement that makes sufficient budgetary appropriations has been executed, or (B) prior to the performance or procurement of any Incremental Works, the Issuer has sufficient funding to pay for such Incremental Works.

(u) *Powers of Attorney.* Except for any such document, instrument or agreement required to be entered into pursuant to the Collateral Documents or permitted under the Transaction Documents or powers of attorney necessary or advisable for the management of the Issuer and the performance of its obligations under, or permitted in, the Transaction Documents, the Issuer shall not enter into or grant any power of attorney, or any similar document, instrument or agreement to any third party Person which would enable such Person to control the operation of the Issuer; it being understood that for purposes of this clause (u), the Sponsor or any Shareholder, or any of their direct shareholders or their valid successors and assigns having a direct or indirect participation in the Issuer, and any of their respective officers, directors or employees shall not be considered a third party Person.

(v) *Prepayment or Cancellation of Obligations.* The Issuer shall not, except as provided in the Indenture or in the Intercreditor Agreement, make or permit to be made on its behalf any voluntary prepayment of any Obligations unless the Issuer will have made a contemporaneous *pro rata* prepayment of all Obligations;

(w) *Leasing Transactions.* The Issuer will not enter into any leases (as lessee), except subject to the limits set forth in the definition of Project Document, land leases, rights of way leases and equipment leases entered into in the ordinary course of business, such as leases for transportation equipment, office equipment, computers and similar equipment.

(x) *Investment Company Act.* The Issuer will not take (nor will it permit any Affiliate to take) any action that could result in the Issuer being required to register as an “Investment Company” under and within the definitions set forth in the Investment Company Act.

(y) *Sanctions Laws and Regulations.*

(i) The Issuer will not use, or authorize the use of, directly or indirectly, the proceeds of any of the notes, the Local Notes or any Bank Project Debt, or will lend, contribute or otherwise make available such proceeds to any Person to fund any activities or business of or with any Designated Person in a manner that would constitute a violation by any of the Issuer, the Indenture Trustee or any holder of notes of any Applicable Law or Sanctions Laws and Regulations.

(ii) The Issuer will not use to pay any amount due under the notes any funds or assets that constitute funds obtained from transactions with or involving Designated Persons.

(z) *Prohibited Practices.* Neither the Issuer nor any of its officers, directors, employees or agents, acting on its behalf, will engage in any Prohibited Practices with respect to any transaction contemplated by any Financing Document to which it is a party.

Events of Default

Each of the following events, acts, occurrences or conditions, regardless of whether such event, act, occurrence or condition is involuntary or results from the operation of any Applicable Law or pursuant to or as a result of any act or failure to act by any Government Authority, constitutes an “Event of Default”:

(a) *Payments.*

(i) The Issuer fails to pay when due (whether at stated maturity or otherwise) (A) any amount of principal or interest of the Obligations after such amount becomes due and payable (whether at scheduled maturity, by required prepayment, by acceleration or otherwise), and such failure shall continue for three (3) Business Days; it being understood that such three (3) Business Day grace period shall only apply if the delay is due to administrative errors on the part of the Indenture Trustee or the Onshore Trustee, or (B) any Obligation other than principal and interest and such failure continues unremedied for a period of five (5) or more Business Days;

(ii) other than with respect to the Obligations (which are subject to clause (i) above), the Issuer fails to: (A) pay any amount outstanding with respect to any Permitted Debt with an outstanding principal balance in excess of two million five hundred thousand U.S. dollars (\$2,500,000) (or its equivalent in any other currency) in the aggregate, when due, under any agreement pursuant to which there is outstanding any such other Permitted Debt, and any such failure continues for more than any applicable period of grace, or (B) observe or perform any other agreement or condition relating to any such Permitted Debt, or any other event, condition or circumstance shall occur, the effect of which default event, condition or circumstance is to cause such Permitted Debt to become immediately due and payable to enable or permit the holder or holders of such Permitted Debt to require the prepayment, repurchase, redemption or defeasance thereof prior to its scheduled maturity (with or without the giving of notice, but without further lapse of time).

(b) *Breach of Financing Documents.*

(i) The Issuer fails to comply with any of its obligations regarding repurchase upon change of control contained in the Indenture, and regarding Insurance, Security and Further Assurances, Use of Proceeds, Regulatory Requirements, Existence; Continuing Engagement in Business, Conditions of Business; Compliance with Applicable Law, Ranking, Access to the Project, Reporting and Disclosure, Notices, Rule 144A Information, Negative Covenants of the Issuer contained in the Intercreditor Agreement and described in this offering memorandum (other than any such obligation referred to elsewhere in the Events of Default set forth in the Intercreditor Agreement),

(ii) The Issuer fails to comply with any of its obligations contained in the Intercreditor Agreement in respect of Auditors or the Annual Budget and Base Case Model and such failure has continued for a period of fifteen (15) days;

(iii) the Issuer fails to comply with any of its obligations contained in the Collateral Documents, the Indenture or any other Financing Document to which it is a party (other than any such obligation referred to elsewhere in the Events of Default set forth in the Intercreditor Agreement) or any other event, condition or circumstance occurs under any Financing Document, if the effect of such failure to comply or any other event, condition or circumstance is to enable or permit the Debt Providers to cause the Obligations under the relevant Financing Document to become due or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity, or to become payable, and such failure has continued for a period of thirty (30) days (or such longer cure or grace period as may be set forth in the relevant Financing Document) after the date on which written notice of such failure is delivered to the Issuer by holders of at least twenty-five percent (25%) of the aggregate principal amount of notes outstanding (or the Indenture Trustee on their behalf); *provided* that, if such failure is capable of cure but cannot be reasonably cured within the applicable period, the Issuer shall be entitled to a further extension of time reasonably necessary to remedy such failure (such extension not to exceed ninety (90) days) so long as corrective action is instituted by the Issuer within the applicable period and is diligently pursued until such failure is corrected, and

(iv) any Shareholder fails to comply with any of its obligations under the A&R Payment and Guarantee Trust Agreement and such failure has continued for a period of thirty (30) days.

(c) *Default under Concession Agreement.* The Issuer fails to comply with any of its material obligations contained in the Concession Agreement, and such non-compliance continues past any cure period set forth therein.

(d) *Misrepresentation.* Any representation or warranty confirmed or made by any Sponsor Party in any Transaction Document (other than the Note Purchase Agreement) or in any document delivered thereunder is found to have been incorrect or misleading in any material respect when confirmed made or deemed made, unless to the extent the false or misleading representation or warranty is capable of remedy and either (i) is remedied within forty-five (45) days after the applicable Sponsor Party first had knowledge or should have had knowledge that the representation or warranty was false or misleading in any material respect or (ii) the applicable Sponsor Party is continuing diligently in good faith to remedy such inaccuracy, in which case the forty-five (45)-day period will be extended to the earlier of (A) the date in which the applicable Sponsor Party is no longer working in good faith to remedy such misrepresentation and (B) one hundred eighty (180) days.

(e) *Attachment.* An attachment or analogous process is levied or enforced upon or issued against any of the Properties of the Concession (including Properties subject to the Collateral Documents) for an amount in excess of twenty-five million U.S. dollars (\$25,000,000) (or its equivalent in any other currency) at any time individually or in the aggregate unless:

(i) the Issuer takes legal action seeking to discharge such process within the applicable period for such action,

(ii) simultaneously with its legal action, the Issuer takes reasonable actions before the court in order to obtain a stay of such process and such stay is obtained within the applicable time period,

(iii) thereafter, the Issuer diligently pursues the contest of such process until it is discharged, and

(iv) within thirty (30) days after the Issuer becomes aware of such levy or enforcement, either (A) such process is withdrawn or dismissed or (B) (I) the Issuer delivers to the Intercreditor Agent an Opinion of Counsel regarding the reasonableness of the arguments and the Issuer's position with respect to such proceeding and confirms that there are reasonable grounds for such contest and (II) thereafter the Issuer informs through written notice the Intercreditor Agent at least monthly of the status of the contest.

(f) *Event of Loss.* An Event of Loss shall have occurred.

(g) *Judgments.*

(i) a final non-appealable judgment, order or arbitral award is rendered against the Issuer, or any Properties of the Concession (A) for an amount in excess of twenty million U.S. dollars (\$20,000,000) (or its equivalent in any other currency) (excluding any amounts as to which coverage under an insurance policy issued by a third party exists and has been accepted by such insurer) or (B) in the form of an injunction or other similar form of relief that individually or in the aggregate constitute, or could reasonably be expected to result in, a Material Adverse Effect, and

(ii) one or more final non-monetary, non-appealable judgments, orders or arbitral awards are rendered against the Issuer or the Project that constitute or could reasonably be expected to result in a Material Adverse Effect;

provided, that in the case of any of the above, (A) enforcement proceedings shall be commenced against the Issuer or the Project in respect of such judgment, order or arbitral award, (B) such judgment remains unpaid, unstayed, undischarged, unbonded or undismitted for a period of sixty (60) days or (C) there shall be a period of thirty (30) consecutive days during which a stay of enforcement of such judgment, order or arbitral award, by reason of a pending appeal or otherwise, is not in effect.

(h) *Involuntary Proceedings.*

(i) An involuntary lawsuit, proceeding or *concurso de acreedores* is commenced or an involuntary petition is filed seeking an adjudication of the Issuer or any Shareholder as bankrupt, in extrajudicial or judicial recovery, in patrimonial restructuring (*reestructuración patrimonial*) or insolvent;

(ii) (A) an involuntary proceeding is commenced or an involuntary petition is filed seeking the early termination of the A&R Payment and Guarantee Trust Agreement for purposes of its liquidation or, in general, liquidation, winding up liquidation, winding up, reorganization, moratorium, arrangement, adjustment or composition with the creditors generally of, or other relief in respect of, the Issuer or its respective debts, or of a substantial part of its respective Property under Applicable Law or (B) an involuntary proceeding is commenced or an involuntary petition is filed seeking the liquidation, winding up, reorganization, moratorium, arrangement, adjustment or composition with the creditors generally of, or other relief in respect of any Shareholder, or its respective debts, or of a substantial part of its Property under Applicable Law;

(iii) (A) an involuntary lawsuit, proceeding or *concurso de acreedores* is commenced or an involuntary petition is filed seeking the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Issuer or of any substantial part of its respective Property or (B) an involuntary proceeding is commenced or an involuntary petition

is filed seeking the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of any Shareholder, or of any substantial part of its respective Property;

and in each of (i), (ii), (iii) above, such proceeding or petition is not dismissed within 60 days after an order or decree approving or ordering any of the foregoing is entered.

(i) *Voluntary Proceedings.* The Issuer or any Shareholder: (i) to the extent permitted by Applicable Law, voluntarily commences any lawsuit, proceeding, *concurso de acreedores* or files any petition seeking the early termination of the A&R Payment and Guarantee Trust Agreement, or in general, the liquidation, winding up, reorganization, insolvency, bankruptcy, patrimonial restructuring (*reestructuración patrimonial*) or other relief under Applicable Law, (ii) applies for or consents to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of such Person or of any substantial part of its respective Property, (iii) makes a general assignment for the benefit of creditors, (iv) requests a moratorium or suspension of payment or reorganization of debts or an extrajudicial or a judicial recovery procedure from any competent Governmental Authority, (v) institutes proceedings or takes any form of corporate action to be liquidated, adjudicated bankrupt, subject to an extrajudicial or a judicial recovery procedure, be declared in patrimonial restructuring (*reestructuración patrimonial*) or insolvent, or (vi) consents to the institution of any proceeding or petition described in clause (h) above.

(j) *Inability to Pay Debts.* The Issuer becomes unable, admits in writing its inability or fails generally to pay its debts in excess of five million U.S. dollars (\$5,000,000) (or its equivalent in any other currency) as they become due or otherwise becomes insolvent.

(k) *Events Analogous to Bankruptcy, Insolvency, Etc.* Any other event occurs in respect of the Issuer or any Shareholder that, under any Applicable Law, would have an effect analogous to any of those events listed in clauses (h), (i) or (j) and is not dismissed as provided for in such applicable clause.

(l) *Grantor Default.* The Grantor shall fail to pay the Minimum Revenue Guarantee amount under the Concession Agreement after the final resolution of any dispute relating to the payment thereof and any such failure shall result in a Material Adverse Effect.

(m) *Revocation, Suspension, Termination or Repudiation of the Concession Agreement.*

(i) The Concession Agreement (or any of its material terms) is revoked, suspended, terminated, becomes void or ceases to be in full force and effect; *provided* that, if the Concession Agreement is suspended, such suspension shall (A) exist and materially adversely affect the Project for two hundred seventy (270) consecutive days, or (B) have had or could reasonably be expected to have a Material Adverse Effect;

(ii) any act or proceedings for, or litigation seeking, the termination of the Concession Agreement is commenced and such act, proceedings or litigation constitutes or could reasonably be expected to result in a Material Adverse Effect;

(iii) a final administrative act rendered by the Grantor regarding any unilateral modification or interpretation with respect to the Concession Agreement constitutes or could reasonably be expected to result in a Material Adverse Effect; or

(iv) the Concession Agreement (or any of its material terms) is repudiated by any party thereto or its legality, validity or enforceability is challenged by any Person and, if such repudiation or challenge is by any Person other than the Issuer, any other Sponsor Party, any Affiliate of a Sponsor Party or the Grantor, such repudiation or challenge has had or could reasonably be expected to have a Material Adverse Effect.

(n) *Revocation, Suspension, Termination or Repudiation of other Project Documents.* Any Project Document (other than the Concession Agreement, which is the subject to clause (m) above) or any of their material terms:

(i) is revoked, suspended, terminated, becomes void or ceases to be in full force and effect (other than (A) by virtue of the scheduled expiration in the ordinary course of such Project Document in accordance with its terms or (B) suspended or terminated in accordance with its terms), unless the same is being contested by the Issuer or a Sponsor Party that is a party thereto,

(ii) becomes, or the performance thereof or compliance with any obligation thereunder becomes, unlawful, or

(iii) except for the Performance Bonds which are subject to clause (iv) below, is repudiated by any party thereto or its legality, validity or enforceability is challenged by any Person; *provided* that, such repudiation or challenge could not, individually or in the aggregate be expected to have a Material Adverse Effect, or

(iv) with respect to each Performance Bond, is repudiated by any party thereto or its legality, validity or enforceability is challenged by any Person, *provided* that, if such repudiation or challenge is by any Person other than a Sponsor Party, any Affiliate of a Sponsor Party or the Grantor, such repudiation or challenge could not, individually or in the aggregate be expected to have a Material Adverse Effect.

(o) *Termination or Repudiation of Financing Documents.* Any of the Financing Documents (or any of their material terms):

(i) becomes void or (other than upon payment in full of the obligations thereunder or otherwise in accordance with its terms), is suspended, terminated or ceases to be in full force and effect,

(ii) becomes, or the performance of or compliance with any obligation thereunder becomes, unlawful, or

(iii) (A) is repudiated by any party thereto or (B) its legality, validity or enforceability is challenged by any Sponsor Party, or any Affiliate of a Sponsor Party.

(p) *Failure to Maintain Relevant Permits.* Any Relevant Permit is not obtained or renewed when required or is suspended, rescinded, terminated or otherwise lapses or ceases to be in full force and effect or any Person fails to comply in any respect with any Relevant Permit applicable thereto, and either:

(i) such Relevant Permit is material and not restored, reinstated or replaced or the non-compliance cured within sixty (60) days of such event; or

(ii) such suspension, rescission, termination or non-compliance has had or could reasonably be expected to have a Material Adverse Effect;

(iii) unless, in either case (A) the Issuer shall have delivered to the Indenture Trustee and the Independent Engineer a written certificate signed by an Authorized Representative certifying that any such failure to obtain, renew or maintain or any such rescission, revocation, termination, suspension, modification or withholding (x) does not materially interfere with the operation, maintenance or development of the Project and is cured within one hundred and twenty (120) days after the occurrence thereof or (y) could not reasonably be expected to result in a Material Adverse Effect and (B) the Independent Engineer does not within ten (10) days of receipt of such certificate disagree in writing with the certification by delivering to the Indenture Trustee a written certificate indicating its disagreement, which disagreement shall not be contestable by the Issuer.

(q) *Collateral.* Except as contemplated by the Financing Documents,

(i) any Collateral Document, fails (including by reason of any failure to make or renew any registration thereof) to any extent to create a first priority perfected Lien in any Property purported to be covered thereby, subject only to Permitted Liens, except when due to

clerical error; *provided, that* the Issuer shall be diligently pursuing the perfection of such first priority Lien and such clerical error shall be corrected no later than thirty (30) Business Days after the earlier of (A) an Authorized Representative of the Issuer has knowledge of such clerical error and (B) written notice has been given to the Issuer by the Indenture Trustee, the Onshore Trustee or the Onshore Collateral Agent,

(ii) any power of attorney granted pursuant to a Collateral Document fails to grant the authority purported to be granted thereby, and such failure continues unremedied for a period of thirty (30) or more Business Days after the Issuer first received notice of such failure,

(iii) any Collateral Document shall cease to be in full force and effect or the validity thereof or the applicability thereof or any part thereof has been disaffirmed by or on behalf of the Issuer or the Grantor, or

(iv) the Secured Parties' security interest in any portion of the Collateral terminates.

(r) *Employee Benefit Plans.* (i) Any employee benefit arrangement maintained by or contributed to by the Issuer or any of its respective ERISA Affiliates is or shall become subject to Title IV of ERISA, (ii) the Issuer shall be required to maintain or contribute to any Foreign Benefit Arrangement which could reasonably be expected to have a Material Adverse Effect; or (iii) failure to comply with applicable law with respect to a Statutory Plan, except where the failure to so comply could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(s) *Foreign Exchange.* The lawful currency of Costa Rica cannot be converted into U.S. dollars or transferred outside of Costa Rica, including as a result of any action by the Central Bank of Costa Rica or any action by any other Governmental Authority of Costa Rica, including the promulgation, operation or enforcement of any Applicable Law or change in the interpretation of any thereof, that has the effect of prohibiting, preventing or restricting the exchange or transfer of funds outside of Costa Rica for the repayment of Debt, including the Obligations (other than as a result of the failure of any Secured Party to comply with Applicable Law as in effect on the date hereof), or U.S. dollars cannot be obtained in any legal exchange market therefor in Costa Rica in accordance with normal and customary commercial practice for the repayment of Debt, including the Obligations and in any such case, such inconvertibility or non-transferability materially adversely affects the ability of the Issuer to perform its material obligations under the Concession Agreement or any of the Financing Documents.

(t) *Force Majeure.* Any Event of Force Majeure that materially adversely affects the Project shall have existed for two hundred and seventy (270) consecutive days.

(u) *Event of Default under the Financing Documents.* Subject to any applicable cure periods, any event that constitutes an "Event of Default" (*Evento de Incumplimiento*) as defined in any Financing Document shall have occurred and be continuing.

Notices of Default

The Intercreditor Agreement will provide that the Issuer is required to deliver to the Indenture Trustee annually a statement regarding compliance with the Indenture, the Collateral Documents and the Intercreditor Agreement and the Issuer will be required, within five (5) days of becoming aware of any Event of Default that is continuing and has not been previously communicated, to deliver to the Indenture Trustee a statement specifying such Event of Default.

Promptly after the Indenture Trustee obtains written notice of the occurrence of any Default or Event of Default under the Indenture, or that any Default or Event of Default under the Indenture has ceased to exist or has been rescinded, the Indenture Trustee will notify the Issuer and the Intercreditor Agent in writing thereof; *provided* that such notice to the Intercreditor Agent will be in the form set forth in the Intercreditor Agreement.

Upon receipt of a copy of a notice of Default from the Intercreditor Agent in respect of any of the Issuer's other indebtedness, the Indenture Trustee will promptly send the copy of such notice of Default to the holders.

The Indenture Trustee will be deemed to have been notified of a Default or Event of Default (other than a payment Default on the notes) only when an Authorized Representative of the Indenture Trustee in the corporate trust office receives written notice thereof.

Acceleration

Pursuant to the Intercreditor Agreement and the Indenture, if an Event of Default will occur and be continuing, within five (5) days after the Indenture Trustee receives written notice of the occurrence of such Event of Default, the Indenture Trustee will notify the holders, and (A) if such Event of Default is an Event of Default described in clauses (h), (i), (j) or (k) under “—Intercreditor and Security Sharing Agreement—Events of Default” above, only with respect to the Issuer, automatically, all of the principal of and accrued interest on the notes shall become immediately due and payable without any demand or other action by the Indenture Trustee or the holders of the notes, and (B) if such Event of Default is any other Event of Default, the Required Holders may accelerate or may require the Indenture Trustee to accelerate the maturity of all the notes, whereupon, the principal and accrued and unpaid interest on the notes shall be due and payable immediately in accordance with the Indenture and the Intercreditor Agreement payable immediately in accordance with the Indenture and the Intercreditor Agreement.

If an Event of Default shall occur and be continuing, within five (5) days after the Local Noteholder Agent receives written notice of the occurrence of any Event of Default, the Local Noteholder Agent shall notify the holders of the Local Notes, and (A) if such Event of Default is an Event of Default described in clauses (h), (i), (j) or (k) under “—Intercreditor and Security Sharing Agreement—Events of Default” above only with respect to the Issuer, automatically, all of the principal of and accrued interest on the Local Notes shall become immediately due and payable without any demand or other action by the Local Noteholder Agent or the holders of the Local Notes, and (B) if such Event of Default is any other Event of Default, the Required Local Holders may accelerate or may require the Local Noteholder Agent to accelerate the maturity of the Local Notes, whereupon, the principal and accrued and unpaid interest on the Local Notes shall be due and payable immediately in accordance with this Agreement.

If an Event of Default shall occur and be continuing, within five (5) days after the Local Noteholder Agent receives written notice of the occurrence of any Event of Default, the Local Noteholder Agent shall notify the holders of the Bank Project Debt, if any, and (A) if such Event of Default is an Event of Default described in clauses (h), (i), (j) or (k) under “—Intercreditor and Security Sharing Agreement—Events of Default” above, only with respect to the Issuer, automatically, all of the principal of and accrued interest on the Bank Project Debt, if any, shall become immediately due and payable without any demand or other action by the Local Noteholder Agent or the holders of the Bank Project Debt, and (B) if such Event of Default is any other Event of Default, the Required Bank Project Debt Holders, if applicable, may accelerate or may require the Local Noteholder Agent to accelerate the maturity of the Bank Project Debt, if any, whereupon, the principal and accrued and unpaid interest on the Bank Project Debt, if any, shall be due and payable immediately in accordance with this Agreement.

Upon the occurrence of a determination to accelerate all the Obligations or following the exercise of remedies pursuant to a Remedies Decision under the Intercreditor Agreement, the proceeds of any collection, recovery, receipt, appropriation, realization or sale of any or all of the Collateral or the enforcement of any Collateral Document shall be applied in accordance with the Intercreditor Agreement.

At any time after a declaration of acceleration with respect to the notes, the Local Notes or Bank Project Debt, as described above, respectively, the Joint Required Holders may rescind and cancel such declaration and its consequences (i) if the rescission would not conflict with any judgment or decree; (ii) if all existing Events of Default have been cured or waived, except nonpayment of principal or interest that has become due solely because of the acceleration; (iii) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal, which has become due otherwise than by such declaration of acceleration, has been paid; and (iv) if the Issuer has paid the Indenture Trustee and/or the Local Noteholder Agent, as applicable, its reasonable compensation and reimbursed the Indenture Trustee and/or the Local Noteholder Agent, as applicable, for its reasonable expenses, disbursements and advances.

If an Event of Default occurs and is continuing, neither the Indenture Trustee nor the Local Noteholder Agent, as applicable, will be under any obligation to exercise any of the rights or powers under the Indenture, the Intercreditor Agreement, the notes, the Local Notes or any Bank Project Debt at the request or direction of any of

the holders of the notes, the holders of the Local Notes or the holders of the Bank Project Debt, as applicable, unless such holders of notes or holders of the Local Notes have offered to the Indenture Trustee or the Local Noteholder Agent, as applicable, indemnity, pre-funding and/or security satisfactory to it against all losses, liabilities, costs and/or expenses. The Indenture Trustee or the Local Noteholder Agent, as applicable, may refuse to follow any direction under the Intercreditor Agreement, the Indenture or the Local Prospectus that conflicts with Applicable Law or the Indenture, the Local Prospectus, the Intercreditor Agreement, the notes, the Local Notes, any Bank Project Debt or that the Indenture Trustee or the Local Noteholder Agent, as applicable, determines is unduly prejudicial to the rights of, in the case of the Indenture Trustee, any other holder of notes or, in the case of the Local Noteholder Agent, any other holder of the Local Notes or Bank Project Debt or that would involve the Indenture Trustee or the Local Noteholder Agent, as applicable, in personal liability.

The Joint Required Holders may waive any existing Default or Event of Default, and its consequences, except a default under clauses (h), (i), (j) or (k) under “—Intercreditor and Security Sharing Agreement—Events of Default” above. When a Default or Event of Default is waived, it is deemed cured, but no such waiver shall extend to any subsequent Default or Event of Default or impair any consequent right.

Exercise of Remedies upon an Event of Default

At any time after the occurrence and during the continuance of an Event of Default, the Required Holders may direct the Indenture Trustee to send a Remedies Initiation Notice to the Intercreditor Agent describing the relevant Event of Default and the Proposed Remedies that the Indenture Trustee wishes the Intercreditor Agent to pursue.

Except in accordance with the Intercreditor Agreement, none of the Indenture Trustee or the holders of the notes may (i) enforce any security interest created or evidenced by any Collateral Document or require the Intercreditor Agent to enforce any such security interest; (ii) exercise any right of set off against the Issuer in respect of any Obligation under the notes; or (iii) petition, apply or vote for or take any step (including the appointment of any trustee, liquidator, receiver, administrator or similar officer) for the winding up, administration of or dissolution of, or any insolvency proceeding in relation to, the Issuer, or any suspension of payments or moratorium of any Debt of the Issuer or any analogous procedure or step in any jurisdiction.

Certain Definitions

“**Acceptable Insurer**” means an insurer (i) having a minimum credit rating of “BBB-” (S&P or Fitch), “Baa3” (Moody’s) or “AA+” (Costa Rica) and (ii) registered with the Costa Rican *Superintendencia General de Seguros*.

“**Accounting Principles**” means IFRS.

“**Affiliate**” means, with respect to any Person, any other Person (including directors and officers) directly or indirectly Controlling, Controlled by, or under direct or indirect common Control with such Person and, with respect to the Issuer, such term shall include any Sponsor Party and any Affiliate thereof.

“**Agent**” means any of the following:

- (a) the Indenture Trustee;
- (b) the Indenture Designated Agents;
- (c) the Intercreditor Agent;
- (d) the Onshore Collateral Agent;
- (e) the Local Noteholder Agent;
- (f) the Onshore Trustee;
- (g) the Transfer Agent;

- (h) the Registrar;
- (i) the Paying Agent;
- (j) the Local Clearing Agent;
- (k) the Calculation Agent; and
- (l) any other agent that may be appointed by the Debt Providers from time to time in accordance with the Financing Documents.

“**Annual Budget**” means, with respect to each Financial Year, a document setting forth (a) the O&M Costs, (b) the Major Maintenance Expenses, (c) Capex, (d) all Taxes and royalties, in each case to be paid by the Issuer, (e) traffic and income projections (which will be based on the historical traffic and the anticipated inflation for such Financial Year), (f) the notes Debt Service Reserve Required Amount, (g) the Local Notes Debt Service Reserve Required Amount, (h) any Bank Project Debt Reserve required Amount, (i) the O&M Reserve Required Amount, (j) anticipated inflation, (k) Debt Service and (l) the operating plan in respect of the Project, in each case, for such Financial Year, as such Annual Budget may be revised from time to time pursuant to the Indenture, the Local Prospectus and the Intercreditor Agreement.

“**Applicable Law**” means any applicable foreign, federal, state, regional, local or municipal laws, rules, orders, judgments, regulations, resolutions, statutes, ordinances, codes or published decrees of any Governmental Authority (including any determination of an arbitrator or a court or other Governmental Authority) whether in effect on the Closing Date or thereafter.

“**Approved Auditor**” means any of (a) Deloitte & Touche S.A., (b) PricewaterhouseCoopers, (c) KMPG, and (d) Ernst & Young.

“**Approved Letter of Credit**” means an unsecured stand-by letter of credit issued by an Approved Letter of Credit Provider with respect to which the reimbursement obligations shall not be for the account of the Issuer or the Project.

“**Auditors**” means Deloitte & Touche S.A. or such other firm of internationally recognized independent public accountants as the Issuer may, with the consent of the Intercreditor Agent (acting solely pursuant to a Majority Decision) if not an Approved Auditor, from time to time appoint as auditors of the Issuer.

“**Authorization**” means any consent, registration, filing, agreement, enrollment, recording, notarization, certificate, license, approval, permit, authorization or exemption from, by or with any Governmental Authority, whether given or withheld by express action or deemed given or withheld by failure to act within any specified time period.

“**Authorized Representative**” means, as to any Person, (a) other than in the case of the Agents, any natural person who is duly authorized by such Person to act for such Person, or with respect to financial matters, the chief financial officer or treasurer of such Person, (b) in the case of the Indenture Trustee, the Indenture Designated Agents, the Onshore Collateral Agent, the Local Noteholder Agent, the Onshore Trustee and the Intercreditor Agent, any officer within the corporate trust department of such Person, including any vice president, assistant vice president, assistant secretary, treasurer, assistant treasurer or trust officer or any other officer customarily performing functions similar to those performed by any of the above-designated officers and also, with respect to a particular matter, any other officer to whom such matter is referred because of such Person’s knowledge of and familiarity with the particular subject, in each case so long as such officer has direct responsibility for or is otherwise significantly involved in the administration of the transactions contemplated by the Financing Documents and the manager(s) of such officer within the applicable Corporate Trust Office, (c) in the case of each Sponsor Party, officers and/or attorneys-in-fact, who, in addition to complying with the foregoing requirements, have been duly appointed to act on such Sponsor Party’s behalf, as applicable, under corporate documents in effect and duly registered with the competent Governmental Authority in the jurisdiction of organization and existence of such Person, as the case may be, and (d) any person whose name and specimen signature appear on the certificate of incumbency most recently delivered to the applicable Agent.

“Bank Project Debt Default” means a “default” under any Bank Project Debt documentation.

“Bank Project Debt Event of Default” means an “event of default” under any Bank Project Debt documentation.

“Base Case Model” means the Closing Date Base Case Model, as such Closing Date Base Case Model may be revised from time to time pursuant to the terms set forth in the Indenture, the Local Prospectus and this Agreement.

“Base Case Scheduled Toll Income” means the projected toll revenues for each Calculation Period based on the traffic levels utilized in the Base Case Financial Model and toll fares in constant U.S.\$ year 2000, after having deducted all corresponding payments to the Grantor.

“Business Day” means a day (other than Saturday, Sunday or a non-working day) on which banks are open for business in New York, New York and San José, Costa Rica.

“Calculation Date” means January 1 and July 1 of each year.

“Capex” means the costs incurred by the Issuer to comply with its obligations in connection with Incremental Works under the Concession Agreement in respect of the acquisition of assets or real estate, easements and rights of way, environmental and social compensation, relocation of public utilities and construction of pavement, toll booths and related civil structures.

“Cash Flow” means, for any period, the net aggregate amount (which may be a positive or negative number) of, without duplication, (a) the Project Income deposited in the Revenue Accounts during such period, minus (b) the sum of all transfers from the Revenue Accounts pursuant to the A&R Payment and Guarantee Trust Agreement (prior to the occurrence of any Default) during such period.

“Closing Date Base Case Model” means the financial model for the Project and the assumptions related thereto, delivered in electronic form to the Intercreditor Agent, the Onshore Trustee and the Local Noteholder Agent, in each case on or prior to the Closing Date, containing the financial information agreed between the Issuer and the Debt Providers prior to the Closing Date and, evidencing, among other information items, that the Projected Debt Service Coverage Ratio for each Calculation Period commencing in calendar year 2017 is at least equal to a minimum of 1.30:1 and an average of 1.40:1.

“Collateral Documents” means, collectively:

- (a) the A&R Payment and Guarantee Trust Agreement;
- (b) the Approved Letters of Credit;
- (c) the Collateral Agency Agreement; and
- (d) any other agreement entered into from time to time after the Closing Date that the Issuer and the Intercreditor Agent (acting pursuant to a Majority Decision) may so designate.

“Consultants” means, collectively:

- (a) the Traffic Consultant;
- (b) the Independent Engineer;
- (c) the Insurance Consultant;
- (d) the Model Auditor; and
- (e) any other independent expert retained by the Intercreditor Agent (acting solely pursuant to a Majority Decision) with the prior consent of the Issuer, which consent shall not be unreasonably withheld;

provided that such consent shall not be required if an Event of Default shall have occurred, in each case for services performed or to be performed pursuant to any of the Financing Documents or related to the transactions contemplated thereby.

“**Consultation Period**” has the meaning assigned to that term in “Description of the Principal Financing Documents—Intercreditor and Security Sharing Agreement—Acceleration”.

“**Control**” (including, with correlative meanings, the terms “Controlling”, “Controlled by” and “under common control with”), as applied to any Person, means the possession, directly or indirectly, of the power (a) to vote for the election of the majority of directors of such Person or (b) to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or by contract or otherwise.

“**Debt**” means, with respect to any Person, the aggregate (as of the relevant date of calculation) of all such Person’s obligations (whether actual or contingent) to pay or repay money, including:

- (a) borrowed money, including the Obligations and Project Debt;
- (b) the outstanding principal amount of any bonds, notes, loan stock, commercial papers, acceptance credits, debentures and bills or promissory notes drawn, accepted, endorsed or issued by the relevant Person;
- (c) the deferred purchase price of assets or services or any other credit to the relevant Person from a supplier of goods or under any installment purchase or other similar arrangement in respect of goods or services (other than trade accounts incurred and payable in the ordinary course of business to trade creditors within one hundred and eighty (180) days of the date that they are incurred);
- (d) obligations of the relevant Person to reimburse any other person in respect of amounts paid under a letter of credit or similar instrument (excluding any such letter of credit or similar instrument issued for the account of the relevant Person in respect of trade accounts incurred and payable in the ordinary course of business to trade creditors within one hundred and eighty (180) days of the date that they are incurred);
- (e) any finance lease or capital lease that would be classified as a borrowing under the Accounting Principles;
- (f) net amounts due and payable by the relevant Person under any Derivatives Transactions;
- (g) any premium payable on a redemption or replacement of any of the foregoing items;
- (h) all liabilities of the relevant Person required to be recorded in accordance with the Accounting Principles under any conditional sale or a transfer with recourse or obligation to repurchase, including by way of discount or factoring of book debts or receivables; and
- (i) the amount of any obligation in respect of any guarantee or indemnity for any of the foregoing items incurred by any other Person.

“**Debt Provider**” means any Person that is owed Obligations under any Financing Document.

“**Debt Service**” means, in respect of any Calculation Period, the sum, without duplication, of (a) all amounts in respect of the scheduled Obligations due and payable by the Issuer during such period (including, without limitation, interest), principal, premiums and Additional Amounts, if any), and (b) all scheduled fees due and payable by the Issuer to Debt Providers during such period. For the avoidance of doubt, all amounts in respect of any mandatory prepayment or redemption (including any Cash Sweep Amount) shall be excluded from the calculation of “Debt Service”.

“**Debt Service Coverage Ratio**” or “**DSCR**” means, in respect of any Calculation Period, the ratio (in US\$), as calculated by the Issuer and delivered to the Intercreditor Agent, of (i) Cash Flow such the Calculation

Period, to (ii) the sum of scheduled interest and principal payments due under the notes, the Local Notes and any Bank Project Debt during such Calculation Period.

“Decision” means any decision by any Debt Provider, whether acting directly or indirectly, with respect to the exercise of any powers, rights, discretions and remedies to which such Debt Provider is entitled under any Financing Document, including, without limitation, the granting or withholding of any waiver, consent, approval, determination or expression of satisfaction under, the making of any amendment, supplement or other modification of, or the giving of any instruction or direction under or with respect to, such Financing Document.

“Decision Period” means (a) with respect to Decisions for which any Financing Document specifies a certain period of time, such period of time, (b) with respect to any Remedies Decision, the period of time determined by the Intercreditor Party delivering the Remedies Initiation Notice corresponding to such Remedies Decision, and (c) with respect to any other Decision, the period of time determined by the party requesting the Intercreditor Agent to deliver an Intercreditor Vote Notice corresponding to such other Decision; *provided* that (i) in the case of clause (a) above, such Decision Period shall be counted from the date of the notice delivered pursuant to the Notification of Matters; Voting Power Mechanics of the Intercreditor Agreement by the party requesting the Intercreditor Vote Notice with respect to the applicable Decision, (ii) in the case of clause (b) above, such Decision Period shall end not earlier than twenty (20) days nor later than thirty-five (35) days after the date of the notice referred to in the provisions related to Election to Pursue Remedies Following an Event of Default of the Intercreditor Agreement with respect to the applicable Remedies Decision or, if the Intercreditor Party delivering the applicable Remedies Initiation Notice deems that a shorter period is necessary or advisable in circumstances where the interests of the Debt Providers entitled to cast a vote in the applicable Intercreditor Vote would otherwise be likely to be prejudiced, such Decision Period shall end not earlier than twelve (12) days after the date of the notice referred to in the provisions related to Election to Pursue Remedies Following an Event of Default of the Intercreditor Agreement with respect to the applicable Remedies Decision, and (iii) in the case of clause (c) above, such Decision Period shall end not earlier than twenty (20) days nor later than forty five (45) days after the date of the applicable Intercreditor Vote Notice.

“Default” means any event, circumstance or condition that would, with the passage of time, the giving of notice, the making of any determination or any combination of the foregoing, would become an Event of Default.

“Derivatives Transaction” means any swap agreement, option agreement, futures contract, forward contract or similar arrangement with respect to interest rates, currencies, commodities or indices or otherwise relating to a financial instrument referencing an underlying asset from which such instrument’s price or value is derived.

“Designated Person” means a Person that is: (a) listed on, or that directly or indirectly owns five percent (5%) or more, or that is five percent (5%) or more owned directly or indirectly, in the aggregate by one or more Persons listed on, any Sanctions List; (b) ordinarily resident in or incorporated under the laws of, or owned or controlled by, or acting on behalf of, a Person ordinarily resident in or organized under the laws of a country or territory that is the subject of comprehensive sanctions under any Sanctions Laws and Regulations such that dealings in, with or involving such country or territory are broadly prohibited; or (c) otherwise the target of any Sanctions Laws and Regulations such that dealings with or involving such Person or its property or interests in property are prohibited.

“Enforcement Action” means: (a) the taking of any steps (including directing the Onshore Collateral Agent, the Local Noteholder Agent or the Onshore Trustee) to enforce or require the enforcement against any of the Collateral, all pursuant to the terms of this Agreement and the applicable Collateral Document, (b) the exercise of any right of set off against the Issuer in respect of any Obligation, or (c) the petitioning, applying or voting for, or the taking of any steps (including the appointment of any trustee, liquidator, receiver, administrator or similar officer) in relation to any Insolvency of the Issuer or any suspension of payments or moratorium of any Debt of the Issuer or any analogous procedure or step in any jurisdiction.

“Environmental and Social Claim” means, with respect to any Environmental Party, any written notice, claim, administrative, regulatory or judicial or equitable action, suit, Lien, judgment or demand by any other Person or any written communication by any Governmental Authority, in either case, alleging or asserting any Environmental Party’s liability for investigatory costs, cleanup costs, consultants’ fees, governmental response costs,

damage to natural resources (including wetlands, wildlife, aquatic and terrestrial species and vegetation) or other Property, personal injuries, fines or penalties or any other damages arising out of, based on or resulting from:

(a) any actual or alleged presence or Release of any Hazardous Substance at any location, whether or not owned by such Environmental Party; or

(b) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law or any Authorization issued by any Governmental Authority or otherwise under any Environmental Law.

“Environmental Laws” means all Applicable Laws relating to Environmental, Social, Health or Safety Matters.

“ERISA Affiliate” means, with respect to any Person, any other Person that for purposes of Title IV of ERISA or Section 412 of the Internal Revenue Code is a member of the controlled group of which such Person is a member, or under common control with such Person, within the meaning of Section 414(b), (c), (m) or (o) of the Internal Revenue Code.

“Event of Default” means an “Event of Default” has the meaning described in “—Intercreditor and Security Sharing Agreement—Events Of Default” or any “event of default” under any other Financing Document.

“Event of Force Majeure” means, with respect to the Project (a) any event, condition or circumstance that qualifies as “fuerza mayor” or “caso fortuito” under and as defined in the Concession Agreement or (b) any other event, condition or circumstance that qualifies as “fuerza mayor” or “caso fortuito” under applicable Costa Rican law.

“Event of Loss” means, with respect to the Project, any of the following events:

(a) destruction, damage, impairment or loss of use of the Toll Road in its entirety or such a material portion thereof that the then remaining portion cannot practically be used for the purposes intended;

(b) destruction, damage, impairment or loss of use of the Toll Road that results in an insurance settlement or receipt of Insurance Proceeds with respect to the Toll Road on the basis of an actual or constructive total loss;

(c) any Expropriation Event; and

(d) as a result of any Applicable Law, a repair, alteration, modification, addition or restoration to the Toll Road is required to be made to the Toll Road that would render the continued operation of the Toll Road wholly impracticable or uneconomical for use.

The date of occurrence of any Event of Loss specified in clause (a), (b), (c) or (d) above shall be the date of the casualty or other occurrence specified above giving rise to such Event of Loss.

“Expropriation Event” means any Governmental Authority:

(a) condemns, nationalizes, seizes, confiscates or otherwise expropriates the Issuer’s right to operate the Project or all or any material part of the Project or commences any action, suit, or arbitral, administrative or other legal proceeding, or other claim in furtherance of any of the foregoing;

(b) condemns, nationalizes, seizes, confiscates or otherwise expropriates all or any material portion of the Share Capital of the Issuer or commences any action, suit, or arbitral, administrative or other legal proceeding, or other claim in furtherance of any of the foregoing; or

(c) assumes custody or control of the Toll Road, the business or operations of the Issuer or its Share Capital.

“Extraordinary Event” means any event that is the result of an Event of Force Majeure occurring after the Closing Date that causes all or a portion of the Project or any other material Property of the Issuer incorporated or intended to be incorporated therein to be damaged, destroyed or rendered unfit to allow the Issuer to comply with its obligations under the Concession Agreement and/or that substantially obstructs the normal use of the Toll Road or prevents the generation of Tolls.

“Final Termination Date” means the first date on which all the Obligations under the Financing Documents have been paid in full.

“Financial Quarter” means each period commencing on the day after a Financial Quarter Date and ending on the next succeeding Financial Quarter Date.

“Financial Year” means (a) with respect to the Issuer, the period commencing each year on January 1 and ending on the following December 31 or such other period as the Issuer, with the Intercreditor Agent’s consent (acting pursuant to a Majority Decision), from time to time designates as its accounting year and (b) with respect to any other Person, the accounting year applied to such Person for its general purposes.

“Financing Documents” means, collectively:

- (a) the Indenture;
- (b) the Indenture Supplements;
- (c) the Notes;
- (d) the Note Purchase Agreement;
- (e) the Local Prospectus;
- (f) the Local Notes Offering Resolution;
- (g) the Local Notes;
- (h) the Local Clearing Agreement;
- (i) the Intercreditor Agreement;
- (j) the Collateral Agency Agreement;
- (k) the Collateral Documents;
- (l) the Independent Engineer Agreement;
- (m) any agreement entered into by the Issuer and a provider of Bank Project Debt in connection with the incurrence by the Issuer of Bank Project Debt; and
- (n) any letter of credit issued pursuant to the documents listed above and any other agreement entered into from time to time after the Closing Date that the Issuer and the Intercreditor Agent (acting pursuant to a Majority Decision) may so designate

“Foreign Benefit Arrangement” means any “employee benefit plan” as defined in Section 3(3) of ERISA that is sponsored, maintained or contributed to, or required to be contributed to, by the Issuer for the benefit of non-U.S. employees and which plan is not subject to ERISA or the Internal Revenue Code; excluding any plan or similar program in which participation is compelled by applicable law (any such compelled plan, a “Statutory Plan”).

“**Governmental Authority**” means any nation or government (including Spain, Costa Rica and the United States), any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any multilateral or supranational entity.

“**Incremental Works**” means all *Nuevas Inversiones* and *Inversiones Consustanciales* (as such terms are defined in the Concession Agreement) that the Issuer is required to perform pursuant to the Concession Agreement.

“**Independent Engineer Agreement**” means the Independent Engineer Agreement, dated on or before the date hereof, entered into among the Issuer, the Intercreditor Agent and the Independent Engineer, which generally sets forth the obligations of the Independent Engineer as described under the Intercreditor Agreement.

“**Insolvency**” means the occurrence of any Event of Default described in “—Intercreditor and Security Sharing Agreement—Events of Default—Involuntary Proceedings” “—Intercreditor and Security Sharing Agreement—Events of Default—Voluntary Proceedings”, “—Intercreditor and Security Sharing Agreement—Events of Default—Inability to Pay Debts”, or “—Intercreditor and Security Sharing Agreement—Events of Default—Events Analogous to Bankruptcy, Insolvency, Etc.).

“**Insolvency Laws**” means (a) Title 11 of the United States Code entitled “Bankruptcy,” as now and hereafter in effect, (b) the Costa Rican Código de Comercio, or (c) any applicable provisions of comparable law in any applicable jurisdiction, or any successor statute of any of (a), (b) or (c).

“**Insurance Policies**” means the policies of insurance required to be maintained by the Issuer from time to time in compliance with this Agreement.

“**Intellectual Property**” means all patents, letters patent (including applications, improvements, prolongations, extensions, and rights to apply therefor), logos, labels, designs, (whether registered or unregistered), copyrights, design rights, trademarks, and service marks (whether registered or unregistered), utility models, company names, business names, trade names, processes, know-how, confidential information, trade secrets, formulas, inventions, computer software, programs, domain names and systems (including the benefit of any licenses, permits, consents or franchises relating to any of the foregoing, and whether any of the foregoing are registered or unregistered, including applications, improvement, prolongations, extensions, and rights to apply therefore), and other similar rights, and all registrations with respect to any of the foregoing, whether owned, leased or licensed, or otherwise used by the Issuer in connection with the Project, and all fees, royalties, or other rights derived therefrom, or incidental thereto, in any part of the world.

“**Intercreditor Party**” means, at any time, with respect to each Debt Provider hereunder, the Person entitled to execute the Intercreditor Agreement on their behalf and represent such Debt Providers on all matters hereunder (including casting the votes under the Intercreditor Agreement for such Debt Providers and under any other applicable Financing Document) including, with respect to each of Debt Providers set forth below:

(a) with respect to the holders of the notes, the Indenture Trustee (acting solely at the written direction of the holders of the notes pursuant to the Indenture); and

(b) with respect to the holders of the Local Notes and any Bank Project Debt, the Local Noteholder Agent.

“**Intercreditor Vote**” means, at any time, a vote conducted in accordance with the procedures set forth in the provisions relating to Decision Making Process in the Intercreditor Agreement with respect to the particular Decision or Decisions at issue at such time.

“**Investment**” means, with respect to any Person, any direct or indirect advance, loan, account receivable, deposit or other extension of credit to such Person, in each case other than accounts receivable arising in the ordinary course of business or under a Project Document, or any capital contribution to such Person (by means of transfers of Property to others, payments for Property or services for the account or use of others or otherwise), or any purchase or ownership of any stocks, bonds, notes, debentures or other securities of, any such Person or any Share Capital in respect of such Person.

“**IT Collateral**” means (i) (A) the Indenture Trustee Accounts; (B) all funds on deposit in such accounts; and (C) all cash, securities, rights or other property at any time and from time to time received, receivable, or otherwise distributed in respect of such accounts, *provided*, that any credit rights created pursuant to, or arising under the Issuer’s Loan to Shareholders shall not form part of, or be included as, IT Collateral; and (ii) to the extent not covered above, all proceeds and products of any and all of the foregoing (whether the same are acquired before or after the commencement of a case under any bankruptcy Applicable Laws by or against the Issuer as debtor).

“**Joint Required Holders**” means, collectively, the Required Holders, the Required Local Holders and, if applicable, the Required Bank Project Debt Holders.

“**Labor and Social Security Liabilities**” means, with respect to any Person, any liabilities of such Person under the labor and social security Applicable Law of Costa Rica and labor contracts and collective agreements, including (a) wages, social and legal benefits arising from the labor relationship, (b) payroll taxes and contributions, (c) pension fund contributions and (d) health system contributions.

“**LGCOPSP**” means the Ley General de Concesión de Obras Públicas con Servicios Públicos of Costa Rica, as amended.

“**Lien**” means, as applied to any Property, any pledge, mortgage, lien, charge, security interest, deed of trust, trust in guaranty, hypothecation, security trust, fiduciary transfer of title, assignment by way of security, charge, easement, servitude, trust arrangement or encumbrance of any kind thereon (including any conditional sale or other title retention agreement or the interest of the lessor under any capitalized lease), any equivalent of any of the foregoing under Applicable Law (including any *garantía mobiliaria* under Costa Rican law), or any other preferential arrangement having the practical and/or economic effect of constituting a security interest with respect to the payment of any obligation with, or from the proceeds of, such Property (including any right of setoff or similar banker’s lien and any designation of loss payees or beneficiaries or any similar arrangement under or with respect to any insurance policy).

“**Local Note Default**” means a “default” under the Local Prospectus.

“**Local Note Event of Default**” means an “event of default” under the Local Prospectus.

“**Local Notes Proceeds Account**” means the “Local Notes Proceeds Account” (*Cuenta de Ingresos de Bonos Locales*) established by the Onshore Trustee pursuant to the A&R Payment and Guarantee Trust Agreement.

“**Local Noteholder Agent**” means Banco Improsa S.A., or any other Person that may be appointed from time to time to serve as Local Noteholder Agent in accordance with the Local Prospectus and the Local Notes Offering Resolution.

“**Local Prospectus**” means the prospecto de emisión dated May 19, 2017, pursuant to which the Local Notes have been, and may be, offered in the future in Costa Rica in reliance on the Regulations on Public Offerings of Securities, as amended (*Reglamento sobre Oferta Pública de Valores*) and the Securities Market Regulatory Act, as amended (*Ley Reguladora del Mercado de Valores*) of Costa Rica.

“**Majority Decision**” has the meaning assigned to that term in “—Intercreditor and Security Sharing Agreement— Decision Making and Voting Requirements—Majority Decisions”.

“**Material Adverse Effect**” means a material adverse change in or effect on:

- (a) the business, Property, operations or financial condition of the Issuer;
- (b) the ability of the Issuer to perform its payment or other material obligations under the Financing Documents or the Concession Agreement in accordance with the terms thereof;
- (c) the legality, validity, binding effect or enforceability of any Transaction Document;
- (d) the validity or priority of any security interest purported to be granted to any of the Secured Parties under any of the Collateral Documents; and

- (e) the material rights or actions of the Secured Parties under the Financing Documents.

“Maximum Net Present Value” means the maximum Net Present Value permitted by the Concession Agreement, equivalent to three hundred and one million, three hundred seventy-seven thousand, two hundred and nine U.S. dollars and seventy-eight cents (\$301,377,209.78), in constant U.S. dollars on November 29, 2000, as such value shall be adjusted from time to time in accordance with sections 3.14, 3.15 and 3.20 of the Concession Agreement.

“Net Present Value” means the total revenue (without taking into account any inflation) that the Issuer shall receive during the term of the Concession from tariff or toll payments, which shall be adjusted proportionally pursuant to sections calculated in accordance with section 3.17 of the Concession Agreement.

“O&M Reserve Account” means the “O&M Reserve Account” (Cuenta de Reserva de Operación y Mantenimiento) established by the Onshore Trustee pursuant to the A&R Payment and Guarantee Trust Agreement.

“O&M Reserve Account Balance” means, as of any date of determination, the sum of (a) the available balance of the O&M Reserve Account (including the value of any investments credited to such account) at such time and (b) the outstanding undrawn face value of any O&M Reserve Letter of Credit held by the Onshore Trustee at such time.

“O&M Reserve Letter of Credit” has the meaning assigned to the term “*Carta de Crédito de Reserva de Operación y Mantenimiento*” in the A&R Payment and Guarantee Trust Agreement.

“Obligations” means the collective reference to:

(a) the unpaid amount of principal of and interest on the obligations under the notes, the Local Notes and any Bank Project Debt (including interest accruing at the then applicable rate provided in the applicable Financing Document after the maturity of the obligations thereunder and interest accruing at the then applicable rate after the filing of any petition in Insolvency, or the commencement of any insolvency, reorganization or like proceeding, relating to the Issuer, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding); and

(b) all commissions, fees, indemnities, obligations and liabilities due by the Issuer to the Debt Providers and the other Secured Parties, whether direct or indirect, absolute or contingent, now existing or hereafter incurred, which arise under, out of, or in connection with, this Agreement, the Financing Documents or any other document made, delivered or given in connection herewith or therewith, including without limitation the Collateral Documents and the Collateral Agency Agreement, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, charges, expenses or otherwise (including all fees and expenses that are required to be paid by the Issuer pursuant to the terms of the Financing Documents); *provided*, however, that for purposes of the making of any Decision that would be subject to an Intercreditor Vote hereunder, “Obligations” shall not include any commissions, fees, indemnities, obligations and liabilities due by the Issuer to the Secured Parties other than the Debt Providers.

“Officer's Certificate” means a certificate signed by an Authorized Representative, the president or a director of the Issuer, as applicable.

“Organizational Documents” means, with respect to any Person (other than a natural person), the memorandum and articles of incorporation, by-laws, charter or other constitutive documents, however called, of such Person, duly registered as required under Applicable Laws and any shareholders' agreement (convenio de accionistas) or any other similar arrangement or agreement in effect in respect of such Person.

“Permitted Debt” means, with respect to the Issuer, collectively and without duplication:

- (a) the Obligations;
- (b) Project Debt;

- (c) any Approved Letter of Credit;
- (d) Subordinated Debt;
- (e) unsecured current trade liabilities, interest thereon and accrued expenses incurred, arising in the ordinary course of business that are payable in no more than 364 days thereafter in the ordinary course of business;
- (f) unsecured short term Debt for working capital purposes not exceeding five million U.S. dollars (\$5,000,000) at any time outstanding;
- (g) unsecured lines of credit, letters of credit, the Performance Bonds), letters of guarantee and similar obligations incurred in the ordinary course of business or in connection with the making of capital expenditures, in any case not exceeding ten million U.S. dollars (\$10,000,000) at any time outstanding;
- (h) the Performance Bonds; and
- (i) any Debt incurred in connection with a replacement, renewal, refinancing or extension of outstanding Permitted Debt (plus the amount of any premium required to be paid under the terms of the instrument governing such Permitted Debt), solely to the extent the same would be permitted pursuant to any of clauses (a) and (b) above.

“**Permitted Investments**” means with respect to the Indenture Notes Debt Service Reserve Account, the Indenture Notes Debt Service Accrual Account, the USD Revenue Account, the Local Notes Debt Service Reserve Account, the Local Notes Debt Service Accrual Account and the NPV Cash Trap Account, and any other U.S. dollar accounts designated pursuant to any Bank Project Debt, investments denominated in U.S. dollars in any and all of the following categories (a) through (k) in which up to one hundred percent (100%) of the funds in the applicable account may be invested at any given time:

- (i) U.S. dollars;
- (ii) any Debt with a maturity of ninety (90) days or less, issued or directly and fully guaranteed or insured by the United States or any agency or Governmental Authority thereof, *provided* that the full faith and credit of the United States is pledged in support thereof;
- (iii) (1) demand deposits, (2) bankers’ acceptances with maturities not exceeding ninety (90) days, and (3) overnight bank deposits, in each case with any bank or trust company organized or licensed under the laws of the United States or any state thereof having capital, surplus and undivided profits in excess of five hundred million U.S. dollars (\$500,000,000) whose long-term debt is rated “A-” (or such similar equivalent rating) or higher by Fitch on the international scale and “A-” (or such similar equivalent rating) or higher by S&P on the international scale, and “A3” (or such similar equivalent rating) or higher by Moody’s on the international scale;
- (iv) repurchase obligations with a term of not more than seven (7) days for underlying securities of the type described in clauses (ii) and (iii) above entered into with any financial institution meeting the qualifications specified in clause (iii) above; and
- (v) shares of any United States money market fund (including any such fund managed or advised by any Debt Provider or any of its Affiliates) that (1) invests with the goal of maintaining a stable NAV of one U.S. dollar (\$1.00) per share, (2) has net assets in excess of five hundred million U.S. dollars (\$500,000,000) and (3) has obtained from Fitch, S&P and Moody’s the highest rating obtainable for money market funds in the United States; *provided*, however, that the maturities of the instruments in which such money market funds invest shall not exceed 397 days;
- (vi) time deposits and certificates of deposit with maturities of ninety (90) days or less, with any bank or trust company organized or licensed under the laws of the United States or any state thereof having capital, surplus and undivided profits in excess of five hundred million U.S. dollars (\$500,000,000) whose long-term debt is rated the greater of “BBB-” (or such similar equivalent

rating) and the rating of the notes or higher by Fitch on the international scale, and “BBB-” (or such similar equivalent rating) or higher by S&P on the international scale, and “Baa3” (or such similar equivalent rating) or higher by Moody’s on the international scale;

- (vii) any Debt with a maturity of ninety (90) days or less, issued or directly and fully guaranteed or insured by Costa Rica or any agency or Governmental Authority thereof, *provided* that the full faith and credit of Costa Rica is pledged in support thereof;
- (viii) (1) demand deposits, (2) time deposits and certificates of deposit with maturities of ninety (90) days or less, (3) bankers’ acceptances with maturities not exceeding ninety (90) days, or if there are no penalties for early redemption, with a maturity not exceeding one (1) year from the date of acquisition, and (4) overnight bank deposits, in each case with any bank or trust company organized or licensed under the laws of Costa Rica or any political subdivision thereof having capital, surplus and undivided profits in excess of CRC 30,000,000,000 whose long-term debt is rated the greater of “BBB-” (or such similar equivalent rating) and the rating of the notes or higher by Fitch on the international scale, and “BBB-” (or such similar equivalent rating) or higher by S&P on the international scale, and “Baa3” (or such similar equivalent rating) or higher by Moody’s on the international scale;
- (ix) repurchase obligations with a term of not more than seven days for underlying securities of the type described in clauses (vii) and (viii) above entered into with any financial institution meeting the qualifications specified in clause (viii) above;
- (x) shares of any non-United States domiciled money market fund or any United States money market fund (including any such fund managed or advised by any Debt Provider or any of its Affiliates) that does not meet the requirements in clause (v) above but has (1) obtained from Fitch, S&P and Moody’s the highest rating obtainable for money market funds in the United States and (2) has net assets in excess of five hundred million U.S. dollars (\$500,000,000) (or its equivalent in any other currency); *provided*, however, that the maturities of the instruments in which such money market funds invest shall not exceed 397 days; and
- (xi) commercial paper rated at least “F1” by Fitch, “A-1” by S&P and “P-1” by Moody’s and maturing no later than ninety (90) days, or if there are no penalties for early redemption, with a maturity no later than one year after the date of acquisition

“Permitted Liens” means:

- (a) Liens created under or pursuant to any of the Collateral Documents and any Project Debt;
- (b) Liens created under or pursuant to the Bankia/BCIE Term Loan, which may remain in effect no more than five (5) Business Days after the Closing Date;
- (c) the naming of the Secured Parties as loss payees, beneficiaries and/or additional insureds under the Insurance Policies;
- (d) any Lien arising from any tax, assessment or other governmental charge or other Lien arising by operation of law or arising in the ordinary course of the Issuer’s business which is being diligently contested in good faith by appropriate proceedings and for the payment of which reserves, bonds, insurance or other security has been provided in an amount sufficient to promptly pay in full any amounts that the Issuer may be ordered to pay on final determination of any such proceedings;
- (e) deposits or pledges to secure obligations under workmen’s compensation, social security or similar laws or under unemployment insurance;
- (f) mechanics’, workmen’s, materialmen’s or other similar liens arising in the ordinary course of business with respect to obligations which are not yet due or which are being invested in good faith and

by appropriate proceedings and in respect of which adequate reserves are maintained in accordance with Accounting Principles;

(g) easements and imperfections of title on real estate; *provided*, that such easements and imperfections do not render title unusable in any material respect for purposes of the Project;

(h) Liens on Property at the time the Issuer acquires such Property, *provided* such Liens were not created in contemplation of such acquisition and do not extend to any other Property of the Issuer, and are released by no later than thirty (30) days after the date of the acquisition by the Issuer of the Property;

(i) such minor defects, easements, rights of way, restrictions and other similar encumbrances incurred in the ordinary course of business that do not, individually or in the aggregate, impair in any material respect the use or value of the Property affected thereby or the security interests under the Collateral Documents or materially impair the Project;

(j) legal encumbrances deemed to exist by reason of the existence of any litigation or other legal proceeding if the same is being contested in good faith;

(k) Liens created by the Concession Agreement; and

(l) Liens mandatorily created by Applicable Law.

“**Person**” means any natural person or any partnership, Joint Venture, firm, corporation, voluntary association, trust, enterprise, unincorporated organization or other body corporate or any Governmental Authority or any other entity whether acting in an individual, fiduciary or other capacity.

“**Process Agent**” means Corporate Creations Network, Inc.

“**Prohibited Practices**” means any of the following: (a) impairing or harming, or threatening to impair or harm, directly or indirectly, any Person or the property of the Person to improperly influence the actions of another Person; (b) an arrangement between two or more Persons designed to achieve an improper purpose, including influencing improperly the actions of another Person; (c) offering, giving, receiving, or soliciting, directly or indirectly, anything of value or any financial or other advantage to influence improperly the actions of another Person; (d) any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a Person to obtain a financial or other benefit or to avoid an obligation; and (e) with respect to an investigation of any Governmental Authority with respect to a suspicion that a Person or any of its Affiliates has engaged or is otherwise involved in any of the activities specified in clauses (a) through (d) above, engaging in any of the following actions, (i) deliberately destroying, falsifying, altering or concealing evidence material to the investigation or making false statements to investigators in order to materially impede the investigation or (ii) threatening, harassing or intimidating any Person to prevent such Person from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation. For the avoidance of doubt, for purposes of this definition, the term “**Person**” shall include, without limitation, officers and employees of a Governmental Authority (whether elected or not), a political party, an entity owned by a Governmental Authority, an entity that has been formed by, or for the benefit of such Persons, or any Person acting in its capacity of officer or on behalf or at the direction of such Persons.

“**Project Debt**” means additional senior secured debt *pari passu* to the Obligations that is permitted to be incurred by the Issuer, *provided* that (a) (1) the provider of such Project Debt (or an Agent thereof) shall have acceded to this Agreement prior to the financial close of such Project Debt by executing and delivering to the Intercreditor Agent a Joinder Agreement in the form of Exhibit A hereto, having taken therefore all actions necessary to perfect such provider’s rights as a Secured Party under the Collateral Documents governed by Costa Rican law, it being understood that such Project Debt may be incurred by the Issuer pursuant to loans from one or more commercial banks (“**Bank Project Debt**”) or (2) the Project Debt is issued (i) under the Indenture pursuant to a supplement thereto or (ii) by way of additional issuances of Local Notes (under the Local Prospectus, as amended), in which the noteholders of such additional Local Notes (or an Agent thereof) shall have acceded to this Agreement prior to the issuance of such additional Local Notes by means of the corresponding Local Notes Offering Resolution, and shall be subject to the Collateral Documents governed by Costa Rican law as Secured Parties thereunder; (b) the

Issuer shall have demonstrated to the reasonable satisfaction of the Calculation Agent that, after giving pro forma effect to the incurrence of such Project Debt, (x) the minimum Projected DSCR is not less than 1.30:1 during the remaining life of the notes, (y) the average annual Projected DSCR is not less than the average annual Projected DSCR agreed at the Closing Date, and (z) the weighted average life of such Project Debt is not shorter than the weighted average life of the notes; (c) the Issuer shall have received a Ratings Reaffirmation in connection with the incurrence of such Project Debt; (d) the Calculation Agent shall have determined that no NPV Cash Trap Trigger will occur after giving pro forma effect to the incurrence of such Project Debt; (e) any covenants, defaults or remedies to which such Project Debt is or may be subject shall be consistent with those set forth in the Indenture and Annex A to the Intercreditor Agreement, (f) the representations made in any Financing Document related to such Project Debt shall be made in favor of the Secured Parties (or one or more agents thereof); (g) any such Project Debt issued or incurred after the date hereof shall be denominated in U.S dollars, and (h) the Issuer shall have provided an Officer's Certificate to the Intercreditor Agent certifying that the foregoing conditions to such incurrence of Project Debt have been satisfied.

"Project Documents" means:

- (a) the Concession Agreement;
- (b) the Performance Bonds;
- (c) the ETC QuickPass Agreement;
- (d) the STT Toll Collection Services Agreement;
- (e) the Davivienda Agreement; and
- (f) any other agreement relating to the Project entered into by the Issuer in the ordinary course of business (i) under which the Issuer could be expected to have payment obligations in excess of \$2,000,000 (or its equivalent in any other currency) per annum and which has a duration of more than 364 days and (ii) with respect to which the breach, nonperformance, cancellation or failure to have and maintain, renew or replace could reasonably be expected to have a Material Adverse Effect.

"Project Party" means each Person party to a Project Document other than the Issuer.

"Project Site" means the *Área de Concesión*, as such term is defined in the Concession Agreement.

"Projected Debt Service Coverage Ratio" or **"Projected DSCR"** means, in respect of any future Calculation Period, the result of dividing (i) Cash Flow projected for such Calculation Period (calculated in good faith by the Issuer) in accordance with revenue and expense assumptions in the then-current Base Case Model (as such assumptions may be modified), by (ii) the sum of scheduled interest and principal payments due under the notes, the Local Notes and any Bank Project Debt projected for such Calculation Period in the then-current Base Case Model.

"Property" means, with respect to any Person, any right or interest in or to property or other assets (whether owned by such person or a third party), contract rights and/or revenues of any kind whatsoever, whether real, personal or mixed, whether tangible or intangible and whether existing or to be created in the future, any right, title or interest in or to assets or property of any kind whatsoever, whether real, personal or mixed and whether movable or immovable, tangible or intangible, including any Share Capital held in companies and ventures.

"Proposed Remedies" has the meaning set forth in the provisions regarding Election to Pursue Remedies Following an Event of Default of the Intercreditor Agreement.

"Rating Agency Condition" means with respect to a proposed Change of Control or any other proposed fact, event, circumstance or action, that each Rating Agency then rating the Notes has confirmed in writing that such Change of Control, fact, event, circumstance or action will not result in (i) a Rating Decline, or (ii) a withdrawal of the ratings of the Notes then rated by such Rating Agency.

“Rating Decline” means the occurrence at any time within the earlier of (i) ninety (90) days after the date of public notice of a Change of Control, or of the date of delivery by the Issuer, the Shareholders, the Sponsor, or any of their affiliates, of a written notice to a Rating Agency informing of its intention, or the intention of any Person, to effect a Change of Control and (ii) the occurrence of the Change in Control (which period shall in either event be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by a Rating Agency), a Rating Agency withdraws its rating of the Notes or the rating of the Notes is decreased by a Rating Agency as follows: (a) if the Notes are not rated Investment Grade by two or more Rating Agencies, by one or more notches; or (b) if the Notes are rated Investment Grade by two (2) or more Rating Agencies, such that the Notes are no longer rated Investment Grade.

“Ratings Reaffirmation” means, with respect to any series of the notes or of the Local Notes, as applicable, a written confirmation from each Rating Agency rating such series of the notes or Local Notes, as applicable, that a proposed action will not result in a withdrawal or reduction of its rating of such notes or Local Notes to below the initial rating of such series of the notes or Local Notes.

“Real Property Rights” means all real property rights (including easement, usufruct, surface and possessory rights) or voluntary permits or other similar rights under the Concession Agreement necessary to permit the expansion, ownership, operation, maintenance and development of the Project in compliance with the requirements of the Transaction Documents.

“Relevant Permit” means each Authorization from time to time necessary under Applicable Law and the Concession Agreement:

- (a) for the Issuer to conduct its business and operations as it is presently carried on and is contemplated to be carried on (including under the Concession Agreement);
- (b) for the Issuer to perform its material obligations under the Transaction Documents to which it is a party; and
- (c) for the Project to comply with Applicable Law in all material respects.

“Remedies Decision” has the meaning assigned to that term in “—Intercreditor and Security Sharing Agreement— Decision Making and Voting Requirements—Remedies Decisions”.

“Remedies Initiation Notice” means the written notice that may be delivered by the Intercreditor Party representing the requisite number or percentage, as applicable, of Debt Providers that would be entitled to accelerate the Obligations owing to them under the applicable Financing Document at any time after the occurrence and during the continuance of an Event of Default, may deliver a written notice.

“Required Bank Project Debt Holders” means the holders of Bank Project Debt owning not less than the majority of the aggregate principal amount outstanding of Bank Project Debt determined as of the date a decision is made, which will be the last day of any period of time given to the holders of the Bank Project Debt to make a decision in those situations where a period of time is given to the holders of the Bank Project Debt to make a decision.

“Required Holders” means holders of not less than the majority of the aggregate series balance of all outstanding series of notes and Local Notes, taken as a whole, determined as of the date a decision is made, which will be the last day of any period of time given to holders to make a decision in those situations where a period of time is given to the holders to make a decision.

“Required Local Notes Holders” means the holders of Local Notes owning not less than a majority of the aggregate series balance of all outstanding series of Local Notes determined as of the date a decision is made, which will be the last day of any period of time given to the holders of the Local Notes to make a decision in those situations where a period of time is given to the holders of the Local Notes to make a decision

“Restricted Payment” means:

(a) all distributions (whether in cash, Property or obligations) on, other payments on account of, the setting apart of money for a sinking or other fund for, and the purchase, redemption, retirement or other acquisition of any portion of the Issuer's Share Capital, including any payments to be made by the Issuer to any Shareholder or any Affiliate thereof, including payments in respect of dividends, interest over own equity, capital reductions, distributions, repurchases or redemptions of outstanding stock (including options or warrants), and Investments in, capital contributions, loans, advances or other payments to the Sponsor or other Person;

(b) any payment, purchase, retirement or other acquisition of any other Debt except for Obligations and Project Debt;

(c) any deposit or similar transaction made to secure any loan or other financial obligation of any other Person; and

(d) any payment of development, management, operation or other fees to any Affiliate of the Issuer, except to the extent such payments are made to Affiliates pursuant to written agreements entered into by the Issuer upon terms not materially less favorable to the Issuer than could be obtained in a comparable arm's length transaction with a Person that is not an Affiliate of the Issuer;

provided that Restricted Payments will exclude, to the extent otherwise included, any dividend or other Shareholder Distribution funded up to sixty (60) days after the Closing Date with proceeds of the notes or the Local Notes (including the Issuer's Loan to Shareholders) in an aggregate amount of up to U.S.\$126.2 million (or its equivalent in any other currency).

"Restricted Payment Conditions" has the meaning set forth in "**—Negative Covenants—Limitation on Restricted Payments**" above.

"Restricted Payment Date" means, with respect to any Restricted Payment Period, the date during such Restricted Payment Period, notified in writing by the Issuer to the Indenture Trustee, the Intercreditor Agent, the Onshore Trustee and the Onshore Collateral Agent, on which the Issuer has requested that a Restricted Payment be made; it being understood that the Issuer may request up to two (2) Restricted Payments to be made during each Restricted Payment Period.

"Sanctions Laws and Regulations" means any Applicable Law relating to anti-money laundering or anti-terrorist financing, including, without limitation, the economic or financial sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced from time to time by (a) the United States government, (b) the United Nations, (c) any other jurisdiction in which the Issuer operates and (d) the respective governmental institutions and agencies of any of the foregoing, including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury ("**OFAC**") and the U.S. Department of State.

"Local Note Default" means a "default" under the Local Prospectus.

"Local Note Event of Default" means an "event of default" under the Local Prospectus.

"Share Capital" means:

(a) as to any Person that is a corporation, any and all shares of capital stock of any class or other ownership interests (including beneficial ownership interest granting the right to receive dividends and other similar distributions) of any kind, however called, in such Person;

(b) with respect to any Person that is not a corporation, any and all partnership or other equity or ownership interests (including beneficial ownership interest granting the right to receive dividends and other similar distributions) in such Person; and

(c) any and all subscriptions, subscription bonuses, options, warrants, commitments, preemptive rights or agreements of any kind (including any shareholders' or voting trust agreements) for the subscription, issuance, sale, registration or voting of, or securities convertible into, any of the instruments or interests referred to in clauses (a) or (b) above.

“**Solvent**” means, with respect to any Person, that as of the date of determination, both (a) (i) the sum of such Person’s debt (including contingent liabilities) does not exceed the present fair saleable value of such Person’s present assets; (ii) such Person’s capital is not unreasonably small in relation to its business as contemplated on the Closing Date or with respect to any transaction contemplated to be undertaken after the Closing Date; and (iii) such Person has not incurred and does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due; and (b) such Person (i) is “solvent” within the meaning given to that term and similar terms under the Insolvency Laws and other applicable laws relating to fraudulent transfers and conveyances, (ii) does not comply with the requirements to initiate a reorganization procedure under the Insolvency Laws or (iii) in the case of any Person incorporated under the laws of Costa Rica, such Person has not been intervened for purposes of liquidation or administration by any Governmental Authority exercising surveillance rights over such Person. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“**Sponsor Party**” means, collectively, the Issuer, the Shareholders and the Sponsor.

“**Super Majority Decision**” has the meaning assigned to that term in “—Intercreditor and Security Sharing Agreement— Decision Making and Voting Requirements—Super Majority Decisions”.

“**Taxing Authority**” means, in respect of a given jurisdiction, any Governmental Authority having the power to impose taxes, levies, imposts, duties, deductions, withholdings, assessments or any other charges in such jurisdiction.

“**Tax Returns**” means all returns, declarations, reports, estimates, information returns, statements and other documents of, relating to, or required to be filed with any Governmental Authority in respect of Taxes.

“**Taxes**” means any and all income, stamp or other taxes, duties, levies, imposts, charges, fees, assessments, governmental charges, deductions or withholdings, on the Closing Date or thereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, and all interest, penalties or similar liabilities with respect thereto.

“**Transaction Documents**” means, collectively, the Financing Documents and the Project Documents.

“**Transfer Date**” means the twelfth (12th) day of each month (or the immediately following Business Day, if such date is not a Business Day) and the second to last Business Day of each month.

“**Transfers Order of Priority**” means the accounts withdrawal order of priority applicable to the A&R Payment and Guarantee Trust Accounts pursuant to the A&R Payment and Guarantee Trust Agreement.

“**Unanimous Decision**” has the meaning assigned to that term in “—Intercreditor and Security Sharing Agreement— Decision Making and Voting Requirements—Unanimous Decisions”.

“**Voting Certificate**” means, with respect to any Decision subject to an Intercreditor Vote, a certificate of an Authorized Representative of an Intercreditor Party setting forth (a) for the Debt Providers represented by such Intercreditor Party that are entitled to cast a vote in such Intercreditor Vote in accordance with the Intercreditor Agreement, (i) the aggregate amount of the Obligations owing to such Debt Providers of such Debt Providers, in each case as of the relevant Voting Determination Date, (ii) the portion of such amount representing Obligations that voted in favor of the applicable Decision, (iii) the portion of such amount representing Obligations that voted against the applicable Decision, and (iv) the portion of such amount representing Obligations in respect of which the relevant Debt Providers have not cast their votes, and (b) for the Non-Voting Parties holding Obligations of the type held by the Debt Providers represented by such Intercreditor Party, the Obligations held by such Non-Voting Parties, all with sufficient detail to enable the Intercreditor Agent to tally the votes cast.

“**Voting Determination Date**” means (a) with respect to any Intercreditor Vote Notice, the Business Day prior to the date of such Intercreditor Vote Notice, and (b) for purposes of the proviso in referring to an Election to Pursue Remedies Following an Event of Default pursuant to the Intercreditor Agreement, the Business Day prior to

the date the Intercreditor Parties acting on behalf of the Debt Providers representing the Required Initiating Percentage as of such date instruct the Intercreditor Agent.

A&R Payment and Guarantee Trust Agreement

General

On the Closing Date the Issuer, Promotora, SyV, DI-M&S, SDC as trustors (the “Trustors”); the Onshore Trustee and the Onshore Collateral Agent acting on behalf and for the benefit of the investors will enter into the Amended and Restated Payment and Guarantee Trust Agreement (the “A&R Payment and Guarantee Trust Agreement”) to (i) amend and restate the payment and guarantee trust created in connection with the Bankia/BCIE Term Loan in order to guarantee the fulfillment of all Guaranteed Obligations and (ii) constitute the A&R Payment and Guarantee Trust Accounts.

The trust estate is comprised of assets given to the Onshore Trustee in trust, in guarantee and in administration.

The assets given as guarantee are the following:

- shares representing 100% of the equity interest in the Issuer;
- any proceeds received from any indemnification payment as a consequence of the early termination of the Concession Agreement which would be paid to the A&R Payment and Guarantee Trust and used to repay any Guaranteed Obligations;
- all of the Issuer’s trademarks; and
- all other assets or rights that may be transferred as guarantee to the A&R Payment and Guarantee Trust. In this regard, the Issuer must issue a report every six (6) months listing all assets and rights it holds title to so that the Onshore Trustee and the Onshore Collateral Agent may determine whether any new assets or rights will have to be transferred to the A&R Payment and Guarantee Trust.

The assets given in administration are the following:

- *Project Income / Project Cash Flows.* These include but are not limited to all sums received by, or that are entitled to be received by, the Trustors in connection with the ownership, operation and maintenance of the Project, as well as those derived from the Project Documents, and any other cash flow and/or income generated by the investment of the funds deposited in the A&R Payment and Guarantee Trust Accounts. These include (i) income derived from toll collections during the Concession, generated during the term of the A&R Payment and Guarantee Trust and extensions, if any; (ii) income derived from the Minimum Guaranteed Income; (iii) proceeds derived from any indemnification payment, including insurance indemnification proceeds (except for proceeds which correspond to the Grantor and/or any third party civil liability), but excluding indemnification payments as a consequence of the early termination of the Concession Agreement (which are given as guarantee); and (iv) any other income derived from the Project Documents so long as it is permitted by Applicable Law and the Concession Agreement. In this regard, the Issuer must issue a report every six (6) months listing all income or cash flows it is entitled to receive by the date of the report.
- *A&R Payment and Guarantee Trust Accounts.* Pursuant to the Financing Documents and the A&R Payment and Guarantee Trust, the Onshore Trustee will open and maintain, on behalf of the A&R Payment and Guarantee Trust, the A&R Payment and Guarantee Trust Accounts. These accounts shall form part of the A&R Payment and Guarantee Trust and shall be administered by the Onshore Trustee (i) in accordance with the provisions of the A&R Payment and Guarantee Trust Agreement and all other Financing Documents, (ii) in accordance to the Issuer’s and/or the Onshore Collateral Agent’s instructions. All A&R Payment and Guarantee Trust Accounts shall be opened in the name of the A&R Payment and Guarantee Trust and shall at all times remain under the exclusive control of the Onshore Trustee.

A&R Payment and Guarantee Trust Accounts

The A&R Payment and Guarantee Trust Agreement provides for the establishment of certain accounts and subaccounts to aid in the management and administration of the A&R Payment and Guarantee Trust. The following A&R Payment and Guarantee Trust Accounts and subaccounts have been established in the name of the A&R Payment and Guarantee Trust in accordance with the terms of the agreement:

- USD Revenue Account and CRC Revenue Account;
- USD Operating and Maintenance Account and CRC Operating and Maintenance Account (the “O&M Accounts”);
- Local Notes Debt Service Reserve Account;
- O&M Reserve Account;
- Grantor Co-Participation Payment Account;
- Indenture Notes Debt Service Accrual Account;
- Local Notes Debt Service Accrual Account;
- Local Notes Notes Proceeds Account;
- Local Notes Debt Service Payment Account;
- Insurance Proceeds Account;
- NPV Cash Trap Account; and
- Excess Cash Flow Account
- Any other accounts opened and maintained by the Onshore Trustee pursuant to the A&R Guaranty Trust Agreement, including, but not limited to, any accounts opened pursuant to the incurrence of any Project Debt.

USD Revenue Account and CRC Revenue Account

Pursuant to the A&R Payment and Guarantee Trust Agreement, all Project Flows will be deposited into the CRC Revenue Account, other than certain project revenues which will be deposited in the different accounts in accordance with the Standard Waterfall, including insurance policy proceeds, which will be deposited directly to the Insurance Proceeds Account (except for those derived from business interruption insurance which will be deposited in either the USD Revenue Account or the CRC Revenue Account depending on the currency of payment). Every month funds will be transferred from the CRC Revenue Account to the CRC Operating and Maintenance Account, the Maximum O&M Amount in *colones*, in accordance with the Standard Waterfall. Any excess shall be converted by the Onshore Trustee to dollars the same day that the funds are received and transferred to the USD Revenue Account and further applied pursuant to the Standard Waterfall.

The USD Revenue Account shall be held in U.S. dollars and the CRC Revenue Account shall be held in *colones*.

O&M Accounts

Funds deposited in the USD Operating and Maintenance Account and in the CRC Operating and Maintenance Account will be transferred to the account designated by Issuer and will be exclusively used for the payment of O&M Costs and Major Maintenance Expenses for the following month, and Additional Construction Costs, if any. To the extent that the amounts to be deposited in the O&M Accounts on the applicable second Transfer Date of any month are insufficient to pay O&M Costs and Major Maintenance Costs for the following

month, the Onshore Trustee, to the extent that funds are available, will transfer amounts on deposit in the Excess Cash Flow Account and the O&M Reserve Account, as applicable, in such order to the applicable O&M Account, to cover such shortfall.

The USD Operating and Maintenance Account shall be held in U.S. dollars and the CRC Operating and Maintenance Account shall be held in *colones*.

Local Notes Debt Service Reserve Account

The funds deposited in this account will serve exclusively to maintain a reserve of the debt service of the Local Notes. The Local Notes Debt Service Reserve Account must at all times have a balance equivalent to the Debt Service Reserve Required Amount of the Local Notes, including principal and interest. This account will be initially funded with the proceeds of the issuance of the Local Notes, and thereafter according to the Standard Waterfall, or at the Issuer's discretion, directly by the Issuer. The funds deposited in this account may be replaced by the Issuer with one or more authorized letters of credit. The face value of said Letters of Credit and the balance held in this account must be at least equal to the Debt Service Reserve Required Amount of the Local Notes. If at any time the funds available in the Local Notes Debt Service Reserve Account exceeds the Debt Service Reserve Required Amount for the Local Notes, the Issuer and/or the Onshore Collateral Agent, as applicable, shall instruct the Onshore Trustee to transfer the exceeding amount to the USD Revenue Account. The Local Notes Debt Service Reserve Account shall be held in U.S. dollars.

O&M Reserve Account

The funds deposited in this account will be used exclusively to fund the USD Operating and Maintenance Account and the CRC Operating and Maintenance Account, in case of possible funds shortfall in said accounts. This account must maintain at all times the O&M Reserve Required Amount. If the funds deposited in the O&M Reserve Account are not sufficient to cover the O&M Reserve Required Amount, the Onshore Trustee shall use the funds in accordance with the Standard Waterfall and the A&R Payment and Guarantee Trust to cover the shortfall. The funds deposited in these accounts may be replaced with one or more Authorized Letters of Credit. The face value of such Authorized Letters of Credit and the balance held in these accounts must be at least equal to the O&M Reserve Required Amount. If at any time the funds available in the O&M Reserve Account exceeds the O&M Reserve Required Amount, the Issuer and/or the Onshore Collateral Agent, as applicable, shall instruct the Onshore Trustee to transfer the exceeding amount to the USD Revenue Account. The O&M Reserve Account shall be held in U.S. dollars.

Grantor Co-Participation Payment Account

The purpose of this Grantor Co-Participation Payment Account is to pay the Grantor the required Co-Participation payment, according to the Concession Agreement. The Grantor Co-Participation Payment Account shall be held in U.S. dollars.

Indenture Notes Debt Service Accrual Account

Funds with respect to the notes will be deposited in the Indenture Notes Debt Service Accrual Account pursuant to the Standard Waterfall. Each month, the sum of one sixth (1/6) of the semi-annual interest amount plus the amount of the semi-annual capital amortization of the notes will be deposited into this account. Every semester, the foregoing amounts will be transferred by the Onshore Trustee to the Indenture Notes Debt Service Payment Account at least two (2) Business Days before each notes Payment Date in order for the Indenture Trustee to make the corresponding payments to the holders on the notes Payment Date. The Indenture Notes Debt Service Accrual Account shall be held in U.S. dollars.

Local Notes Debt Service Accrual Account

Funds with respect to the Local Notes will be deposited in the Local Notes Debt Service Accrual Account pursuant to the Standard Waterfall. Each month, the sum of one sixth (1/6) of the semi-annual interest amount plus the amount of the semi-annual capital amortization of the Local Notes will be deposited into this account. Every semester, the foregoing amounts will be transferred by the Onshore Trustee to the Local Notes Debt Service

Payment Account at least two (2) Business Days before each Local Note Payment Date, and from there to the Local Clearing Agent at least two (2) Business Day before each Local Note Payment Date, in order for the Local Clearing Agent to make the corresponding payments to the Local Notes holders on the Local Notes Payment Date. The Local Notes Debt Service Accrual Account shall be held in U.S. dollars.

Local Notes Proceeds Account

All proceeds resulting from the Local Notes as well as partial proceeds resulting from the notes will be deposited into the Local Notes Proceeds Account. Such proceeds will be utilized for (i) the repayment of the Bankia/BCIE Term Loan; (ii) the payment of costs related to or derived from the issuance of the notes and the Local Notes; (iii) funding of the Local Notes Debt Service Reserve Account; (iv) funding of the O&M Reserve Account; (v) financing the Issuer's Loan to Shareholder; (vi) a Shareholder Distribution; (vi) financing dividend payments and distributions to the Shareholders; and (vii) general corporate purposes. The Local Note Proceeds Account shall be held in U.S. dollars.

Local Notes Debt Service Payment Account

Funds deposited in the Local Notes Debt Service Payment Account will serve exclusively (i) to repay the interest and principal due on the Local Notes to the holders of such Local Notes; (ii) to repay Local Note holders the corresponding amounts in case of an optional or mandatory redemption and/or amortization of the Local Notes; and (iii) to repay any amount in case of termination of the A&R Payment and Guarantee Trust. Funds will be deposited each semester into the Local Notes Debt Service Payment Account by the Onshore Trustee at least two (2) Business Days prior to each Local Note Payment Date. The Onshore Trustee will transfer funds, at least one (1) day prior to each Local Note Payment Date, to the Local Clearing Agent for such payment to be made. The Local Notes Debt Service Payment Account shall be held in U.S. dollars.

Insurance Proceeds Account

The relevant insurance companies will deposit in the Insurance Proceeds Account all Insurance Proceeds *provided* that business interruption Insurance Proceeds shall be paid into the CRC Revenue Account and/or the USD Revenue Account, as applicable depending on the currency of the payment. The funds deposited in the Insurance Proceeds Account will be applied by the Issuer for the compensation and indemnification payments, as the case may be, for the repair or replacement of the applicable insured assets, as well as for the redemption of the notes, the Local Notes, and the Bank Project Debt on a *pro rata* basis.

The Issuer shall be required to redeem the notes, the Local Notes and any Bank Project Debt upon the receipt of any Net Insurance Proceeds, in an amount equivalent to such Insurance Proceeds, *provided*, that (i) no such redemption shall be required to the extent not permitted by the Concession Agreement, (ii) the Issuer shall not apply to such redemption any portion of such Net Insurance Proceeds (such portion, the "Reserved Net Insurance Proceeds") that the Issuer notifies the Indenture Trustee will be used or contractually committed to be used to restore the Project to the existing condition prior to the applicable insured event within one hundred eighty (180) days after receipt by the Issuer of such Net Insurance Proceeds (as certified by the Issuer to the Intercreditor Agent, the Indenture Trustee, the Onshore Trustee and the Onshore Collateral Agent within thirty (30) Business Days of receipt of the applicable Net Insurance Proceeds) and (iii) the Issuer shall not apply to such redemption any portion of such Reserved Net Insurance Proceeds that remain unused or are not required to be used to restore the Project to the existing condition prior to the applicable insured event within one hundred eighty (180) days after receipt by the Issuer of such Net Insurance Proceeds, unless such unused portion of Reserved Net Insurance Proceeds pursuant to this subclause (iii) exceeds one million U.S. dollars (\$1,000,000); *provided, further*, that if the amount of any Reserved Net Insurance Proceeds, exceeds one million U.S. dollars (\$1,000,000) (or its equivalent in any other currency) in any calendar year, the Independent Engineer shall have approved the applicable restoration plans prepared by the Issuer prior to the Issuer notifying the Indenture Trustee pursuant to clause (ii) above. If any portion of such Reserved Net Insurance Proceeds is not applied within one hundred eighty (180) days, even if required, the Issuer shall apply such unused portion of such Reserved Net Insurance Proceeds to mandatorily redeem the notes in accordance with the Insurance Proceeds Account provisions in the A&R Payment and Guarantee Trust Agreement, using the last day of such one hundred eighty (180) day period as the date of the occurrence of a Mandatory Redemption Event with respect to such Reserved Net Insurance Proceeds; it being understood, that although there may be funds in the Insurance Proceeds Account, the Issuer may notify the Indenture Trustee that additional funds

shall be used or are contractually committed to be used to restore the Project to the existing condition prior to the applicable insured event. Additionally, if the affected portion of the Project cannot be restored or the Issuer chooses not to restore pursuant to the terms of the Concession Agreement, as determined by the Independent Engineer and notified by the Independent Engineer to the Issuer, the Intercreditor Agent, the Indenture Trustee, the Onshore Trustee and the Onshore Collateral Agent, the Issuer shall apply such Net Insurance Proceeds as a mandatory redemption in accordance with the Insurance Proceeds Account provisions therein, as though the date of such notification were the date of the occurrence of a Mandatory Redemption Event with respect to such Reserved Net Insurance Proceeds.

NPV Cash Trap Account

If an NPV Cash Trap Trigger has occurred and is continuing, *provided* that the balance in the NPV Cash Trap Account is greater than forty million U.S. dollars (\$40,000,000.00), an NPV Mandatory Redemption shall be made, for which the Onshore Trustee, instructed by the Issuer or the Onshore Collateral Agent, when instructed to do so, shall: (i) with respect to the notes, transfer the amount corresponding to the Indenture Trustee to the Payment Account; and (ii) with respect to the Local Notes, transfer the amount corresponding to the Local Clearing Agent; both payments to redeem the outstanding principal amount of the notes and the Local Notes, on a *pro rata* basis. Notwithstanding the foregoing, the Local Notes will only be redeemed *provided* that the term of the notes is equal to or shorter than the term of the Local Notes. The Issuer will make an NPV Mandatory Redemption in principal amounts determined by the Intercreditor Agent. The balances held in the NPV Cash Trap Account will be applied to reduce the semi-annual redemption amount of the notes and the Local Notes, in an inverse order to their maturity.

If an NPV Cash Trap Trigger has occurred and is continuing, the Onshore Trustee, instructed by the Issuer or the Onshore Collateral Agent, as applicable, shall transfer to the NPV Cash Trap Account an amount that makes the balance held in the NPV Cash Trap Account equal to the current NPV Excess Amount, after having completed the required transfers according to the Standard Waterfall and/or the Indenture, as applicable. All amounts transferred to the NPV Cash Trap Account will be used by the Issuer to redeem the notes and the Local Notes, as indicated above.

If at any time the NPV Excess Amount is less than the balance in the NPV Cash Trap Account, the Issuer and/or the Onshore Collateral Agent, as applicable, shall instruct the Onshore Trustee to reduce the balance in the NPV Cash Trap Account in an amount equal to the difference between the balance in the NPV Cash Trap Account and the NPV Excess Amount, as determined by the Calculation Agent, and to transfer such amount to the USD Revenue Account on the immediate Transfer Date following the Calculation Date of the NPV Excess Amount.

If at any time the balance in the NPV Cash Trap Account exceeds the principal amount outstanding of the notes, minus the sum of the balance of the Debt Service Reserve Accounts, the Issuer shall instruct the Onshore Trustee to reduce the balance in the NPV Cash Trap Account in an amount equal to the sum of all of the Issuer's outstanding debt, minus the sum of the balance of the Debt Service Reserve Accounts. As a consequence of such reduction, the excess funds shall be transferred to the USD Revenue Account.

If an early termination of the Concession Agreement occurs because the Issuer has reached the Projected NPV, the Issuer shall use, first, the balance in the NPV Cash Trap Account and second, the balance held in the other A&R Payment and Guarantee Trust Accounts and the Indenture Accounts to do a Mandatory Redemption of the notes, the Local Notes and any Bank Project Debt.

The NPV Cash Trap Account shall be held in U.S. dollars.

Excess Cash Flow Account

Funds will be deposited in the Excess Cash Flow Account pursuant to the Standard Waterfall and will be used to fund other accounts as it may be deemed necessary.

If there is a positive balance in the Excess Cash Flow Account for six (6) consecutive Restricted Payment Periods and in the event that for each of those six (6) consecutive Restricted Payment Periods the requirement for Restricted Payments are not met, the Onshore Trustee shall transfer, automatically and without the need of any additional notice, the balance to the Indenture Trustee, to the Payment Account to make a mandatory redemption of

the notes, on a *pro rata* basis. If the Restricted Payments requirements are met, the balance in the Excess Cash Flow Account shall be used by the Issuer to make such Restricted Payments.

Funds held in the Excess Cash Flow Account as well as the Reserve Accounts could also be used to fund an optional redemption of the notes and Local Notes, pursuant to the Financing Documents. The Excess Cash Flow Account shall be held in U.S. dollars.

Other Accounts

The following accounts may be opened in the A&R Payment and Guarantee Trust Agreement in connection with the incurrence or issuance of Bank Project Debt:

- *Bank Project Debt Service Payment Account:* The account from which the Onshore Trustee will transfer funds, prior to each Bank Project Debt payment date, to the applicable creditors or holders of Bank Project Debt, for payment on each Bank Project Debt payment date of the interest and principal due on Bank Project Debt to the creditors or holders of Bank Project Debt. Funds in U.S. dollars will be deposited into the Bank Project Debt Service Payment Account from the Bank Project Debt Service Accrual Account by the Onshore Trustee at least two (2) business days prior to each payment date for Bank Project Debt (the “Bank Project Debt Service Transfer Date”).
- *Bank Project Debt Service Accrual Account:* Funds with respect to any Bank Project Debt will be deposited in the Bank Project Debt Service Accrual Account pursuant to the Waterfall. On or prior to each Bank Project Debt Service Transfer Date, the Onshore Trustee will transfer from the Bank Project Debt Service Accrual Account to the Bank Project Debt Service Payment Account an amount equal to the debt service for such payment date for Bank Project Debt, for further transfer to the applicable creditors or holders of Bank Project Debt for purposes of paying the creditors or holders of Bank Project Debt principal and interest due on Bank Project Debt.
- *Bank Project Debt Service Reserve Account:* The funds deposited in this account will serve exclusively to maintain a reserve of the debt service of the Bank Project Debt. The Bank Project Debt Service Reserve Account must at all times have a balance equivalent to the Bank Project Debt Service Reserve Required Amount. The funds deposited in this account may be replaced by the Issuer with one or more Authorized Letters of Credit. The face value of said Letters of Credit and the balance held in this account must be at least equal to the Bank Project Debt Service Reserve Required Amount. This account will be initially funded with the initial disbursements of Bank Project Debt, and thereafter according to the Standard Waterfall, or at the Issuer’s discretion, directly by the Issuer.

To the extent that there are insufficient amounts available in the USD Revenue Account to transfer in full the amount required to be transferred to the Bank Project Debt Service Accrual Account on any Transfer Date pursuant to Clause Fourth of the Standard Waterfall, amounts will be transferred to the Bank Project Debt Service Accrual Account from amounts on deposit first, from the Excess Cash Flow Account, second, from the O&M Reserve Account, and third, from the Bank Project Debt Service Reserve Account to cover such shortfall. These accounts shall be held in U.S. dollars, or such other currency that may be instructed to the Onshore Trustee.

Withdrawal and Transfer of Funds Procedure

The Issuer may not withdraw or transfer funds from the A&R Payment and Guarantee Trust Accounts without having previously delivered to the Onshore Trustee the corresponding Certificate required for such withdrawal or transfer according with the procedure established for that purpose in the A&R Payment and Guarantee Trust Agreement, unless otherwise expressly stipulated in the A&R Payment and Guarantee Trust, or authorized in advance and in writing by the Onshore Collateral Agent.

During the continuance of an Event of Default, which shall be notified in writing to the Onshore Trustee and the Trustors by the Onshore Collateral Agent, and if such Event of Default is not cured within a period of sixty (60) Business Days from the Event of Default notice, the Certificates that are delivered by the Issuer to the Onshore Trustee must be previously authorized and endorsed by the Onshore Collateral Agent. Therefore, once the Event of Default is notified, the Certificates shall be delivered by the Issuer to the Onshore Collateral Agent for approval and

endorsement and then forwarded to the Onshore Trustee for execution, within five (5) Business Days after receipt. If the Certificates are not authorized and endorsed by the Onshore Collateral Agent, they will not be forwarded to the Onshore Trustee and the Onshore Trustee shall not accept them.

Notwithstanding the foregoing, in the event that within the term of sixty (60) Business Days from the notice of Event of Default, the Trustors and the debt providers do not agree to the acceleration of the payment of the notes, the Local Notes and the Bank Project Debt, and the termination of the Trust, pursuant to the Intercreditor Agreement, and/or such decision is not duly notified to the Issuer within that period, the Onshore Collateral Agent shall notify the Onshore Trustee in writing of such fact so that it receives the Certificates directly from the Issuer and executes them without having the authorization and endorsement of the Onshore Collateral Agent.

If an Event of Default results in the acceleration of the notes, the Local Notes and the Bank Project Debt, and the termination of the Trust, any withdrawal or transfer of funds may only be made pursuant to a written instruction of the Onshore Collateral Agent, unless otherwise previously authorized in writing by the Onshore Collateral Agent and duly notified to the Onshore Trustee. Notwithstanding the foregoing, both the Issuer and the Onshore Collateral Agent shall issue any Certificates and all instructions in accordance with the payments waterfalls, priorities and use of funds established in the A&R Guarantee and Payment Trust Agreement.

When the Onshore Trustee receives either the Issuer's certificates or the instructions of the Onshore Collateral Agent, as applicable, it shall transfer the amounts specified therein, as detailed, on the applicable Transfer Date, no later than at 11:00 a.m., San Jose, Costa Rica time.

Standard Waterfall

In the absence of an Event of Default that results in the early redemption of the notes, the Local Notes and the Bank Project Debt, and the termination of the A&R Payment and Guarantee Trust, the distribution of the Project Flows that were initially deposited in the USD Revenue Account and CRC Revenue Account, will be made, *provided* that there are sufficient funds, as indicated in each of the corresponding Certificates required for such distribution, on each Transfer Date (except as indicated otherwise), and in the following order of priority:

First, on the monthly Transfer Date of the January of each year, from the USD Revenue Account, the amount required to be paid to the Grantor as its Co-Participation Payment pursuant to the Concession Agreement will be transferred to the Grantor Co-Participation Payment Account;

second, subsequent to the application of the above funds (if applicable), on the applicable Transfer Date, from the USD Revenue Account, *pro rata*, to the payment of any expenses, fees, commissions, or indemnity amounts owed to the Onshore Trustee, the Indenture Trustee, the Onshore Collateral Agent, the Intercreditor Agent, the Local Clearing Agent, the Independent Engineer, the Insurance Consultant, the Traffic Consultant, the Calculation Agent, the Model Auditor, the Rating Agencies, the Structuring Agent, the Local Structuring Agent, the Bank Project Debt agent, and any other agent, expert or independent advisor under the Financing Documents as of the immediately preceding month;

third, subsequent to the application of the funds indicated above (if applicable), on a *pari passu* basis, (i) on the second monthly Transfer Date from the USD Revenue Account to the USD Operating and Maintenance Account, an amount equivalent to the U.S. dollar-denominated O&M Costs and Major Maintenance Expenses scheduled to become due during the immediately following calendar month, and (ii) on the first monthly Transfer Date from the CRC Revenue Account to the CRC Operating and Maintenance Account, an amount equivalent to reach or complete the Maximum O&M Amount in *colonos*;

fourth, subsequent to the application of the funds indicated above (if applicable), on the second monthly Transfer Date, from the USD Revenue Account, on each Transfer Date immediately preceding each note Payment Date, on a *pari passu* basis (i) to the Indenture Notes Debt Service Accrual Account, the sum of (a) an amount equal to the sum of one sixth (1/6) of the semi-annual interest amount and the semi-annual amortization amount due with respect to the notes on the immediately following note Payment Date, plus (b) amounts not deposited on any prior Transfer Date that should have been deposited into the Indenture Notes Debt Service Accrual Account, and (ii) to the Local Notes Debt Service Accrual Account, the sum of (a) an amount equal to the sum of one sixth (1/6) of the semi-annual interest amount and the

semi-annual amortization amount due with respect to the Local Notes on the immediately following note Payment Date, plus (b) amounts not deposited on any prior Transfer Date that should have been deposited into the Local Notes Debt Service Accrual Account. (iii) In case there is outstanding Bank Project Debt, to the Bank Project Debt Service Accrual Account, (a) an amount equal to the sum of one sixth (1/6) of the semi-annual interest amount and the semi-annual amortization amount due with respect to the Bank Project Debt, on the immediately following Bank Project Debt Payment Date, plus (b) amounts not deposited on any prior Transfer Date that should have been deposited into the Bank Project Debt Service Accrual Account.

If there were no available funds in the USD Revenue Account to transfer the complete amount necessary to the Indenture Notes Debt Service Accrual Account and/or in the Local Notes Debt Service Accrual Account and/or the Bank Project Debt Service Accrual Account at any Transfer Date, the necessary funds will be drawn, in this order, from the Excess Cash Flow Account, the NPV Cash Trap Account, the O&M Reserve Accounts and the Local Notes Debt Service Reserve Account

fifth, subsequent to the application of the funds indicated above (if applicable), on the second monthly Transfer Date, from the USD Revenue Account to the O&M Reserve Account, the amount required to ensure that, after giving effect to the relevant transfer, the balance in the O&M Reserve Account is equivalent to the O&M Reserve Required Amount;

sixth, subsequent to the application of the funds indicated above (if applicable), from the USD Revenue Account, on the second monthly Transfer Date, on a *pari passu* basis (i) to the Indenture Notes Debt Service Reserve Account, (ii) to the Local Notes Debt Service Reserve Account, and (iii) to the Bank Project Debt Service Reserve Account, the amount required to ensure that, after giving effect to such transfers, the sum of the balances in the Indenture Notes Debt Service Reserve Account and in the Local Notes Debt Service Reserve Account is equivalent to the Debt Service Reserve Required Amount;

seventh, subsequent to the application of the funds indicated above (if applicable), in the event that an NPV Cash Trap Trigger has occurred and is continuing, on the second monthly Transfer Date of the month of the occurrence of the NPV Cash Trap Trigger, from the USD Revenue Account to the NPV Cash Trap Account, an amount required to increase the balance in the NPV Cash Trap Account to an amount equal to the then-current NPV Excess Amount; and

eighth, subsequent to the application of the funds indicated above (if applicable), within thirty (30) days of each Transfer Date, from the USD Revenue Account and/or from the CRC Revenue Account, to the Excess Cash Flow Account, any remaining amounts in the USD Revenue Account and/or in the CRC Revenue Account.

Obligations of the Onshore Trustee

The Onshore Trustee has to proceed in accordance with the provisions of the A&R Payment and Guarantee Trust Agreement, the Financing Documents of which it is a party, and the laws of the Republic of Costa Rica, carrying out each and every one of the acts necessary for the effective functioning of the A&R Payment and Guarantee Trust and its objectives.

Accordingly, the Onshore Trustee's obligations include, but are not limited to, (i) acting with due diligence and being liable before the Trustors and the Onshore Collateral Agent for any fraudulent or willful conduct (including negligent acts) performed by the Onshore Trustee or its personnel that causes a breach of its obligations under the A&R Payment and Guarantee Trust Agreement subject to a firm decision of the competent Governmental Authority, or constitutes a breach of applicable regulations; (ii) identifying, accounting and registering the assets in the A&R Payment and Guarantee Trust, keeping them at all times separate from its own assets and those corresponding to other trusts under its management; (iii) performing all actions and signing all the necessary documents, in order to: (a) achieve the purposes of the A&R Payment and Guarantee Trust Agreement; (b) validly execute and maintain the validity, effectiveness and nature of the separation of the assets in the A&R Payment and Guarantee Trust; and (c) allow the Onshore Collateral Agent to exercise and enforce its rights and remedies under the A&R Payment and Guarantee Trust Agreement with respect to the assets in the A&R Payment and Guarantee Trust; (iv) opening and administering the A&R Payment and Guarantee Trust Accounts in accordance with the

provisions of the A&R Payment and Guarantee Trust Agreement; (v) receiving the assets to be transferred to the A&R Payment and Guarantee Trust and applying the relevant Project Flows, in accordance with the terms and conditions of the A&R Payment and Guarantee Trust Agreement; and (vi) complying with the Onshore Collateral Agent and/or the Trustor's instructions. If the Onshore Trustee requires an instruction or clarification, the Onshore Trustee shall request it from the Issuer or the Onshore Collateral Agent.

Removal and Resignation of the Onshore Trustee

The Onshore Trustee may resign for just cause, giving at least one hundred and twenty (120) calendar days' prior written notice to all parties to the A&R Payment and Guarantee Trust Agreement. The Onshore Collateral Agent and the Trustors jointly may remove and replace the Onshore Trustee at if it breaches any of its obligations, with confirmation and resolution by a judge, pursuant to Applicable Law.

Termination of the A&R Payment and Guarantee Trust after an Event of Default

Once a decision has been made to declare the acceleration of the Secured Obligations and the termination of the A&R Payment and Guarantee Trust, according to the procedure established in the Intercreditor Agreement, the Onshore Collateral Agent shall notify the Trustors, the Grantor and the Onshore Trustee of such acceleration. Within forty-eight (48) hours of receipt of the notice, the Onshore Trustee shall begin the process for terminating the A&R Payment and Guarantee Trust, as well as, instruct an independent appraiser to value the trust estate. The base price for the private auction shall be the greater of (i) the value of the trust estate as determined by the independent appraiser and (ii) the outstanding balance of the Secured Obligations.

Private Auction Procedure of the A&R Payment and Guarantee Trust

The Onshore Trustee will proceed to liquidate the A&R Payment and Guarantee Trust, as follows:

- (i) The Issuer's shares and trademarks that had been given in property to the A&R Payment and Guarantee Trust, will be sold by a private auction mechanism, together with the rest of the assets in the A&R Payment and Guarantee Trust. The Onshore Trustee will deliver an invitation to participate in the private auction to possible bidders that the Onshore Collateral Agent, or even the Issuer, may propose.
- (ii) The assets in the A&R Payment and Guarantee Trust shall be auctioned off on the basis of the value of the outstanding balance of the Secured Obligations, plus any other sum due under the Financing Documents at that time, according to the liquidation that the Onshore Collateral Agent presents to the Onshore Trustee as of the invitation to participate in the auction date, or, at the current value of the assets in the A&R Payment and Guarantee Trust at the time of the auction, as such value is determined by an independent appraiser, whichever is higher.
- (iii) The auction will be carried out by the Onshore Trustee without the need for any judicial proceedings, in the presence of a notary public designated by the Onshore Trustee. The assets will be jointly sold for the highest written bid received. Prior to opening the period to receive written offers, the Issuer may cancel all owed sums and all expenses resulting from the auction procedure, in which case the auction will be immediately terminated.
- (iv) If there are no offers during the first auction that meet or exceed the prices set forth for the sale of the assets in the A&R Payment and Guarantee Trust, the Onshore Trustee will proceed with a second auction. The base price for the second auction may be up to 20% lower than that set for the first auction. If no offers that meet or exceed the new base price are received during the second auction, a third sale attempt will be made, reducing the base price of the second auction by up to 20%, and so on until three auctions have been conducted.
- (v) The award and subsequent sale of the assets in the A&R Payment and Guarantee Trust entails the assignment of 100% of the Issuer's shares to the awardee of the auction procedure, and its validity and effectiveness will be subject to the authorization of both the Grantor and the General Comptroller of the Republic of Costa Rica, who shall have to authorize or

deny the transfer of the shares, in accordance with applicable law, within the following ten (10) Business Days from the delivery of the authorization request (however, these terms are understood to be automatically extended for equal periods if either the Grantor or the General Comptroller requests any additional information in order to issue their resolutions). The awardee must comply with all original requirements established for the concessionaire in the Concession Agreement and the bidding rules, in order for the Grantor and the General Comptroller to authorize it as new concessionaire.

(vi) The acquiror of the assets in the A&R Payment and Guarantee Trust shall assume the role of the concessionaire pursuant to the Concession Agreement and shall have the same rights and obligations established in the Concession Agreement, vis-à-vis the Grantor and third parties, as soon as the authorizations by the Grantor and the General Comptroller are issued. In the event that the acquiror of the assets in the A&R Payment and Guarantee Trust is a group of companies legally organized as a consortium, the Onshore Trustee will assign the assets in the A&R Payment and Guarantee Trust in such proportion indicated in the applicable consortium agreement. Pursuant to the Concession Agreement, the acquirer shall not be part of the same economic interest group as the Issuer.

(vii) Failure to find a successful replacement concessionaire within six (6) months from the commencement of the trust termination procedure shall result in the termination of the Concession for public interest reasons, as set forth in the Concession Agreement, and the applicable termination payment will be made directly to the A&R Payment and Guarantee Trust. Such termination payment, as well as any other liquid resources will be applied by the Onshore Trustee. See “—Termination and Liquidation of the A&R Payment and Guarantee Trust in the event of an early termination of the Concession due to force majeure or redemption of the Concession” below.

(viii) The Onshore Trustee and the Onshore Collateral Agent must, at all times, keep the Grantor notified of all relevant aspects pertaining to the termination procedure of the A&R Payment and Guarantee Trust upon any Event of Default resulting in the acceleration of the notes, the Local Notes and the Bank Project Debt.

Allocation of the proceeds of the execution of the assets in the A&R Payment and Guarantee Trust

In case of the termination of the A&R Payment and Guarantee Trust, the proceeds of such execution shall be applied by the Onshore Trustee in the following order: (i) to the fees of the Onshore Trustee and expenses related to the termination process of the trust estate and any other payment owed to the Onshore Trustee, as well as to the payment of any expenses, fees or indemnity amounts owed to the Onshore Trustee, the Indenture Trustee, the Onshore Collateral Agent, the Intercreditor Agent, the Local Clearing Agent, the Independent Engineer, the Insurance Consultant, the Traffic Consultant, the Calculation Agent, the Model Auditor, the Rating Agencies and any other agent, expert or independent advisor under the Financing Documents; (ii) to the payment of any outstanding Secured Obligations' commissions and default interest amounts, on a *pro rata* basis; and (iii) to the payment of any outstanding principal balance of the Secured Obligations, on a *pro rata* basis. If any balance is still pending, it will be directly covered by the Issuer.

In case there is any outstanding amount, it will be transferred to the Trustors on a *pro rata* basis to their participation in the Issuer's capital share, according to the register kept by the Onshore Trustee.

Transfer of the assets in the A&R Payment and Guarantee Trust to the Onshore Collateral Agent

The Onshore Trustee shall proceed to transfer to the Onshore Collateral Agent, or to whom the Onshore Collateral Agent appoints for this purpose, any remaining liquid resources in its possession, once the termination process of the assets in the A&R Payment and Guarantee Trust has been completed, including all those in the A&R Payment and Guarantee Trust Accounts. Upon completion of the execution process and transfer of the assets in the A&R Payment and Guarantee Trust, the A&R Payment and Guarantee Trust will be terminated and extinguished.

Temporary Administration of the Concession

Pursuant to the Concession Agreement, if an Event of Default resulting in the acceleration of the payment of the notes and the Local Notes and the termination of the A&R Payment and Guarantee Trust has occurred, during the termination process of the assets in the A&R Payment and Guarantee Trust, the temporary administration of the Concession will be assumed by the Onshore Trustee, through a third party proposed by the Onshore Collateral Agent, accepted by the Onshore Trustee and authorized by the Grantor, until the assets in the A&R Payment and Guarantee Trust are sold or the Concession Agreement is terminated. This temporary administration of the Concession may be carried out for a maximum period of up to six (6) months from the commencement of the termination process, which is the maximum term allowed for the sale of the assets in trust. Therefore, if such sale is not successfully carried out within this six (6) month period, the Concession Agreement will be terminated. The Grantor must at all times be kept notified of all relevant aspects pertaining to the temporary administration of the Concession.

Acceleration Waterfall

The Onshore Trustee will continue to administer the A&R Payment and Guarantee Trust Accounts and receive all Project Flows pursuant to the provisions in the A&R Payment and Guarantee Trust Agreement. All Project Flows deposited during this period of temporary administration of the Concession and execution of the assets in the A&R Payment and Guarantee Trust shall be applied by the Onshore Trustee in the following order of priority, unless instructed otherwise by the Onshore Collateral Agent:

First, on the first Transfer Date of January of each year, the necessary funds to pay the Co-Participation Payment to the Grantor in the Project's toll revenue, pursuant to the Concession Agreement, from the USD Revenue Account to the Grantor Co-Participation Payment Account;

second, subsequent to the application of the above funds (if applicable), on the applicable Transfer Date, from the USD Revenue Account, on a *pro rata* basis, to pay any expenses, fees or indemnity amounts owed to the Onshore Trustee, the Indenture Trustee, the Onshore Collateral Agent, the Intercreditor Agent, the Local Clearing Agent, the Independent Engineer, the Insurance Consultant, the Traffic Consultant, the Calculation Agent, the Model Auditor, the Rating Agencies, the Structuring Agent, the Local Structuring Agent, the Bank Project Debt agent, and any other agent, expert or independent advisor under the Financing Documents as of the immediately preceding month;

third, subsequent to the application of the funds indicated above (if applicable), on a *pari passu* basis, (i) on the second monthly Transfer Date, from the USD Revenue Account to the USD Operating and Maintenance Account, an amount equivalent to the U.S. dollar-denominated O&M Costs and Major Maintenance Expenses scheduled to become due during the immediately following calendar month, and (ii) on the first monthly Transfer Date, from the CRC Revenue Account to the CRC Operating and Maintenance Account, an amount equivalent to reach or complete Maximum O&M Amount, in *colonos*;

fourth, subsequent to the application of the funds indicated above (if applicable), on the second monthly Transfer Date, the following funds shall be transferred on a *pari passu* basis, from the USD Revenue Account: (i) to the Indenture Notes Debt Service Accrual Account, an amount equivalent to the total outstanding balance of principal, interest and any other amounts owed under the notes; (ii) to the Local Notes Debt Service Accrual Account, an amount equivalent to the total outstanding balance of principal, interest and any other amounts owed under the Local Notes; and (iii) if there is any Bank Project Debt, to the Bank Project Debt Service Accrual Account an amount equivalent to the total outstanding balance of principal, interest and any other amounts of Bank Project Debt owed; and

fifth, subsequent to the application of the funds indicated above (if applicable), from the USD Revenue Account and from the CRC Revenue Account any remaining funds will be transferred for the benefit of the Shareholders to the accounts indicated by each one.

Termination of the A&R Payment and Guarantee Trust in the event of an Early Termination of the Concession due to Force Majeure or Redemption of the Concession

Upon an early termination of the Concession due to the occurrence of a force majeure, or redemption of the Concession, pursuant to the Concession Agreement, the Grantor shall pay the agreed compensation in favor of the A&R Payment and Guarantee Trust.

The Onshore Trustee shall apply the liquid resources in its possession, including all the funds held in the A&R Payment and Trust Accounts, in the following order of priority: (i) to the Onshore Trustee's fees and expenses related to the execution of the A&R Payment and Guarantee Trust and any other payment obligations owed to Onshore Trustee, as well as to any other costs, expenses, fees or indemnities due to the Indenture Trustee, the Local Collateral Agent, the Intercreditor Agent, the Local Investor Agent, the Paying Agent, the Independent Engineer, the Traffic Consultant, the Calculation Agent, the Model Auditor, the Rating Agencies, and to any other agent or counterparty under the Financing Documents, (ii) to the commissions and the current and default interest on the outstanding Secured Obligations, on a *pro rata* basis, (iii) to the payment of any outstanding balance of principal or overdraft of the Secured Obligations, on a *pro rata* basis. For the purposes of the foregoing, the Onshore Collateral Agent shall send the Onshore Trustee a liquidation of the outstanding balance of the Secured Obligations and the Onshore Trustee shall make the necessary deposits in accordance with the foregoing priority of payment provisions. Any surplus, if any, will be delivered to the Shareholders on a *pro rata* basis to their participation in the Issuer's share capital.

Term

The A&R Payment and Guarantee Trust Agreement will remain in force until the Secured Obligations are paid in full or thirty (30) years from the date of execution as dictated by Applicable Law, whichever comes earlier.

Notwithstanding the foregoing, the A&R Payment and Guarantee Trust Agreement may be terminated early, by express written agreement of all parties, *provided* that there are no outstanding Secured Obligations.

Applicable Law

The A&R Payment and Guarantee Trust Agreement shall be governed by and construed in accordance with the laws of the Republic of Costa Rica.

Movable Guaranty

According to the Movable Guaranty Law (*Ley de Garantías Mobiliarias No. 9246*) of the Republic of the Costa Rica, the A&R Payment and Guarantee Trust constitutes a movable guaranty by reason of the assets entrusted in guarantee which are subject to the dispositions of such law: (i) shares representing 100% of the equity interest in the Issuer, (ii) any proceeds received from any indemnification payment, including the proceeds of any insurance policy that any of the Trustors receive during the term of the Concession Agreement or as a consequence of its termination due to any cause, including payments for the early of the Concession, and (iii) all of the Issuer's trademarks. As a result, the Onshore Trustee will register the A&R Payment and Guarantee Trust in the Movable Guaranty System of the Public Registry (*Sistema de Garantías Mobiliarias del Registro Público*) of Costa Rica with the only objective of giving electronic publicity and preferred rank before third parties, with respect to the aforementioned entrusted assets. In addition, if in the future, other assets or rights are transferred as guarantee to the A&R Payment and Guarantee Trust that are also subject to the dispositions of the Movable Guaranty Law (*Ley de Garantías Mobiliarias No. 9246*), then the Onshore Trustee is authorized to modify the original registration in order to include and register such new entrusted assets.

Certain Definitions

“**Certificate**” means the document(s) to be presented by the Issuer to the Onshore Trustee to proceed with the withdrawal or transfer of funds from any of the A&R Payment and Guarantee Trust Accounts, either to other A&R Payment and Guarantee Trust Accounts, to the Issuer, or to third parties, as established in each Certificate, which will be delivered to the Onshore Trustee with respect to each Transfer Date, pursuant to the A&R Payment and Guarantee Trust Agreement.

“**Debt Provider**” means any person to whom obligations are owed pursuant to any Financing Document.

“**Guaranteed Obligations**” means, collectively: (i) the outstanding balance of principal and interest of the notes, the Local Notes and any Bank Project Debt (including interest accrued at the applicable rate at that time, after submitting any insolvency filing or the initiation of any insolvency, restructuring or any similar process related to the Issuer, whether or not a claim after such filing or a subsequent interest request is allowed in such a proceeding), and (ii) all commissions, indemnities, obligations and liabilities to be paid by the Issuer to the Debt Providers and the other Secured Parties, whether direct or indirect, absolute or contingent, existing or future, that arise or are related to the Intercreditor Agreement, the Financing Documents or any other document prepared, delivered or granted in connection with the A&R Payment and Guarantee Trust Agreement or such instruments, including, but not limited to, the Security Agreements, the Collateral Agency Agreement, in each case on account of the principal, interests, repayment obligations, commissions, indemnities, costs, charges, expenses and other (including all fees and expenses to be paid by the Issuer in accordance with the terms of the Financing Documents); *provided* that for the purposes of taking any decision that is subject to voting pursuant to Intercreditor Agreement, the Secured Obligations shall not include commissions, fees, indemnities, obligations and liabilities that the Issuer must pay to the different Secured Parties of the Debt Providers.

“**Insurance Proceeds**” means any insurance proceeds that the Issuer shall receive (and any other amount received in connection with an insurance policy executed by the Issuer) that it receives by or on behalf of the Issuer.

“**Local Structuring Agent**” means Banco CMB (Costa Rica).

“**Maximum O&M Amount in colones**” means the maximum amount equal to three hundred and sixty million *colones* (CR¢360,000,000) (as it may be adjusted from time to time in accordance with the Consumer Price Index of Costa Rica, which will be determined by the Issuer and notified to the Onshore Trustee) that can monthly be held in the CRC Operating and Maintenance Account, to pay O&M costs that are due in *colones*.

“**Project Flows**” means all sums received by or to which the Trustors have a right to receive, with respect to the ownership, operation, exploitation and maintenance of the Project, as well as those derived from the Project Documents, and any other flow and/or income generated by investments of the funds deposited in the A&R Payment and Guarantee Trust Accounts.

“**Security Documents**” means, collectively, (i) the A&R Payment and Guarantee Trust Agreement, (ii) the Collateral Agency Agreement, and (iii) any other document executed to secure the Secured Obligations. A copy of each is given to all parties in to the A&R Payment and Guarantee Trust Agreement and all of which are part of the A&R Payment and Guarantee Trust.

Collateral Agency Agreement

General

On or prior to the Closing Date, the Issuer, the Onshore Collateral Agent, the Intercreditor Agent, the Indenture Trustee and the Local Noteholder Agent will enter into a Collateral Agency Agreement (the “Collateral Agency Agreement”) in order to appoint an Intercreditor Agent and an Onshore Collateral Agent to act on behalf and for the benefit of the Debt Providers and agree on their rights and obligations pursuant to the Collateral Agency Agreement, the Intercreditor Agreement and the other Financing Documents to which they are parties.

Intercreditor Agent

Citibank, N.A., acting through its agency and trust division, is appointed by each of the Intercreditor Parties (for itself and on behalf of the Debt Providers represented by it and any other Person claiming through such Debt Providers) to act as Intercreditor Agent on behalf and for the benefit of the Debt Providers, and is duly authorized to exercise such rights, powers, authorities and privileges as are expressly delegated to it by the terms of the Collateral Agency Agreement, the Intercreditor Agreement and the other Financing Documents to which it is a party, together with all such rights, powers and authorities as are reasonably incidental thereto.

Onshore Collateral Agent

Banco Improsa, S.A. is appointed by each of the Intercreditor Parties (for itself and on behalf of the Debt Providers represented by it and any other Person claiming through such Debt Providers) to act as Onshore Collateral Agent on behalf and for the benefit of the Debt Providers and is duly authorized to exercise such rights, powers, authorities and privileges as are expressly delegated to the Onshore Collateral Agent by the terms of the Collateral Agency Agreement and the other Financing Documents with respect to the holding or enforcement of any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents subject to Costa Rican law, and the exercise of any rights and remedies thereunder, together with all such rights, powers and authorities as are reasonably incidental thereto.

Calculation Agent

Scotiabank de Costa Rica, S.A., is appointed by each of the Intercreditor Parties (for itself and on behalf of the Debt Providers represented by it and any other Person claiming through such Debt Providers) to act as Calculation Agent on behalf and for the benefit of the Debt Providers, and is duly authorized to exercise such rights, powers, authorities and privileges as are expressly delegated to the Calculation Agent by the terms of the Collateral Agency Agreement, the Intercreditor Agreement and the other Financing Documents to which it is a party, together with all such rights, powers and authorities as are reasonably incidental thereto.

Local Noteholder Agent

Banco Improsa, S.A. will act as Local Noteholder Agent on behalf and for the benefit of holders of the Local Notes, and is duly authorized to take such actions on their behalf and exercise such rights, powers, authorities and privileges as are expressly delegated to the Local Noteholder Agent by the terms of the Collateral Agency Agreement, the Intercreditor Agreement and the other Financing Documents to which it is a party, together with all such powers as are reasonably incidental thereto.

The Intercreditor Parties direct the Onshore Trustee to enter into the A&R Payment and Guarantee Trust Agreement and any other Collateral Document subject to Costa Rican law.

Obligations of the Intercreditor Agent, the Onshore Collateral Agent, the Calculation Agent and the Local Noteholder Agent

Pursuant to the Collateral Agency Agreement and the other Financing Documents to which they are a party, each of the Onshore Collateral Agent, the Intercreditor Agent, the Calculation Agent and the Local Noteholder Agent must, at all times:

- (a) act or refrain from acting in accordance with any written instructions given to it in accordance with the Collateral Agency Agreement and the Intercreditor Agreement;
- (b) as soon as practicable, provide each other party to the Collateral Agency Agreement (other than the Issuer unless contemplated in any Financing Document) with a copy of any written notice or document which it receives from or delivers to any Person; *provided* that neither the Onshore Collateral Agent nor the Intercreditor Agent will be obligated to review or check the adequacy, accuracy or completeness of any document it forwards to another Person;
- (c) remove and replace any sub-agent or attorney-in-fact previously appointed by the Onshore Collateral Agent or the Intercreditor Agent, as applicable, promptly upon having knowledge of such agent's, sub-agent's or attorney-in-fact's misconduct or negligence;
- (d) perform its duties and act in accordance with the relevant provisions of each Financing Document to which it is a party; and
- (e) be entitled to the rights, benefits, immunities and protections set forth in the Intercreditor Agreement, and all such rights, benefits, immunities and protections set forth in the Intercreditor Agreement shall be deemed incorporated by reference into the Collateral Agency Agreement and shall apply *mutatis mutandis* as if fully set forth in the Collateral Agency Agreement.

Resignation and Removal of the Onshore Collateral Agent

The Onshore Collateral Agent may resign at any time by giving at least ninety (90) days' prior written notice thereof to the Intercreditor Agent and the Issuer, subject to the appointment and acceptance of a successor Onshore Collateral Agent in accordance with the terms of the Collateral Agency Agreement.

The Onshore Collateral Agent may be removed at any time, with or without cause, by the Intercreditor Agent (acting upon a Majority Decision) by giving not less than thirty (30) days' prior written notice to that effect to the Onshore Collateral Agent; *provided* that no such removal shall be effective until a successor for the Onshore Collateral Agent is appointed in accordance with the terms of the Collateral Agency Agreement.

Resignation and Removal of the Intercreditor Agent

The Intercreditor Agent may resign at any time by giving at least ninety (90) days' prior written notice thereof to the Intercreditor Parties and the Issuer, subject to the appointment and acceptance of a successor Intercreditor Agent in accordance with the terms of the Collateral Agency Agreement.

The Intercreditor Agent may be removed at any time, with or without cause, by the Intercreditor Parties (for themselves and for the Debt Providers represented by them and any other Person claiming through such Debt Providers), by giving not less than thirty (30) days' prior written notice to that effect to the Intercreditor Agent; *provided* that no such removal shall be effective until a successor for the Intercreditor Agent is appointed in accordance with the terms of the Collateral Agency Agreement. If the Intercreditor Agent is also the Onshore Collateral Agent, it must also forfeit such role if removed or if it resigns in accordance with the terms of the Collateral Agency Agreement.

Resignation and Removal of the Calculation Agent

The Calculation Agent may resign at any time by giving at least ninety (90) days' prior written notice thereof to the Intercreditor Agent and the Issuer, subject to the appointment and acceptance of a successor Calculation Agent in accordance with the terms of the Collateral Agency Agreement.

The Calculation Agent may be removed at any time, with or without cause, by the Intercreditor Agent (acting upon a Majority Decision) by giving not less than thirty (30) days' prior written notice to that effect to the Calculation Agent; *provided* that no such removal shall be effective until a successor for the Calculation Agent is appointed in accordance with the terms of the Collateral Agency Agreement.

Resignation and Removal of the Local Noteholder Agent

The Local Noteholder Agent may resign at any time by giving at least ninety (90) days' prior written notice thereof to the holders of the Local Notes and the Issuer, subject to the appointment and acceptance of a successor Local Noteholder Agent in accordance with the terms of the Collateral Agency Agreement.

The Local Noteholder Agent may be removed at any time, with or without cause, by a majority of the holders of the Local Notes (without going through an Intercreditor Vote) by giving not less than thirty (30) days' prior written notice to that effect to the Local Noteholder Agent; *provided* that no such removal shall be effective until a successor for the Local Noteholder Agent is appointed in accordance with the terms of the Collateral Agency Agreement.

Indemnification by the Issuer

The Collateral Agency Agreement provides for the indemnification by the Issuer of each of the Onshore Collateral Agent, the Intercreditor Agent, the Calculation Agent, the Local Noteholder Agent and its respective officers, directors, employees, affiliates and agents (each, a "CAA Indemnified Party") against, and hold each CAA Indemnified Party harmless from, any and all reasonable and documented fees, liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs, charges, expenses or disbursements (including the legal fees and expenses of their agents and counsel) which may at any time be imposed on, incurred by, or asserted against, any CAA Indemnified Party by any third party or by the Issuer or any other Sponsor Party in any way relating to or arising out of, in connection with, or as a result of (i) the execution or delivery of the Collateral

Agency Agreement, any other Financing Document or any agreement or instrument contemplated in the Collateral Agency Agreement or any Financing Document to which the Onshore Collateral Agent, the Intercreditor Agent, the Calculation Agent or the Local Noteholder Agent, as applicable, is a party, (ii) the performance by the parties in the Collateral Agency Agreement or any Financing Document of their respective obligations under the Collateral Agency Agreement or any Financing Document, (iii) the consummation of the transactions contemplated in the Collateral Agency Agreement or any Financing Document, (iv) the administration of the Collateral Agency Agreement and the other Financing Documents to which the Onshore Collateral Agent, the Intercreditor Agent, the Calculation Agent or the Local Noteholder Agent, as applicable, is a party, or (v) any claim, litigation, investigation or proceeding relating to any of the foregoing, including the costs and expenses of defending itself against any and all of the foregoing claims or liabilities in connection with the exercise or performance of any of its powers or duties under the Collateral Agency Agreement or the other Financing Documents whether based on contract, tort or any other theory, whether brought by a third party or by the Issuer or any other Sponsor Party, and regardless of whether any CAA Indemnified Party is a party to any such document; *provided further* that this indemnity shall not, as to any CAA Indemnified Party, be available to the extent that such liabilities, obligations, losses, damages, penalties, claims, costs, charges, expenses or disbursements are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence, bad faith, willful misconduct, violation of law or breach of any obligations of such CAA Indemnified Party. In no event shall the Issuer be liable under the Collateral Agency Agreement or any other Financing Document to any Person for special, indirect, consequential or punitive damages.

Reimbursement by the Debt Providers

To the extent that the Issuer for any reason fails to indefeasibly pay to any CAA Indemnified Party any amount required to be paid or reimbursed by the Issuer under the indemnification by the Issuer provisions in the Collateral Agency Agreement or under the corresponding provisions of the other Financing Documents, each Intercreditor Party (for itself and for the Debt Provider represented by it and any other Person claiming through such Debt Provider) has agreed that the Debt Providers will pay to such CAA Indemnified Party the unpaid or unreimbursed amount in proportion to its *pro rata* share of the Obligations (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought (or, if no Obligations are then outstanding, determined as of the latest time in which Obligations were outstanding)); *provided* that the unpaid or unreimbursed amount was incurred by or asserted against such CAA Indemnified Party while acting in its capacity as Onshore Collateral Agent, Intercreditor Agent, Calculation Agent and/or Local Noteholder Agent or as an agent thereof.

Governing Law; Submission to Jurisdiction

The Collateral Agency Agreement will be governed by and construed in accordance with the laws of the State of New York.

The Issuer in the Collateral Agency Agreement, will:

(a) (i) irrevocably and unconditionally submit to the non exclusive jurisdiction of the courts of the State of New York sitting in the Borough of Manhattan and of the United States of America District Court for the Southern District of New York, and any appellate court from any thereof, in any legal action, suit or proceeding arising out of or relating to the Collateral Agency Agreement or for recognition or enforcement of any judgment, (ii) irrevocably and unconditionally agree, to the fullest extent permitted by applicable law, that all claims in respect of any such action or proceeding may be heard and determined in such New York state court or in such federal court, and (iii) agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law,

(b) agree that nothing in the Collateral Agency Agreement shall affect any right that the Onshore Collateral Agent may otherwise have to bring any action or proceeding relating to the Collateral Agency Agreement against it or its properties in the courts of any jurisdiction,

(c) waive to the fullest extent permitted by Applicable Law: (i) any objection that it may on the Closing Date or thereafter have to the laying of venue of any action, suit or proceeding brought in any court referred to in clause (a), and (ii) any claim that any such legal action, suit or proceeding brought in

any such court has been brought in an inconvenient forum and any right to which it may be entitled on account of place of residence or domicile, and

(d) agree that final judgment (in respect of which time for all appeals has elapsed) in any such suit, action or proceeding shall be conclusive and may be enforced in any court to the jurisdiction of which the Issuer is or may be subject, by suit upon judgment.

The Issuer will agree that, for so long as it shall be bound under the Collateral Agency Agreement, it shall maintain a duly appointed agent for the service of summons and other legal process in New York, New York, United States of America, for purposes of any legal action, suit or proceeding brought by the Onshore Collateral Agent or the Intercreditor Agent, as applicable, in respect of the Collateral Agency Agreement and shall keep the Onshore Collateral Agent, the Intercreditor Agent, the Calculation Agent and the Local Noteholder Agent advised of the identity and location of such agent. If for any reason there is no authorized agent for service of process in New York, the Issuer will also agree, to the service of process out of such courts by mailing copies thereof by registered United States airmail postage prepaid to the Issuer at its specified address; and in such a case the Onshore Collateral Agent, the Intercreditor Agent, the Calculation Agent or the Local Noteholder Agent, as applicable, shall also send by telex or confirmed facsimile, or shall procure that there is also sent by telex or confirmed facsimile, a copy of such process to the Issuer.

DESCRIPTION OF THE NOTES

The notes will be issued under the Indenture and the Indenture Supplement thereto. The following summaries of certain provisions of the Indenture (including the Indenture Supplement) do not purport to be complete and are qualified in their entirety by reference to the applicable provisions of such documents. Holders of the notes will be entitled to the benefits of, be bound by and be deemed to have notice of all of the provisions of those documents. Copies of the notes, the Indenture (including the Indenture Supplement), the Intercreditor Agreement and certain other Financing Documents will be on file for inspection during normal business hours at the corporate trust office of the Registrar. Certain terms that are given special meanings in the Indenture are used as defined under the sub heading “—Certain Definitions”.

General

On the Closing Date, the Issuer and the Indenture Trustee will enter into the Indenture and the Indenture Supplement pursuant to which the Issuer will issue the notes. The notes will constitute senior secured obligations of the Issuer, and will rank equally in right of payment with all other senior secured obligations of the Issuer (other than obligations preferred by statute or by operation of law) secured by the Collateral, including the Local Notes, except as expressly provided in the Financing Documents, and will rank senior to all other unsecured obligations of the Issuer to the extent of the value of the Collateral. The notes will be secured by the Collateral on a *pari passu* basis with the Obligations. Principal and interest on the notes will be payable on each Payment Date as described in “—Payments on the notes” below, with the final payments thereof being required to be made on the applicable maturity date. In general, payments on the notes will be made from proceeds received by the Issuer from the operation of the Toll Road or otherwise under the Concession Agreement.

The Indenture will not be qualified under the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”) and holders of the notes will not be entitled to the protections provided under the Trust Indenture Act to holders of debt securities issued under an indenture that is so qualified.

The notes will also have the benefit of, and will be subject to, the terms of the Collateral Documents and the Intercreditor Agreement which set forth the terms of the agreements that will secure the Issuer’s obligations under the notes and in certain circumstances limit the ability of the holders of the notes to enforce their rights under the Indenture and the notes. For a description of the Collateral Documents and the Intercreditor Agreement, see “Description of the Principal Financing Documents”.

By its acquisition of notes (or a beneficial interest therein) each holder of notes will be treated as an owner of notes for all purposes.

Nature of Recourse

The obligations to make payments of principal, premium, if any, and interest on the notes will be obligations solely of the Issuer. None of the Sponsors or any of their respective affiliates or incorporators, stockholders, members, directors, managers, officers or employees, will guarantee the payment of the notes or will have any liability for any of the Issuer’s obligations under the notes, the Indenture, the Collateral Documents or, for any claim based on, in respect of, or by reason of, such obligations or their creation. By accepting a note, each holder of notes waives and releases all such liability.

Collateral

The notes will be secured by the Collateral on a *pari passu* basis with all other Obligations. The Collateral constitutes substantially all of the assets of the Issuer. The Collateral will include certain reserve accounts, pledges of rights and the Issuer’s shares, sponsor equity contributions, including standby letters of credit, assignments of revenues, and the A&R Payment and Guarantee Trust Accounts, all as set forth in more detail in “Description of the Principal Financing Documents”.

On or before the Closing Date, the Issuer and each Sponsor will grant to the Indenture Trustee, the Onshore Collateral Agent or the Onshore Trustee, as applicable, for the benefit of the Secured Parties, security interests in its

right, title and interest in, to and under all items of the Collateral owned by it to secure the obligations of the Issuer under the Financing Documents.

For additional information with respect to the Collateral, see “Description of the Principal Financing Documents”.

Priority of Payments

The Payment Account which will be established on the Closing Date and maintained by the Indenture Trustee for the benefit of the holders of the notes, will be funded (i) with respect to any Payment Date, with funds provided by the Onshore Trustee from the applicable A&R Payment and Guarantee Trust Accounts, (ii) upon an Optional Redemption or a Mandatory Redemption, in accordance with the Indenture and (iii) upon an acceleration of the notes following an Event of Default. On each Payment Date, the Indenture Trustee will transfer amount allocable to each series of notes from the Payment Account into the Series Payment Account on a *pro rata* basis based on the amounts to be paid on such Payment Date. On a Redemption Date or date on which the notes are accelerated following an Event of Default, the Indenture Trustee will transfer amounts allocable to each series of notes from the Payment Account to the Series Payment Account in accordance with the Indenture and other applicable procedures.

The Series Payment Account will be funded from time to time with funds from the Payment Account as described above. Amounts on deposit in the Series Payment Account shall be held by the Indenture Trustee on behalf of the Issuer for the benefit of the holders of the notes. On each Payment Date, Redemption Date and any date on which payment of the notes is made following an acceleration of the notes or after the occurrence of an Event of Default, funds in the 2017-A Payment Account will be applied on the dates and in the order of priority set forth in the Indenture Supplement as follows:

first, the amount necessary to pay all interest payable in respect of the notes on the next Interest Payment Date or scheduled to be paid on any previous Interest Payment Date but that has not yet been paid will be paid (on a *pro rata* basis to the applicable holders of the notes of record as of the most recent record date specified in the applicable Indenture Supplement based upon the principal amount of notes held thereby as of such Record Date) on such next Interest Payment Date, together with any Additional Amounts and default interest thereon;

second, all remaining amounts payable to the extent necessary to pay principal (if any) to be paid on the next Principal Payment Date or scheduled to be paid but that has not yet been paid on any previous Principal Payment Date, will be paid (on a *pro rata* basis to the applicable holders of record of the notes as of the most recent Record Date based upon the principal amount of notes held thereby as of such Record Date) on such next Principal Payment Date;

third, if a redemption event or repurchase obligation occurs in accordance with the Indenture, all necessary amounts to redeem or repurchase the notes to be redeemed or repurchased will be paid (on a *pro rata* basis to the applicable holders of the notes of record as of the most recent Record Date based upon the principal amount of notes held thereby as of such Record Date) in accordance with the Indenture;

fourth, if repayment of the notes has been accelerated as a result of an Event of Default, all remaining amounts necessary to pay Additional Amounts and a Make Whole Premium will be paid (on a *pro rata* basis to the applicable holders of the notes of record as of the most recent Record Date based upon the principal amount of notes held thereby as of such Record Date) in accordance with the Indenture;

fifth, all remaining amounts to the extent necessary to pay any other amounts due and payable to the holders of the notes will be paid (on a *pro rata* basis to the applicable holders of the notes of record as of the most recent Record Date based upon the principal amount of notes held thereby as of such Record Date) in accordance with the Indenture, the A&R Payment and Guarantee Trust Agreement and the Intercreditor Agreement or on such next Interest Payment Date, as applicable;

it being understood that, notwithstanding any reference to “next” in the preceding clauses, any funds transferred or otherwise credited to the Series Payment Account on a Payment Date will (to the extent necessary to make the applicable payment in full) be applied on such Payment Date as if it were the “next” such date.

Whenever in the Indenture, the Indenture Supplement or this “Description of the Notes” there is mentioned in any context, of the obligation to pay principal, interest, Make Whole Premium or any other amounts under or with respect to the notes, such payment obligation will be deemed to include payment of Additional Amounts (as defined below) to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Payments on the notes will be made by the Issuer directly to the registered holders of the notes in accordance with the procedures set forth in the Indenture. Payments of interest, Make Whole Premium (if applicable) and Additional Amounts (if any) with respect to the notes will be made on each Interest Payment Date or Payment Date, as applicable (or other applicable date of payment), and payments of principal with respect to the notes will be made on each Principal Payment Date, in each case to the holders of the notes in whose names the notes were registered as of the preceding record date for the notes; *provided* that, as described in the Indenture, the final payment of principal of any note will be made only against surrender of such note at the applicable corporate trust office of the Indenture Trustee (or such other location as the Indenture Trustee will notify the applicable holder). If any holder of notes fails to deliver its note for final payment when so required, interest with respect to such note will cease to accrue on the date on which principal on such note would have been paid had such note been properly surrendered in accordance with the procedures set forth in the Indenture.

On or before January 31 of each year, the Paying Agent (upon written request of any person who at any time during the preceding calendar year was a holder), will furnish to such person or its duly appointed agent(s) a statement containing such customary information as the Paying Agent or its duly appointed agent(s) deem necessary or desirable to enable the person to prepare its tax returns.

Payments on the notes

The notes will be denominated in U.S. dollars. Payments of interest, principal, Make Whole Premium (if applicable) and Additional Amounts (if any) on the notes will be paid to each holder of the notes on a *pro rata* basis; it being understood, that with respect to any tender or repurchase offer described in “—Repurchase Upon Change of Control” below, the Issuer’s purchase of any notes (or beneficial interests therein) participating in such tender will be made on a *pro rata* basis only among such participating notes (or beneficial interests therein). The notes will be payable in U.S. dollars.

Interest

Interest on the outstanding principal of the notes will accrue at a rate equal to 7.375% *per annum* from, May 31, 2017 which is the Closing Date, or from the most recent Interest Payment Date, as applicable, and will be payable semiannually in arrears on each Interest Payment Date commencing on June 30, 2017. Interest will be computed on the basis of a 360 day year consisting of twelve 30 day months. Interest on the notes will be payable on each Interest Payment Date to the applicable holder of record as of the most recent Record Date.

Principal

Unless redeemed early as described in “—Mandatory Redemption,” “—Optional Redemption” or “—Optional Redemption for Changes in Taxes” below, no principal will be payable on the notes from and including the Closing Date to but excluding the second Principal Payment Date. The final maturity date of the notes is the December 30, 2030 Principal Payment Date. Installments of principal will be payable semi-annually on each June 30 and December 30 commencing on December 30, 2017, *pro rata* to the registered holder thereof on the immediately preceding Record Date in accordance with the following schedule.

Notes Amortization Schedule

On each June 30 and December 30, commencing on December 30, 2017 and ending on the last Principal Payment Date, in addition to interest and Additional Amounts (if any), the holders of the notes will be entitled to receive a principal amortization amount in an installment amount corresponding to the relevant percentage set forth

in the following payment schedule, (each a “Principal Payment”) provided that the future Principal Payments will be ratably reduced upon any early payment of principal with respect to the notes.

Principal Payment Date	%
June 30, 2017	-
December 30, 2017	1.000%
June 30, 2018	2.489%
December 30, 2018	1.556%
June 30, 2019	2.129%
December 30, 2019	1.518%
June 30, 2020	1.803%
December 30, 2020	1.870%
June 30, 2021	2.436%
December 30, 2021	2.574%
June 30, 2022	2.863%
December 30, 2022	3.163%
June 30, 2023	2.879%
December 30, 2023	3.238%
June 30, 2024	2.910%
December 30, 2024	3.259%
June 30, 2025	3.079%
December 30, 2025	3.507%
June 30, 2026	3.647%
December 30, 2026	4.112%
June 30, 2027	4.188%
December 30, 2027	5.809%
June 30, 2028	6.028%
December 30, 2028	5.988%
June 30, 2029	6.646%
December 30, 2029	6.346%
June 30, 2030	7.769%
December 30, 2030	7.194%
	100.000%

Under the Indenture, the Issuer will agree, and by acceptance of a beneficial interest in the notes, each beneficial owner of the notes will be deemed to have agreed, to treat the notes as indebtedness for U.S. federal income tax purposes.

Notes and the Indenture Supplement

The notes offered hereby and issued pursuant to the Indenture Supplement will represent the right of the applicable holder of notes to receive payments of: (a) interest on the notes on each applicable Interest Payment Date (or other date of payment) at the applicable Interest Rate, (b) payment of principal on the notes whether made on an Interest Payment Date, on any Redemption Date or otherwise, (c) Make Whole Premium (if applicable), (d) Additional Amounts (if any), and (e) other amounts then due and payable to Secured Parties by the Issuer under the Financing Documents in connection with the notes.

Additional Amounts

The Indenture will provide that any and all payments to be made by (or on behalf of) the Issuer to holders of the notes whether in respect of principal, interest, Make Whole Premium or other premium (if applicable) or otherwise, will be made free and clear of, and without any deduction or withholding for or on account of, any Taxes imposed by (or on behalf of) any Taxing Authority unless such Taxes are required by any Applicable Law to be deducted or withheld. If any such Taxes are required by Applicable Law to be deducted or withheld with respect to any such payment, then the Issuer will be required to: (i) deduct or withhold any such Taxes, (ii) subject to the exceptions described in the immediately succeeding paragraph, pay to the Indenture Trustee (for the applicable holder or beneficial owner) such additional amounts (the “Additional Amounts”) as may be necessary so that such holder or beneficial owner will receive the full amount otherwise payable in respect of such payment had no such Taxes (including any such Taxes withheld in respect of such Additional Amounts) been required to be so deducted or withheld and (iii) pay the full amount of all such Taxes required to be deducted or withheld to the relevant tax authority in accordance with Applicable Law.

Notwithstanding the preceding paragraph, no such Additional Amounts will be payable with respect to any payment in respect of any note:

(a) for or on account of:

(i) any Taxes that would not have been imposed but for the existence of any present or former connection between the holder of the notes or beneficial owner of the notes and the jurisdiction imposing or levying the Taxes required to be deducted or withheld (the “Taxing Jurisdiction”) (including but not limited to citizenship, nationality, residence, domicile, or existence of business, permanent establishment, a place of business or a place of management present or deemed present in the Taxing Jurisdiction), other than the mere holding (or beneficial ownership) of a note, receiving principal or interest payments on a note or enforcing rights thereunder;

(ii) Taxes resulting from the presentation of a note (in cases where presentation is required) more than 30 days after the later of the date on which payment of the principal of, Make Whole Premium or other premium (if any) and interest on such note became due and payable pursuant to the terms thereof or was made or duly provided for;

(iii) Taxes resulting from the failure of a holder or beneficial owner, as applicable, of the notes to comply with any certification, identification, information, documentation or other reporting requirement to the extent: (A) such compliance is required by Applicable Law as a precondition to exemption from, or reduction in the rate of, deduction or withholding of, such Taxes by the relevant Taxing Authority, and (B) at least thirty (30) days before the relevant Payment Date with respect to which the Issuer will apply this clause (iii), the Issuer will have notified such holder or beneficial owner in writing that such holder or beneficial owner will be required to comply with such requirement;

(iv) any estate, inheritance, gift, sales, transfer, personal property or similar tax, assessment or other governmental charge;

(v) Taxes which could have been avoided by duly presenting the note (where presentation is required) to another paying agent; or

(vi) any combination of Taxes referred to in the preceding clauses (i) through (v); or

(b) to a holder or beneficial owner that is a fiduciary, partnership or person other than the sole beneficial owner of such payment to the extent that such payment would be required to be included in the income under the laws of the Taxing Jurisdiction, of a beneficiary or settlor with respect to such fiduciary, or a member of such partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or beneficial owner been in the place of such recipient.

Notwithstanding the foregoing paragraph, the limitations on the obligations of the Issuer to pay Additional Amounts as set forth in subclause (a)(iii) above will not apply if a certification, identification, information, documentation or other reporting requirement described in such clause would be materially more onerous (in form, in procedure or in the substance of information disclosed) to the applicable holder or beneficial owner than comparable information or other reporting requirements imposed under United States tax law, regulation and administrative practice (such as Internal Revenue Service Forms W 8BEN-E, W 8IMY, W 8EC1, W 8EXP, 6166 and W 9 or any successor form).

Upon the request of a recipient, the Issuer will provide to the Registrar (for the Registrar to deliver to such applicable recipient) evidence of the payment of Taxes pursuant to the Indenture.

The Issuer's obligation to pay Additional Amounts will survive the final payment of principal and interest on the notes and the sale or transfer of the notes (or beneficial interests therein) by any holder or beneficial owners.

As of the date hereof, the payment by the Issuer of interest and principal on the notes will not be subject to taxation in Costa Rica except as described in "Certain Income Tax Considerations".

The Issuer will pay any stamp, issue, registration, documentary or other similar taxes and other duties (including interest and penalties with respect thereto) imposed or levied by any Taxing Authority in respect of the creation, issue and offering of the notes.

If a deduction or withholding that is imposed or levied on a payment to an individual and is required to be made pursuant to the European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26 27, 2000 on the taxation of savings income (each, a "Directive") imposes Taxes upon notes presented for payment, the Issuer shall use commercially reasonable efforts to maintain a paying agent with a specified office in a Member State of the European Union that will not be obligated to withhold or deduct Tax pursuant to such Directive or any law implementing or complying with or introduced in order to conform to, such Directive.

Mandatory Redemption

Pursuant to the Indenture, the notes may be subject to mandatory redemption as described below.

Mandatory Redemption upon a Termination of the Concession Agreement

The notes will be subject to mandatory redemption following a Concession Agreement NPV Termination. If the Concession Agreement is terminated, the Issuer shall apply amounts at that time (i) first, in the NPV Cash Trap Account, and (ii) second, in the event funds in the NPV Cash Trap Account are not sufficient to fully effect a redemption, in the Indenture Trustee Accounts and in the rest of the A&R Payment and Guarantee Trust Accounts, to redeem the outstanding principal amount of the notes on a *pro rata* basis with all Local Notes and any Bank Project Debt (which *pro rata* amount will be determined by the Intercreditor Agent pursuant to the Intercreditor Agreement based on the outstanding principal amount of all Obligations owing to the holders of the notes, the holders of the Local Notes and the holders of any Bank Project Debt, in each case as informed in writing to the Intercreditor Agent by the Indenture Trustee and the Onshore Collateral Agent, respectively).

The Issuer will redeem the notes in the principal amounts determined by the Intercreditor Agent pursuant to the Intercreditor Agreement and notified by the Intercreditor Agent to the Issuer, on the thirtieth (30th) calendar day after the delivery of the mandatory redemption notice pursuant to the terms of the Indenture (or if such day is not a Business Day, the immediately following Business Day); *provided* that, if such notice is not delivered by Issuer in accordance with the Indenture, such redemption shall be made on the thirtieth (30th) calendar day after the occurrence of the Concession Agreement NPV Termination (or if such day is not a Business Day, the immediately following Business Day) (the "Principal Amount Redemption Date"). On the applicable Principal Amount Redemption Date, the Issuer will be required to pay 100% of the principal amount of notes being redeemed, plus accrued and unpaid interest to the Principal Amount Redemption Date together with any and all fees, expenses and indemnities due and owing to the Indenture Trustee and all Indenture Designated Agents under the Indenture.

Mandatory Redemption upon Occurrence of an NPV Cash Trap Trigger

If an NPV Cash Trap Trigger has occurred and is continuing and the current balance in the NPV Cash Trap Account Exceeds forty million U.S. dollars (\$40,000,000):

(i) The Onshore Trustee will, on the immediately following Principal Payment Date and pursuant to the A&R Payment and Guarantee Trust Agreement (a) with respect to the notes, transfer the applicable amount from the NPV Cash Trap Account to the Indenture Trustee for deposit into the Payment Account, and (b) with respect to the Local Notes, transfer the applicable amount to the Local Clearing Agent for further transfer to the holders of the Local Notes, in each case to redeem the aggregate Series Balance of the notes then outstanding on a *pro rata* basis with all Local Notes (which *pro rata* amount will be determined by the Intercreditor Agent pursuant to the Intercreditor Agreement based on the outstanding principal amount of all Obligations owing to the holders of the notes and the holders of the Local Notes, in each case as informed in writing to the Intercreditor Agent by the Indenture Trustee and the Onshore Collateral Agent, respectively); *provided* that the Local Notes will be redeemed only to the extent the maturity of such Local Notes equals or exceeds the maturity of the notes, *provided, further*, that any series with a greater maturity will be redeemed prior to any series with the lesser maturity, respectively. The Issuer shall redeem notes of each series, in the principal amounts determined by the Intercreditor Agent pursuant to the Intercreditor Agreement and notified by the Intercreditor Agent to the Issuer. Amounts on deposit in the NPV Cash Trap Account shall be applied to reduce the Semi-Annual Amortization amount of the notes and the Local Notes in inverse order of maturity.

(ii) If at any time the balance of the NPV Cash Trap Account exceeds the aggregate principal amount outstanding of the notes minus the balance in the Debt Service Reserve Accounts, the Issuer shall cause the Onshore Trustee to reduce the balance of the NPV Cash Trap Account to an amount equal to the sum of the aggregate principal amount outstanding of the notes minus the balance in the Debt Service Reserve Accounts. Funds equivalent to the reduced amount shall be transferred by the Onshore Trustee to the USD Revenue Account for their application pursuant to the A&R Payment and Guarantee Trust Agreement.

(iii) If at any time the NPV Excess Amount is less than the balance in the NPV Cash Trap Account, the balance in the NPV Cash Trap Account shall be reduced in an amount to make it equivalent to the then-current NPV Excess Amount, as determined by the Calculation Agent, and will be released to the USD Revenue Account on the Transfer Date immediately following the applicable NPV Calculation Date.

Mandatory Redemption upon Excess Cash Flow

Upon the occurrence of a Mandatory Redemption Event specified in the Indenture, the Onshore Trustee shall, on the immediately following Principal Payment Date and pursuant to the A&R Payment and Guarantee Trust Agreement, automatically transfer the balance in the Excess Cash Flow Account to the Indenture Trustee for deposit into the Payment Account in order for the Issuer to redeem the outstanding principal amount of the notes.

Mandatory Redemption from Insurance Proceeds

Upon receipt by the Issuer of any Net Insurance Proceeds, the Issuer will be required to use 100% of such proceeds to redeem the notes on a *pro rata* basis with all Local Notes and any Bank Project Debt at the applicable Redemption Price (which *pro rata* amount will be determined by the Intercreditor Agent pursuant to the Intercreditor Agreement); *provided* that (A) no such redemption will be required to the extent not permitted by the Concession Agreement; (B) the Issuer will not apply to such redemption the Reserved Net Insurance Proceeds that the Issuer notifies the Indenture Trustee will be used or contractually committed to be used to restore the Project to the existing condition prior to the applicable insured event, within one hundred eighty (180) days after receipt by the Issuer of such Net Insurance Proceeds (as certified by the Issuer to the Intercreditor Agent, the Indenture Trustee, the Onshore Trustee and the Onshore Collateral Agent within thirty (30) Business Days of receipt of the applicable Net Insurance Proceeds); and (C) the Issuer shall not apply to such redemption any portion of such Reserved Net Insurance Proceeds that remain unused or are not required to be used to restore the Project to the existing condition

prior to the applicable insured event within one hundred eighty (180) days after the receipt by the issuer of such Net Insurance Proceeds, unless such unused portion of Reserved Net Insurance Proceeds pursuant to this subclause (C) exceeds one million U.S. dollars (\$1,000,000.00); *provided, further*, if the amount of any Reserved Net Insurance Proceeds, exceeds one million U.S. dollars (\$1,000,000.00) (or its equivalent in any other currency) in any calendar year, the Independent Engineer will have approved the applicable restoration plans prepared by the Issuer prior to the Issuer notifying the Indenture Trustee pursuant to clause (B) above. If any portion of such Reserved Net Insurance Proceeds is not applied within one hundred eighty (180) days, even if required, the Issuer shall apply such unused portion of such Reserved Net Insurance Proceeds to mandatorily redeem the notes in accordance with this paragraph, using the last day of such one hundred eighty (180) day period as the date of the occurrence of a Mandatory Redemption Event with respect to such Reserved Net Insurance Proceeds; *it being understood*, that although there may be available funds in the Insurance Proceeds Account, the Issuer may notify the Indenture Trustee that additional funds shall be used or are contractually committed to be used to restore the Project to the existing condition prior to the applicable insured event. Additionally, if the affected portion of the Project cannot be restored or is not required to be restored pursuant to the terms of the Concession Agreement, as determined by the Independent Engineer and notified by the Independent Engineer to the Issuer, the Intercreditor Agent, the Indenture Trustee, the Onshore Trustee and the Onshore Collateral Agent, the Issuer will apply such Net Insurance Proceeds as a mandatory redemption in accordance with this section, “Mandatory Redemption from Insurance Proceeds”, as though the date of such notification were the date of the occurrence of a Mandatory Redemption Event with respect to such Reserved Net Insurance Proceeds.

The Issuer will deliver a notice to the Indenture Trustee pursuant to the terms of the Indenture within twenty (20) Business Days after the occurrence of a Mandatory Redemption from Insurance Proceeds described above. The Issuer will be required to redeem the notes on the thirtieth (30th) calendar day after the delivery of the mandatory redemption notice pursuant to the terms of the Indenture (or if such day is not a Business Day, the immediately following Business Day); *provided* that, if such notice is not delivered by the Issuer in accordance with the Indenture, such redemption shall be made on the thirtieth (30th) calendar day after the receipt of a notification from the Issuer of the occurrence of a Mandatory Redemption Event described above (or if such day is not a Business Day, the immediately following Business Day).

Within (i) ten (10) Business Days of the occurrence of a Mandatory Redemption Event upon the Termination of the Concession, (ii) five (5) Business Days of the occurrence of a Mandatory Redemption Event upon the occurrence of an NPV Cash Trap Trigger and in the event of Excess Cash Flow and (iii) twenty (20) Business Days of the occurrence of a Mandatory Redemption Event in connection with the receipt of Net Insurance Proceeds, the Issuer shall calculate the Redemption Price and deliver a notice to the Paying Agent, the Onshore Trustee, the Onshore Collateral Agent and the Indenture Trustee which shall, as soon as reasonably practicable, in turn deliver to each applicable holder of notes at its address appearing in the register or otherwise in accordance with the applicable procedures a notice stating that such a mandatory redemption of the notes shall occur, and specifying the Redemption Date, the Series Balance to be redeemed, when available, the applicable Redemption Price, the Record Date, the section in the Indenture pursuant to which such mandatory redemption shall occur and the place(s) of payment of the applicable note(s). The Redemption Price shall be payable by the Issuer on the applicable Redemption Date.

If the notes are to be redeemed in part only, selection of notes for redemption will be made by the Indenture Trustee or the Registrar in compliance with the requirements governing redemptions of the principal securities exchange, if any, on which the notes are listed or if such securities exchange has no requirements governing redemption or the notes are not then listed on a securities exchange, then the principal component of the corresponding Redemption Price will be applied, except as otherwise set forth in “*Mandatory Redemption upon Occurrence of an NPV Cash Trap Trigger*” **above** to reduce the remaining scheduled Semi-Annual Amortization Amounts for each applicable series of notes on a *pro rata* basis of the outstanding Series Balance of such series of notes (or in the case of notes issued in global form, by lot or such similar method in accordance with the Applicable Procedures).

Optional Redemption

Standard Optional Redemption

Subject to the limitations contained in the Indenture and the Indenture Supplement with respect to the notes, the Issuer or its designee may, from time to time, on any Payment Date, by delivery of the applicable notice, and subject to the payment of all the following amounts: (i) any and all fees, expenses and indemnities then due and payable to the Agents, and (ii) the Redemption Price for the notes (or a *pro rata* portion thereof) that it wishes to have redeemed, redeem any outstanding notes in whole or in part on a selected Redemption Date at the Redemption Price; *provided*, however, that any redemption pursuant to the Indenture must be a redemption in full of all outstanding notes if an Event of Default has occurred and is continuing when the applicable notice of redemption is given; *provided, further* that that if the Issuer redeems any outstanding notes in part (a) no funds deposited in any of the Indenture Trustee Accounts or in any of the A&R Payment and Guarantee Trust Accounts (except the Excess Cash Flow Account and any Reserve Account to the extent of funds released therefrom in exchange for an Approved Letter of Credit), may be used to satisfy the applicable Redemption Price, (b) the Series Balance must be at least U.S.\$100,000,000.00 or 80% of the aggregate Series Balance of all series then Outstanding immediately after such redemption, whichever is less, and (c) the Series Balance after such redemption must be an integral multiple of U.S.\$1,000.00; it being understood that funds on deposit in the NPV Cash Trap Account may not be used for an optional redemption of the notes pursuant to the Indenture. Any partial redemption of notes pursuant to this paragraph will (except as otherwise provided in the Indenture Supplement) result in a *pro rata* reduction in the Annual Amortization Amounts remaining to be paid for the notes.

If less than all of the notes are to be redeemed at a time, the Indenture Trustee or the Registrar will select the notes that will be redeemed in compliance with the requirements governing redemptions of the principal securities exchange, if any, on which the notes are listed or if such securities exchange has no requirements governing redemption or the notes are not then listed on a securities exchange, then the principal component of the corresponding Redemption Price will be applied to the outstanding Principal Balance of each applicable series of notes, at the option of the Issuer (i) on a *pro rata* basis to reduce the remaining scheduled Semi-Annual Amortization amounts for each applicable series of notes; or (ii) in the inverse order of maturity (or in the case of notes issued in global form, by lot or such similar method in accordance with the Applicable Procedures).

The Issuer will also be required to pay a Make Whole Premium after all of the other Secured Obligations have been paid in full as described in the Indenture Supplement.

The Issuer or its designee will give the Indenture Trustee and the Paying Agent an irrevocable written notice of its request to redeem all or any portion of the notes for an optional redemption not less than thirty (30) days (or, if the notes are not settled through a clearing system, ten (10) days) nor more than ninety (90) days before the proposed Redemption Date relating thereto stating that such an optional redemption of the notes will occur, and specifying the Redemption Date, whether, in the case of a partial optional redemption, the series of notes shall be redeemed on a *pro rata* basis or in the inverse order of maturity, the Series Balance to be redeemed, the applicable Redemption Price, including the amount of the Make Whole Premium, the Record Date, the section of the Indenture pursuant to which the redemption will occur and the place(s) of payment of the applicable note(s).

Upon the giving of such notice and the concurrent payment of all expenses and indemnities due and payable to the Indenture Trustee and the Indenture Designated Agents hereunder, the Issuer will become irrevocably obligated to pay (by delivery to the Indenture Trustee for the benefit of the applicable holders) the applicable Redemption Price by no later than 10:00 a.m. (New York time) on the Business Day prior to the Redemption Date specified in such notice and, upon the Indenture Trustee's receipt of such payment, each note will become due and payable on such Redemption Date.

Each optional redemption will be applied on a *pro rata* basis to redeem the notes, the Local Notes and any Bank Project Debt (which *pro rata* amount will be determined by the Intercreditor Agent pursuant to the Intercreditor Agreement based on the outstanding principal amount of all Obligations owing to (i) the holders of the notes, (ii) the holders of the Local Notes and (iii) the holders of any Bank Project Debt, in each case as informed in writing to the Intercreditor Agent by the Indenture Trustee and the Onshore Collateral Agent, respectively).

Optional Redemption for Changes in Taxes

The Issuer may by delivery of the notice and Opinion of Counsel required in clause (b) below, elect to redeem all, but not less than all, of the notes for the Redemption Price if the Issuer certifies to the Indenture Trustee and the Paying Agent, immediately prior to giving such notice that, (i) as a result of any change in or amendment to any Applicable Law (1) the Issuer is or will become obligated to withhold or deduct any Taxes on the next succeeding Payment Date with respect to the notes at a rate greater than 15%, or (2) through no action or event attributable to the Issuer, value-added tax is levied on premium or interest on the notes and payments by the Issuer with respect to payments of premium, if any, or interest on the notes no longer results in a tax credit for the Issuer, which change or amendment occurred after the Closing Date, and (ii) such obligations cannot be avoided by the Issuer, taking reasonable measures available to the Issuer.

The Issuer shall send the Indenture Trustee and the Paying Agent an irrevocable written notice of its request to redeem all or any portion of the notes pursuant to the Indenture not less than thirty (30) days (or, if the notes are not settled through a Clearing System, ten (10) days) nor more than ninety (90) days (or, such other period as specified in the Indenture Supplement) before the proposed Redemption Date relating thereto stating that such a tax redemption of the notes shall occur, and specifying the Redemption Date, the Series Balance to be redeemed, the applicable Redemption Price, the Record Date, the section of the Indenture pursuant to which the redemption shall occur and the place(s) of payment of the applicable note(s). Concurrently with the delivery of such notice, the Issuer shall have delivered to the Indenture Trustee an Opinion of Counsel from a law firm of recognized standing in such Taxing Jurisdiction (or a letter from an internationally recognized accounting firm), to the effect that the conditions contained in the Indenture are satisfied.

Upon the giving of such notice, and concurrent payment of any and all fees, expenses and indemnities then due and payable to the Agents and/or the Registrar, the Issuer shall become irrevocably obligated to pay (by delivery to the Indenture Trustee for the benefit of the applicable holders) the applicable Redemption Price by no later than 10:00 a.m. (New York time) on the Business Day prior to the Redemption Date specified in such notice and, upon the Indenture Trustee's receipt of such payment, each note shall become due and payable on such Redemption Date; *provided, that* simultaneously with such redemption, the Issuer shall be required to pay any and all fees, expenses and indemnities then due and payable to the Agents and/or the Registrar. If the Issuer elects to make a tax redemption pursuant to the Indenture, but fails to pay the applicable Redemption Price in full on the applicable Redemption Date, such redemption will be deemed cancelled.

Repurchase Upon Change of Control

By no later than twenty-five (25) Business Days after the occurrence of a Change of Control, the Issuer shall send to the Indenture Trustee and the Registrar (for the Registrar to deliver or otherwise make available to each holder of the notes) a notice (a "**Change of Control Notice**") offering to purchase all of the notes (and/or beneficial interests therein) then outstanding on a selected date that is no earlier than thirty-five (35) days and no later than sixty (60) days (or such additional time as may be required by Applicable Law) after the date of such notice. The Change of Control Notice must advise each holder or beneficial owner of the notes in sufficient detail as to how to tender its notes (or beneficial interests therein) should it elect to accept such offer. In connection with any repurchase offer, the Issuer will hold such offer open for at least twenty (20) (but not more than thirty (30)) Business Days (or such additional time as may be required by Applicable Law) and will comply with Rule 14e-1 under the Exchange Act and any other Applicable Laws.

On the selected Redemption Date, the Issuer shall: (a) subject to the immediately succeeding paragraph, accept (except to the extent such acceptance would violate Applicable Law) for purchase all notes (and/or beneficial interests therein) that have been tendered in (but not withdrawn from) such offer, and (b) after payment of any and all fees, expenses and indemnities then due and payable to the Agents and/or the Registrar, pay each applicable holder or beneficial owner of the notes for its notes (and/or beneficial interests therein) a purchase price equal to 101.0% of the outstanding principal amount represented thereby plus any and all accrued and unpaid interest thereon to but excluding the Redemption Date plus any applicable Additional Amounts. Any such notes (and/or beneficial interests therein) so purchased by the Issuer shall be immediately cancelled by the Indenture Trustee in the manner described in the Indenture.

A holder or beneficial owner of the notes may elect to condition its tender of its notes (or beneficial interests therein) subject to the condition that a minimum percentage (selected by such holder) of the aggregate outstanding principal amount of the notes has been tendered in (but not withdrawn from) the offer; it being understood that, in determining whether such percentage has been achieved, the notes (or beneficial interests therein) of such holder or beneficial owner of the notes and of each other holder or beneficial owner of the notes that has so conditioned its tender with the same or a higher percentage will not be considered to have been tendered.

So long as the notes are listed on the SGX-ST and the rules of the SGX-ST so require, there will be a paying agent (the “Singapore Paying Agent”) and a transfer agent (the “Singapore Transfer Agent”) in Singapore. If the notes are listed on any other securities exchange, the Issuer will satisfy any requirement as to Agents of such securities exchange. The Issuer will give to the Indenture Trustee written notice of the location of any such office or agent and of any change of location thereof. For the avoidance of doubt, the Indenture Trustee shall not be the Singapore Paying Agent, or the Singapore Transfer Agent or otherwise be responsible for the listing of the notes on the SGX-ST or the compliance with the rules thereunder.

Mutilated, Destroyed, Lost or Stolen Notes

If (a) any mutilated or defaced note is surrendered to the Indenture Trustee, or the Indenture Trustee receives evidence to its satisfaction of the destruction, loss or theft of any note and of the ownership thereof, and (b) in the case of a note that has been destroyed, mutilated beyond clear identification, lost or stolen, there is delivered to the Indenture Trustee and the Issuer such security or indemnity as may be required by them to make each of them harmless (*provided*, that if the applicable holder of notes has a net worth of at least fifty (50) million U.S. dollars (\$50,000,000.00) (or its equivalent in any other currency) or its long-term unsecured foreign currency obligations have a rating from either S&P, Fitch or Moody’s of at least “A” or “A2” (as applicable), then such holder’s own unsecured agreement of indemnity shall be deemed satisfactory; it being understood that the Indenture Trustee may request information reasonably necessary to establish that any such holder has such net worth or rating for purposes of the Indenture), then, in the absence of written notice to an Authorized Representative of the Indenture Trustee and the Authentication Agent or written notice to the Indenture Trustee and the Authentication Agent that such note has been acquired by a “protected purchaser” (as defined in Section 8-303 of the New York UCC), the Authentication Agent, at the direction of the Issuer, shall authenticate, register and deliver, in exchange and substitution for (upon surrender and cancellation thereof) or in lieu of and in substitution for any such mutilated, defaced, destroyed, lost or stolen note, a new note executed by the Issuer of like tenor (including the same issuance date) and of like principal balance registered in the same manner, dated the date of its authentication and bearing interest from the last date to which interest has been paid on such mutilated, defaced, destroyed, lost or stolen note. In connection with the execution, authentication and delivery of any new note under the Indenture, the Issuer or the Indenture Trustee may require the payment by the applicable holder of a sum sufficient to cover any Taxes or other governmental charge that may be imposed in relation thereto and any other fees and expenses (including the fees and expenses of the Indenture Trustee) connected therewith. Any duplicate note issued pursuant to the Indenture shall constitute conclusive evidence of the same indebtedness of the Issuer, as if originally issued, whether or not the lost, stolen or destroyed note shall be found at any time.

Indenture

On the Closing Date, the Issuer and the Indenture Trustee will enter into the Indenture and the Indenture Supplement. The Indenture will contain most of the covenants, representations and other substantive provisions benefitting the holders. The Obligations (including the notes) will be secured by the Collateral.

Representations and Warranties of the Issuer

The Indenture will incorporate by reference section I of Annex A (*Representations and Warranties*) to the Intercreditor Agreement, which section contains various representations and warranties made by the Issuer for the benefit of the Secured Parties (including the holders and the beneficial owners).

Affirmative Covenants of the Issuer

The Indenture will incorporate by reference section II of Annex A (*Affirmative Covenants*) to the Intercreditor Agreement, which section contains various affirmative covenants of the Issuer for the benefit of the Secured Parties (including the holders and the beneficial owners).

Negative Covenants of the Issuer

The Indenture will incorporate by reference section III of Annex A (*Negative Covenants*) to the Intercreditor Agreement, which section contains various negative covenants of the Issuer for the benefit of the Secured Parties (including the holders and the beneficial owners).

Events of Default

The Indenture will incorporate by reference section IV of Annex A (*Event of Default and Remedies*) to the Intercreditor Agreement, which section contains various events of default and remedies.

Remedies

During the continuance of an Event of Default, the interest rate of the notes will be increased by 2.0% per annum.

Allocation of Proceeds

Upon the occurrence of a determination to accelerate all the Obligations or following the exercise of remedies pursuant to a Remedies Decision under the Intercreditor Agreement, the proceeds of any collection, recovery, receipt, appropriation, realization or sale of any or all of the Collateral or the enforcement of any Collateral Document will be applied in accordance with the Intercreditor Agreement.

Actions of the Indenture Trustee

Pursuant to the Intercreditor Agreement and Indenture, if an Event of Default occurs and is continuing, the Indenture Trustee will be under no obligation to exercise any of the rights or powers under the Indenture or the notes at the request or direction of any of the holders of the notes unless such holders have offered to the Indenture Trustee indemnity, pre funding and/or security satisfactory to it against all losses, liabilities, cost and/or expenses. The Required Holders will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture Trustee or exercising any trust or power conferred on the Indenture Trustee, to the extent such action does not conflict with the provisions of the Indenture, the Intercreditor Agreement or applicable law. The Indenture Trustee may refuse to follow any direction that conflicts with law, rule or regulation applicable to it or the Indenture or the notes or that the Indenture Trustee determines is unduly prejudicial to the rights of any other holder or that would involve the Indenture Trustee in personal liability.

No holder of any note will have any right to institute any proceeding for a remedy under the Indenture except as described under “—Exercise of Remedies”. The right of any holder of notes, which is absolute and unconditional, to receive payment of the principal of, Additional Amounts (if any) and interest on its notes on or after the due date therein expressed, or to institute suit for the enforcement of such payment on or after such due date, or the Issuer’s obligations, which are also absolute and unconditional, to pay the principal of, or Additional Amounts (if any) and interest on each of the notes to the respective holders thereof at the time and place set forth in the notes will not be impaired or affected without the consent of such holder, except in accordance with the Indenture and the Intercreditor Agreement.

Purchase by the Issuer; Cancellation

To the extent permitted under Applicable Law, the Issuer, and its respective Affiliates may at any time and from time to time purchase any note (or a beneficial interest therein) or otherwise provide value therefor in the open market at prevailing prices or otherwise at any price; *provided that*, notwithstanding anything else in the Financing Documents to the contrary, if a Default or Event of Default exists, then neither Issuer nor any of its Affiliates will

purchase any notes (or beneficial or similar interests therein) except on a *pro rata* basis among all holders of the notes.

Any portion of any notes (or beneficial interests therein) that are acquired by the Issuer may be canceled upon the election of the Issuer to do so. In order to effect such cancellation, the Issuer will send to the Indenture Trustee (pursuant to the Indenture) a notice that it owns a note (or beneficial interest therein) and wishes to have the indicated principal amount thereof canceled (which ownership the Issuer must evidence to the satisfaction of the Indenture Trustee). Upon receipt of any such notice and satisfactory evidence, the Indenture Trustee will promptly cause such principal amount to be canceled (including, if applicable, to notify any applicable Clearing System; it being understood that the Issuer will also notify such clearing system, through any applicable participants or members therein, of such cancellation) and the Issuer's obligation to pay accrued interest and (to the extent applicable) Make Whole Premium and Additional Amounts (if any) with respect to such cancelled principal amount will be cancelled automatically upon the cancellation of such principal amount. Upon any such cancellation, the remaining scheduled Annual Amortization Amounts of the notes will be reduced on a *pro rata* basis and the calculation of interest (and other calculations, such as voting, under the Financing Documents) will take into effect such cancellation.

Indenture Trustee

Citibank, N.A., a banking association under the laws of the United States (acting through its agency and trust division), will be the Indenture Trustee under the Indenture. The Indenture Trustee and its Affiliates may from time to time enter into normal banking and trustee relationships with the Issuer, any Sponsor Party, any holder of the notes and their respective Affiliates. With respect to any extension of credit made by it under a Financing Document in its individual capacity, the Indenture Trustee will have the same rights and powers under the Indenture and the other Financing Documents as any other person making a comparable extension of credit to the Issuer and may exercise the same as though it were not the Indenture Trustee; *provided* that, except in a fiduciary capacity, the Indenture Trustee may not hold notes (or beneficial interests therein) in its own name.

The holders of the notes will appoint Citibank, N.A. (acting through its agency and trust division) as Indenture Trustee under the Indenture and any other Financing Document to which it is a party. For a description of the duties, immunities and rights of the Indenture Trustee under the Indenture, reference is made to the Indenture, and the obligations of the Indenture Trustee to the holders of the notes will be subject to such immunities and rights as set forth therein.

The Indenture Trustee or its duly appointed agent(s) (acting solely at the written direction of the Issuer or pursuant to the Indenture) will be responsible for only those duties specifically set forth in the Indenture which include: (a) maintaining a record of the aggregate holdings of notes and accepting notes for exchange and registration of transfer, (b) ensuring that payments in respect of the notes are duly paid to the applicable holders of the notes to the extent funds are available therefor in accordance with the procedures of the applicable Clearing System and (c) transmitting notices to the applicable holders of the notes and from such holders to the Issuer (in each case, as contemplated by the Indenture (including the Indenture Supplement)). In the event of a transfer of a note, new notes will be obtainable at the office of the Indenture Trustee in connection with such transfer.

The Indenture Trustee may resign at any time and the holders of not less than a majority of the aggregate Series Balance of the notes then outstanding may, at any time and with or without cause, remove the Indenture Trustee by notice thereof in writing. In addition, if at any time any of the following occurs:

- (a) the Indenture Trustee ceases to be eligible to act as the Indenture Trustee in accordance with the requirements of the Indenture and fails to resign after written request for such resignation by the Issuer or any holder of the notes, or
- (b) the Indenture Trustee becomes incapable of acting or (in its individual capacity) will be adjudged a bankrupt or insolvent, or a receiver or liquidator of the Indenture Trustee (in its individual capacity) or of its Property will be appointed, or any public officer takes charge or control of the Indenture Trustee (in its individual capacity) or of its Property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (A) the Issuer may remove the Indenture Trustee with respect to the notes and (unless such notice provides otherwise) such removal will take effect upon receipt by the Indenture Trustee of an instrument of acceptance of appointment executed by a successor as provided in the Indenture, or (B) any holder of notes who has been a bona fide holder of a note or notes for at least six (6) months may remove the Indenture Trustee and (so long as no Default or Event of Default occurred and is continuing, with the consent of the Issuer) appoint a successor Indenture Trustee meeting such eligibility requirements by notifying the Indenture Trustee in writing (with a copy to the Issuer and such successor Indenture Trustee) and the payment of any and all amounts due and payable to the Indenture Trustee. Any such resignation or removal will not become effective until acceptance of appointment by an eligible successor Indenture Trustee.

Except as provided above, if at any time the Indenture Trustee will resign, be removed or become incapable of acting under the Indenture or if at any time a vacancy will occur in the office of the Indenture Trustee for any other cause, then (so long as no Default or Event of Default then exists) the Issuer may appoint a qualified successor. If no such successor is appointed by the Issuer within thirty (30) days after: (i) the Indenture Trustee's delivery of notice of resignation, (ii) the Indenture Trustee's receipt of notice of removal or (iii) the occurrence of such vacancy, then the Issuer, the Indenture Trustee or any holder of notes who has been a bona fide holder of a note or notes for at least six (6) months (acting on behalf of himself and all others similarly situated) may petition a court to make such appointment.

All determinations and calculations made by the Indenture Trustee will be conclusive and binding on the holders of the notes absent manifest error. None of the Indenture Trustee, the Indenture Designated Agents and the Issuer will be responsible to the holders of the notes or any third party for failure of the dealers or brokers or banks, to provide quotations as requested of them or as a result of the Indenture Trustee or any Indenture Designated Agent having acted on any quotation or other information given by any dealer or broker or banks, which subsequently may be found to be incorrect or inaccurate on any way.

Notwithstanding anything to the contrary contained herein, in connection with any selection of dealers or brokers or banks, to provide quotes in connection with any interest rate, principal determination or currency conversion or any other calculation being made under the Indenture which is being made when such quote is not published or readily available as set forth in the notes, the Indenture Trustee and any appropriate Indenture Designated Agent will make its selection of such dealers or brokers or banks, in consultation with the Issuer.

Paying Agent, Registrar, Transfer Agent

The Indenture Supplement will provide that Citibank, N.A. (acting through its agency and trust division) will be appointed as Paying Agent, Registrar and Transfer Agent with respect to the notes.

Satisfaction and Discharge

The Indenture will provide that, subject to any provisions thereof and of the Indenture Supplement that by their terms are stated to survive the termination thereof, the Indenture will terminate at such time as: (a) all of the notes (including all interest, principal, Make Whole Premium (if applicable) and Additional Amounts (if any) thereon) have been paid in full and (b) all other amounts (other than not yet existing indemnification obligations, which will survive the termination of the Indenture) payable by the Issuer to the Indenture Trustee, the Registrar, the Paying Agent, the Transfer Agent, the holders of the notes and any other Secured Party under the Financing Documents relating to the Indenture, the Indenture Supplement and/or the notes have been paid in full. No termination of the Indenture is effective until the Issuer has delivered to the Indenture Trustee an Officer's Certificate and an Opinion of Counsel. Each stating that all conditions precedent in the Indenture relating to the satisfaction and discharge of the Indenture have been satisfied.

The Indenture (and Indenture Supplement and note) will be automatically reinstated if and to the extent that for any reason any payment is rescinded or must otherwise be restored or returned by the applicable payee, whether as a result of any proceeding or otherwise, and the Issuer will indemnify the applicable Secured Party(ies) on demand for all reasonable fees, costs and expenses (including reasonable fees, costs and expenses of counsel) incurred by such Secured Party(ies) in connection with such reinstatement, rescission or restoration. The obligations of the Issuer to pay fees, expenses and to indemnify the Indenture Trustee and Agents and the obligations in the Financing Documents will survive the termination of the Indenture.

Amendments

Subject to the provisions of the Indenture, the Issuer and the Indenture Trustee may enter into amendments to the Indenture, the Indenture Supplement and the notes as provided below.

Amendments without Holder Consent. The Issuer, and the Indenture Trustee may from time to time and at any time without the consent of the holders of the notes or any other person, enter into a written amendment of the Indenture, the Indenture Supplement, any note and/or any other Financing Document for one or more of the following purposes:

- (a) to: (i) add additional covenants or representations and warranties of the Issuer for the benefit of some or all of the holders of the notes and/or the Indenture Trustee, (ii) add guarantees with respect to some or all of the notes or additional collateral to secure some or all of the notes, (iii) surrender any right and/or power conferred upon the Issuer and/or (iv) add any Rating Agency for the notes;
- (b) to make such other modifications in regard to ambiguities, inconsistencies, errors, matters or questions arising under the Financing Documents that will not adversely affect in any material respect the interests of any of the holders of the notes that have not consented thereto;
- (c) to provide for the issuance of Additional Notes;
- (d) to provide for the issuance of any Project Debt;
- (e) to make any change that will not adversely affect the rights of any holder of notes in any material respect;
- (f) to conform the text of the Indenture or any other Financing Document to the extent necessary to accurately reflect the provisions of the following sections of this offering memorandum: "Description of the Notes", "Description of the Principal Financing Documents" or "Description of the Principal Project Documents" if such amendment does not adversely affect the rights of the holders;
- (g) to provide for the appointment of a successor Indenture Trustee; *provided* that such successor Indenture Trustee is otherwise qualified and eligible to act as such under the terms of the Indenture;
- (h) subject to certain provisions in the Indenture, in connection with and to reflect any amendments to the provisions of the Indenture required by any Rating Agency in circumstances in which a Ratings Reaffirmation is required pursuant to the Indenture; *provided* that such amendments will not adversely affect in any material respect the interests of any of the holders of the notes that have not consented thereto (as evidenced by an Officer's Certificate of the Issuer) or the Indenture Trustee;
- (i) subject to certain provisions in the Indenture, to convey, transfer and assign Properties or assets to the Onshore Collateral Agent or Onshore Trustee to secure the Obligations (including if applicable any Permitted Debt), and to correct or amplify the description of any Property at any time subject to any Lien of any Collateral Document or to assure, convey and confirm unto the Onshore Collateral Agent or Onshore Trustee, as applicable, any Property subject to or required to be subject to any Lien under any Collateral Document;
- (j) evidence the release of any Collateral in accordance with the Financing Documents; and
- (k) to comply with the requirements of the applicable Clearing Systems for the notes.

Amendments with Consent of Certain Holders. Subject to the preceding paragraph and provisions of the Indenture and the Intercreditor Agreement, and only with the written consent of the holders of notes representing not less than the majority of the aggregate Series Balance of all notes then outstanding, the Issuer and the Indenture Trustee may, from time to time and at any time, enter into a written amendment of the Indenture, the Indenture Supplement or the notes for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture, the Indenture Supplement or the notes or of modifying in any manner the rights of

the holders of the notes in respect thereof, except for those amendments, supplements or waivers of the Indenture that require an Intercreditor Vote under the Intercreditor Agreement; *provided* that, for any such amendments of the notes or the Indenture Supplement, only the consent of holders of notes representing not less than the majority of the applicable Series Balance, the Issuer and the Indenture Trustee will be required; and *provided further* that no amendment of the Indenture that changes or otherwise modifies the Indenture may adversely affect any notes in any manner that does not apply the same to all notes without the consent of the holders of notes representing not less than the majority of the aggregate Series Balance of the notes. Notwithstanding anything to the contrary in the preceding sentence, no such amendment to (or waiver) of any of the provisions of the Indenture, Indenture Supplement or the notes will, without the consent of every holder of notes adversely affected thereby:

- (a) reduce in any manner the amount of, or delay the timing or alter the priority of, any scheduled payments to holders of notes that are required to be made with respect to the notes, or delay any date of payment on the notes, or change the place of payment where, or the currency in which the notes are payable, or impair the Indenture Trustee's right to institute suit for the enforcement of any such payment; *provided* that this clause (a) will not apply with respect to the waiver or amendment of any additional interest that might accrue as a result of an Event of Default;
- (b) reduce the percentage of the aggregate Series Balance of the notes that is required for any such amendment, or reduce such percentage required for any waiver or instruction provided for in the Indenture or the Indenture Supplement;
- (c) modify certain specified provisions (including this paragraph and the preceding paragraph) (or any integral definitions); or
- (d) increase the discretionary authority of the Indenture Trustee under the Indenture.

Notwithstanding any provision of the Intercreditor Agreement that contains provisions for the Indenture Trustee's and other parties' agreement to amend any of the Financing Documents, including the Indenture, no amendment to the Indenture (including the Indenture Supplement) or the notes will become effective unless it complies with such provisions of the Intercreditor Agreement as well as the terms of the Indenture.

The Indenture Trustee and the holders of the notes agree that any amendment, supplement or waiver made to the terms and provisions of any Financing Document, including the Indenture, in accordance with the terms of the Intercreditor Agreement will be binding upon the Indenture Trustee, the Issuer and the holders of the notes, to the extent the Indenture Trustee or the holders of the notes are party to such Financing Document, and each other party to such Financing Document.

A copy of each amendment executed in accordance with either of the above two paragraphs will be delivered by the Indenture Trustee to each Rating Agency rating the notes and each holder of notes within two (2) Business Days after receipt thereof; *provided* that a copy of each such executed amendment modifying the Indenture Supplement or the notes will be delivered by the Indenture Trustee only to each Rating Agency rating the notes and each holder of such notes.

Acts of Holders of the Notes

Any request, demand, authorization, direction, notice, consent, waiver or other action provided by the Indenture or Indenture Supplement to be given or taken by holders of the notes may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such holders of the notes in person or by an agent duly appointed in writing or other evidence as the Indenture Trustee deems acceptable or is customary in respect of DTC or Euroclear and Clearstream. Such instrument or instruments or record (and the action embodied therein and evidenced thereby) are hereinafter referred to as the "act" of the holders of the notes signing such instrument or instruments. The ownership of the notes will be proved by the Registrar. Any act of the holder of any note will bind every future holder of the note and any note issued upon registration of transfer thereof or in exchange therefore or in lieu thereof in respect of anything done, suffered or omitted by the Indenture Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such notes.

Meetings of Holders of the Notes

A meeting of holders of the notes may be held at any time and from time to time to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by the Indenture (including the Indenture Supplement) to be made, given or taken by such holders of the notes. The Indenture Trustee may at any time call a meeting of the holders of the notes for any such purpose to be held at such time, at such place and in such language as the Indenture Trustee will reasonably determine. Notice of every meeting of the holders of the notes, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, will be given by the Indenture Trustee to each applicable holder of notes not less than ten (10) (or such lesser period as may be agreed by every holder of notes) nor more than sixty (60) days before the date fixed for the meeting. In case at any time the Issuer or holders of the notes holding at least 10% of the aggregate Series Balance of notes then outstanding will have requested the Indenture Trustee to call a meeting of the holders of the notes for any such purpose, by written request setting forth in reasonable detail the action proposed to be taken at such meeting, the Indenture Trustee will call such a meeting for such purposes by giving notice thereof to such holders of the notes.

To be entitled to vote at any meeting of holders of the notes, a Person must be a holder of notes or a Person duly appointed by an instrument in writing as proxy for a holder of notes. The quorum at any meeting of notes called to adopt a resolution will be Persons holding or representing notes with respect to which such meeting is being held in an aggregate Series Balance sufficient to take action upon the business for the transaction of which such meeting was called; but, if less than a quorum may be present, the Persons holding or representing not less than a majority of the notes represented at the meeting may adjourn such meeting with the same effect, for all intents and purposes, as though a quorum had been present. Any instrument given by or on behalf of any holder of notes in connection with any consent to any modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent assignees of such holder. Any action taken at a duly called and held meeting of any holders of the notes will be conclusive and binding on all holders of the notes, whether or not they gave consent or were present at the meeting; it being understood that, in taking any actions for which an indicated portion of the holders of the notes is required by the Financing Documents to approve, such level of approval will be required (including, without limitation, the matters that pursuant to the Intercreditor Agreement require to be approved by the majorities and supermajorities provided therein). The Indenture Trustee may make such reasonable and customary regulations as it will deem advisable for any meeting of holders of the notes with respect to proof of the appointment of proxies, the Record Date for determining the holders of the notes entitled to vote (which date will be specified in the notice of meeting), the adjournment and chairmanship of such meeting, the appointment and duties of inspectors of such meeting, the conduct of votes, the submission and examination of proxies, certificates and other evidence of the right to vote and such other matters concerning the conduct of the meeting as it will deem appropriate. A record of the proceedings of each meeting of holders of the notes will be prepared by the party calling the meeting and a copy thereof will be delivered to the Issuer and the Indenture Trustee.

Voting by the Issuer and any affiliates thereof

Notwithstanding anything in the Indenture or in the other Financing Documents (including the Indenture Supplement) to the contrary, in determining whether the holders of the notes of the requisite aggregate principal amount of notes have concurred in any request, demand, authorization, direction, notice, consent and waiver or other act under the Indenture, any such vote or determination will exclude (in both the numerator and denominator of any applicable calculation, the principal amount of) the notes (or beneficial interests therein) which an Authorized Representative of the Indenture Trustee has received written notice that such notes are owned by the Issuer or any of their Affiliates, and the notes (or beneficial interests therein) which are owned by each such Person will be deemed not to be outstanding for the purpose of any such vote or determination; *provided* that if such Persons own all of the notes (or beneficial interests therein), then such Persons will not be excluded from any such vote or determination having to do exclusively with the notes with respect to which such Persons are the only holders of the notes (or beneficial owners); it being understood, that such exclusion from voting or determination does not include circumstances where any Affiliate of the Issuer is a financial institution owning notes (or a beneficial interest therein) on behalf of itself or another Person (or Persons) who is not the A&R Payment and Guarantee Trust. For the purpose of clarification, and subject to any transfer restrictions that may apply to the notes, neither the Issuer nor any other Affiliate of the Issuer is prohibited by the Financing Documents from being a holder or beneficial owner of a

note; *provided* that promptly after its becoming a holder or beneficial owner of a note, it will so notify the Indenture Trustee.

Voting of any notes held through a Clearing System will be conducted in accordance with the normal procedures and rules for the applicable Clearing System and those set forth in the voting request or consent solicitation document.

Governing Law; Submission to Jurisdiction

The notes, the Indenture (including the Indenture Supplement), the Intercreditor Agreement and the Collateral Agency Agreement will be governed by and construed in accordance with the laws of the State of New York (the “New York Finance Agreements”).

Each of the parties to the New York Finance Agreements will therein waive (or, with respect to the holders of the notes, be deemed to waive by their acceptance of a note or a beneficial interest therein) trial by jury in any legal action or proceeding relating to such documents and any counterclaim therein.

The Issuer in the Indenture, will:

(a) irrevocably and unconditionally submit to the non-exclusive jurisdiction of the courts of the State of New York sitting in the Borough of Manhattan and of the United States of America District Court for the Southern District of New York, and any appellate court from any thereof, in any legal action, suit or proceeding arising out of or relating to the Indenture or any other Financing Document to which the Issuer is party; *provided*, however, that with respect to any legal action, suit or proceeding by and among the Indenture Trustee, the Indenture Designated Agents, the Intercreditor Agent, the Onshore Collateral Agent, and the holders of the notes, such parties irrevocably and unconditionally submit to the exclusive jurisdiction of such courts,

(b) agree that final judgment against the Issuer in any such legal action, suit or proceeding will be conclusive and may be enforced, subject to Applicable Law, in any other jurisdiction including Costa Rica in the manner provided by such Applicable Law,

(c) waive to the fullest extent permitted by Applicable Law: (i) any objection that it may on the Closing Date or thereafter have to the laying of venue of any action, suit or proceeding brought in any court referred to in clause (a), (ii) any claim that any such legal action, suit or proceeding brought in any such court has been brought in an inconvenient forum and (iii) its right of removal of any matter commenced by any Debt Provider in the courts of the State of New York to any court of the United States of America,

(d) the Issuer agrees that final judgment against it in any such legal action, suit or proceeding will be conclusive and may be enforced, subject to Applicable Law, in any other jurisdiction, including Costa Rica, in the manner provided by such Applicable Law, and

(e) to the extent that the Issuer may be entitled in any jurisdiction to claim for itself or its Property immunity in respect of its obligations under the Indenture or any other Financing Document to which the Issuer is a party from any suit, execution, attachment (whether provisional or final, in aid of execution, before judgment or otherwise) or other legal process or to the extent that in any jurisdiction that immunity (whether or not claimed) may be attributed to it or its Property, agree not to claim and will irrevocably waive such immunity to the fullest extent permitted on the Closing Date or in the future by the Applicable Laws of such jurisdiction.

The Issuer will irrevocably designate, appoint and empower Corporate Creations Network, Inc. as its authorized agent in the Borough of Manhattan in the City of New York to receive for and on its behalf service of summons or other legal process in any legal action, suit or proceeding in any court specified in clause (a), and will agree that service of process upon such agent by the person serving the same will be deemed personal service and accepted by the Issuer as such and will be valid and binding upon the Issuer for all the purposes of any such legal action, suit or proceeding. The Issuer will agree that the failure of such agent to give notice to it of any such service

of process will not impair or affect the validity of such service or any judgment rendered in any legal action, suit or proceeding based thereon. The Issuer will agree, for so long as the applicable Financing Documents are in effect, to maintain a duly appointed and authorized agent in New York, New York to receive for and on its behalf service of summons, complaint or other legal process in any legal action, suit or proceeding any Debt Provider may bring in the State of New York in respect of the Financing Documents to which the Issuer is a party and will keep the Agents advised of the identity and location of such agent. Nothing in the Financing Documents will affect the right of any Debt Provider to commence legal proceedings or otherwise sue the Issuer in Costa Rica or any other appropriate jurisdiction, or concurrently in more than one jurisdiction, or to serve process, pleadings and other legal papers upon the Issuer in any manner authorized by the Applicable Laws of any such jurisdiction.

Currency Indemnity

The U.S. dollars is the sole currency of account and payment for all sums payable under or in connection with the Indenture, Indenture Supplement or any note, including with respect to indemnities; and all payments to and from the Indenture Trustee under the Indenture will be made in U.S. dollars in immediately available funds. Any amount received or recovered in a currency other than the applicable currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding up or dissolution of the Issuer or otherwise) in respect of any sum expressed to be due on the notes and under the Indenture or Indenture Supplement will only constitute a discharge of such obligation to the extent of the amount of the applicable currency that the payee of such amounts due is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If such amount of applicable currency is less than the amount expressed to be due on the notes, under the Indenture or Indenture Supplement, then the payor will indemnify the payee of such amounts against any loss sustained by it as a result. In any event, the payor will indemnify the payee of such amounts against the cost of making any such purchase; it being understood that neither the Indenture Trustee nor the Paying Agent, will be considered a “payor” for purposes of the preceding two sentences nor will the preceding two sentences in any way obligate the Indenture Trustee to accept any payments in currency other than U.S. dollars. It will be sufficient for the payee of such amounts to certify in a reasonable manner (indicating the sources of information used) that it would have suffered a loss had an actual purchase of the applicable currency been made with the amount so received in such other currency on the date of receipt or recovery (or, if a purchase of the applicable currency on such date had not been practicable, on the first date on which it would have been practicable). These indemnities constitute a separate and independent obligation from the other obligations hereunder, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by such payee and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any amount due under the Indenture, under the Indenture Supplement or under any note.

Listing

Approval-in-principle has been received from the SGX-ST for the listing and quotation of the notes on the Official List of the SGX-ST. Each of the Issuer, the Indenture Trustee and the Onshore Collateral Agent is (without the need for any approvals, consents or instructions from any holders of the notes, but in accordance with all other provisions applicable thereto) authorized to join in the execution of any amendment (including amendment and restatement) of any Financing Document(s) to the extent required to provide such a listing. Promptly after such a listing, the Issuer will so notify the Indenture Trustee, which will provide notice thereof to each of the holders of the notes.

In the event that the notes are admitted to listing on the SGX-ST, the Issuer will use its reasonable best efforts to maintain such listing, *provided* that if the Issuer determines that it is unduly burdensome to maintain a listing on the SGX-ST, it may delist the notes from the SGX-ST and, in the event of such delisting, it will use its reasonable best efforts to seek an alternative admission to listing, trading and/or quotation for the notes on a different section of the SGX-ST or by such other listing authority, stock exchange and/or quotation system as it may decide. Although it cannot assure you as to the liquidity that may result from a listing on the SGX-ST, delisting the notes from the SGX-ST may have a material effect on the ability of holders of the notes to resell the notes in the secondary market.

Intercreditor Agent and Onshore Collateral Agent

Citibank, N.A. (acting through its agency and trust division), a national banking association organized and existing under the laws of the United States of America, will be appointed by the Indenture Trustee, among others, as the Intercreditor Agent pursuant to the Collateral Agency Agreement. The Onshore Collateral Agent will accept delivery of the Collateral Documents and execute and deliver each of such Collateral Documents on behalf of and for the benefit of the Secured Parties.

Electronic Communications

Notices and other communications to the holders of the notes and the owners of beneficial interests in the notes may be delivered or furnished by the Indenture Trustee by electronic communication (including e mail and Internet or internet websites). In furtherance of the electronic delivery of information to the holders of the notes and owners of beneficial interests in the notes and the Issuer, the Indenture Trustee will be establishing a secure Debt Domain website where the Indenture Trustee will post documents that are required to be distributed to the holders of the notes or the owners of beneficial interests in the notes under the Indenture. Upon the establishment of the Debt Domain website, the Indenture Trustee will send a notice via DTC alerting the holders of the notes with the information that is necessary to gain access to the Debt Domain website.

Certain Definitions in the Indenture

“**Additional Amounts**” has the meaning specified in “Description of the Notes —NPV Cash Trap— Additional Amounts”.

“**Annual Amortization Amount**” means, with respect to each series, the annual principal amortization amount payable on each Principal Payment Date with respect to such series (after any applicable interest-only period) as specified in the applicable Indenture Supplement (as such amounts may be revised from time to time in accordance with the Indenture and the applicable Indenture Supplement). The final Annual Amortization Amount for a series shall be payable on such series’ final maturity date specified in the applicable Indenture Supplement.

“**Authentication Agent**” means either the Indenture Trustee (in its capacity as authentication agent) or any other authentication agent appointed with respect to a series (or any series) pursuant to the terms of an Indenture Supplement or otherwise.

“**Change of Control**” means the consummation of any disposition by any person of equity interests in the Issuer unless (1) following such disposition (a) Globalvía or a Permitted Transferee shall own, in the aggregate, directly or indirectly, equity interests representing more than fifty percent (50%) of the aggregate voting rights in the Issuer, (b) Globalvía or a Permitted Transferee, together with any person (if any) with whom Globalvía or such Permitted Transferee shares control over the Issuer pursuant to a written contractual agreement, shall have the power, directly or indirectly, to elect, or shall have elected a majority of the Board of Directors of the Issuer and (c) Globalvía or a Permitted Transferee shall have the power, directly or indirectly, to direct the management and/or policies of the Issuer; *it being understood* that a “Change of Control” shall not be deemed to have occurred if the lien over the Shareholders’ equity interests has been enforced pursuant to the A&R Payment and Guarantee Trust Agreement, and (2) the Rating Agency Condition has been satisfied; *provided, that* the Rating Agency Condition shall not be required to be satisfied if clause (1) above has been satisfied after giving effect only to Globalvía’s interests in the Issuer.

“**Concession Agreement NPV Termination**” means the extinguishment of the Concession pursuant to the Concession Agreement due to the Issuer having reached the maximum Current NPV..

“**Directive**” means the European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income.

“**Excess Cash Flow Account**” means the “Excess Cash Flow Account” (*Cuenta de Excedente de Flujo de Caja*) established by the Onshore Trustee pursuant to the A&R Payment and Guarantee Trust Agreement.

“**Global Notes**” means a Note, substantially in the form of an exhibit to the Indenture Supplement for the applicable series, issued in fully registered, global, certificated form to Depository (or its nominee), as depository for the beneficial owners thereof.

“**Indenture Designated Agent**” means the collective reference to Citibank, N.A. and its Affiliates (or any successor thereto), not in its individual capacity, but through its agency and trust division, in the capacity of the Registrar, the Paying Agent(s), the Transfer Agent(s), the Authentication Agent(s) and each of its agents, custodians and other Persons duly employed by the Indenture Trustee hereunder or under or in connection with any Indenture Supplement.

“**Interest Payment Date**” means each June 30 and December 30; *provided*, that, if such date is not a Business Day, such Interest Payment Date shall be the immediately succeeding Business Day.

“**Make-Whole Premium**” means, as of any date of determination, an amount equal to the positive difference as determined by the Indenture Trustee, between (a) (i) the present value (compounded on a semiannual basis) to the applicable Redemption Date of the scheduled future principal (exclusive of the date of determination) and interest (exclusive of interest accrued and unpaid to the date of determination) cash flows from the beneficial interests in the notes (or portion thereof) being redeemed discounted at a *per annum* rate equal to the bid side yield (A) on the U.S. Treasury Note having a maturity date closest to the remaining weighted average life of the notes calculated at the time of redemption, as most recently published in the New York edition of The Wall Street Journal or (B) if such yield is not reported as of such time or the yield reported as of such time is not ascertainable (including by way of interpolation), such yield for the latest day for which such yield has been so reported plus (ii) 0.50% *per annum*, and (b) the Series Balance of the notes (or portion thereof) being redeemed.

“**Mandatory Redemption Event**” has the meaning specified in “—Mandatory Redemption”.

“**Outstanding**” means, at any time, all notes except:

- (a) notes that have been canceled by the Transfer Agent or delivered thereto for cancellation,
- (b) notes (or portions thereof) that have been called for redemption, that have been tendered pursuant to a tender offer, or that have become due and payable at maturity or otherwise in accordance with their terms and in each case with respect to which monies sufficient to pay the principal thereof and all accrued interest thereon have been delivered to the Transfer Agent; *provided*, that if any such series (or portions thereof) is/are to be redeemed before the maturity thereof, then notice of such redemption shall have been given to the applicable holders as provided in the Financing Documents or provision satisfactory to the Transfer Agent shall have been made for the giving of such notice and the payment thereof, and
- (c) notes for which other notes shall have been delivered (including having been authenticated) in exchange or substitution therefor.

“**Principal Amount Redemption Date**” has the meaning specified in “—Mandatory Redemption—Mandatory Redemption upon a Termination of the Concession Agreement”.

“**Principal Payment Date**” means June 30 and December 30 of each year; *provided*, that, if any such date is not a Business Day, the Principal Payment Date shall be the immediately succeeding Business Day;

“**Redemption Date**” means:

- (a) with respect to any voluntary redemption of all or any portion of a series set forth under “—Optional Redemption” or “—Optional Redemption for Changes in Taxes”, the date selected by the Issuer for such voluntary redemption; it being understood that such date must be both a New York Business Day and a date on which settlement in the applicable currency(ies) can be made by the Indenture Trustee,
- (b) with respect to any redemption set forth in “—Mandatory Redemption”, “—Optional Redemption”, “—Optional Redemption for Changes in Taxes” or “—Repurchase Upon Change of Control” the respective dates provided therein, and

(c) with respect to any other redemption, the date of such redemption.

“Redemption Price” means, for each series as of any date of determination, for any and all redemptions hereunder an amount in the applicable currency equal to the sum of:

(a) the Series Balance of such series (or, in the case of a partial redemption, the portion thereof to be redeemed),

(b) all accrued and unpaid interest (if any) on such redeemed principal amount to but excluding the applicable Redemption Date,

(c) all unpaid Additional Amounts (if any) with respect to such series,

(d) with respect to redemptions pursuant to any Optional Redemption, the Make-Whole Premium for such series (or, in the case of a partial redemption, the portion thereof to be redeemed) to but excluding the applicable Redemption Date, and

(e) all other amounts then due and payable to the Secured Parties by the Issuer under the Financing Documents in connection with such series (including any such amounts so identified in the applicable Indenture Supplement to be included in the Redemption Price with respect to such series, such as any redemption premium) including without limitation, all amounts due and payable to the Indenture Trustee under the Indenture. For the purpose of clarification, should any Redemption Price that is paid for a partial redemption of any series include any accrued and unpaid interest, then thereafter the principal amount of such series shall (for purpose of calculating interest on such series for the then-existing Interest Period) be calculated as if such prepaid principal amount had been paid as of the first day of such Interest Period.

“Remedies Decision” has the meaning assigned to that term in “Description of Financing Documents—Intercreditor and Security Sharing Agreement—Defaults and Remedies Exercise of Remedies”.

“Required Holders” means holders of not less than the majority of the aggregate Series Balance of all outstanding series taken as a whole determined as of the date a decision is made, which will be the last day of any period of time given to holders to make a decision in those situations where a period of time is given to the holders to make a decision.

“Semi-Annual Amortization Amount” means, with respect to any Payment Date and any series, the semi-annual principal amortization amount the holders of notes for such series shall be entitled to receive on such Payment Date, as set forth on the Payment Schedule under the column headed “Semi-Annual Amortization Amount” for such Payment Date.

“Series Payment Account” means, with respect to any series of notes, the payment account established for such series pursuant to the related Indenture Supplement.

“Series Balance” means, with respect to any series, as of any date of determination, the outstanding principal balance of such series on such date after giving effect to:

(a) any payments made on or before such date for all or any portion of the principal of such series; and

(b) the cancellation of all or any portion of the principal of such series as a result of the Issuer acquiring any interest therein and electing to have such principal amount cancelled as specified in the Indenture (with respect to the notes) and in the Local Prospectus (with respect to the Local Notes).

BOOK ENTRY; DELIVERY AND FORM

The notes are being offered and sold only:

- to qualified institutional buyers in reliance on Rule 144A (the “Rule 144A Notes”); or
- in offshore transactions in reliance on Regulation S (the “Regulation S Notes”).

The notes will be issued in fully registered global form in minimum denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

Rule 144A notes initially will be represented by a single permanent global certificate (which may be subdivided) without interest coupons (the “Rule 144A Global Note”). Regulation S Notes initially will be represented by a single permanent global certificate (which may be subdivided) without interest coupons (the “Regulation S Global Note” and, together with the Rule 144A Global Note, the “Global Notes”).

The Global Notes will be deposited upon issuance with the Indenture Trustee as custodian for DTC, in New York, New York, and registered in the name of DTC or its nominee for credit to an account of a direct or indirect participant in DTC, including Euroclear Bank S.A./N.V., as operator of Euroclear, and Clearstream, as described below under “—Depository Procedures”.

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for notes in certificated form except in the limited circumstances described below under “—Exchange of Book Entry Notes for Certificated Notes” and “—Description of the Notes—Amendments—Amendments without Holder Consent”.

The notes will be subject to certain restrictions on transfer and will bear a restrictive legend as described under “Transfer Restrictions” in this offering memorandum. In addition, transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or Indirect Participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

Depository Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. The Issuer takes no responsibility for these operations and procedures and urge the holders of the notes to contact the systems or their participants directly to discuss these matters. DTC is a limited purpose trust company created to hold securities for its participating organizations (collectively, the “Participants”) and facilitate the clearance and settlement of transactions in those securities between Participants through electronic book entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the Initial Purchaser), banks, trust companies, clearing corporations and certain other organizations. Access to the DTC system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the “Indirect Participants”). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through Participants or Indirect Participants. DTC has no knowledge of the identity of beneficial owners of securities held by or on behalf of DTC. DTC’s records reflect only the identity of Participants to whose accounts securities are credited. The ownership interests and transfer of ownership interests of each beneficial owner of each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

Pursuant to procedures established by DTC:

- upon deposit of the Global Notes, DTC will credit the accounts of Participants designated by the Initial Purchaser with portions of the principal amount of the Global Notes; and

- ownership of such interests in the Global Notes will be maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interests in the Global Notes).

Investors in the Global Notes may hold their interests therein directly through DTC, if they are Participants in such system, or indirectly through organizations (including Euroclear and Clearstream) that are Participants or Indirect Participants in such system. Euroclear and Clearstream will hold interests in the notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositaries, which are Euroclear Bank, S.A./N.V., as operator of Euroclear, and Citibank, N.A., acting through its agency and trust division, as operator of Clearstream. The depositaries, in turn, will hold interests in the notes in customers' securities accounts in the depositaries' names on the books of DTC.

All interests in a Global Note, including those held through Euroclear or Clearstream, will be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream will also be subject to the procedures and requirements of these systems. The laws of some states require that certain persons take physical delivery of certificates evidencing securities they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants, the ability of beneficial owners of interests in a Global Note to pledge such interests to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interests may be affected by the lack of a physical certificate evidencing such interests. For certain other restrictions on the transferability of the notes, see "—Exchange of Book Entry Notes for Certificated Notes".

Except as described below, owners of interests in the Global Notes will not have notes registered in their names, will not receive physical delivery of notes in certificated form and will not be considered the registered owners or holders of the notes thereof under the Indenture for any purpose.

Payments in respect of the principal of and premium, if any, and interest on a Global Note registered in the name of DTC or its nominee will be payable by the Indenture Trustee (or any Paying Agent if other than the Indenture Trustee) to DTC in its capacity as the registered holder under the Indenture. The Issuer, the Indenture Trustee and each Paying Agent will treat the persons in whose names the notes, including the Global Notes, are registered as the owners thereof for the purpose of receiving such payments and for any and all other purposes whatsoever. Consequently none of us, the Indenture Trustee, any Paying Agent or any agent of the Issuer or the Indenture Trustee has or will have any responsibility or liability for:

- any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interests in the Global Notes, or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes; or any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised the Issuer that its current practice, upon receipt of any payment in respect of securities such as the notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date in amounts proportionate to their respective holdings in the principal amount of the relevant security as shown on the records of DTC, unless DTC has reason to believe it will not receive payment on such payment date. Payments by the Participants and the Indirect Participants to the beneficial owners of notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Indenture Trustee, any Paying Agent or the Issuer. Neither the Issuer, Citibank, N.A. (acting as Intercreditor Agent, Indenture Trustee, Registrar, Paying Agent, Transfer Agent, or Collateral Agent), or Banco Improsa, S.A. (acting as Onshore Collateral Agent appointed by the Collateral Agent), will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of the notes, and the Issuer, the Indenture Trustee and each Paying Agent may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Except for trades involving only Euroclear and Clearstream participants, interests in the Global Notes are expected to be eligible to trade in DTC's Same Day Funds Settlement System and secondary market trading activity in such interests will therefore settle in immediately available funds, subject in all cases to the rules and procedures of DTC and its Participants.

Subject to the transfer restrictions described under “Transfer Restrictions” in this offering memorandum, transfers between Participants in DTC will be effected in accordance with DTC’s procedures, and will be settled in same day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to the transfer restrictions described under “Transfer Restrictions” in this offering memorandum, cross market transfers between Participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC’s rules on behalf of Euroclear or Clearstream, as the case may be, by their depositaries. Cross market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in that system in accordance with the rules and procedures and within the established deadlines (Brussels time) of that system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositaries to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the depositaries for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant in DTC will be credited and reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised the Issuer that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC’s settlement date.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of notes only at the direction of one or more Participants to whose account with DTC interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of the notes as to which such Participant or Participants has or have given such direction.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Global Notes among Participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and the procedures may be discontinued at any time. Neither the Issuer, Citibank, N.A. (acting as Intercreditor Agent, Indenture Trustee, Registrar, Paying Agent, Transfer Agent, or Collateral Agent), nor Banco Impresa, S.A. (acting as Onshore Collateral Agent appointed by the Collateral Agent) will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or Indirect Participants of their respective obligations under the rules and procedures governing their operations.

The information in this section concerning DTC, Euroclear and Clearstream and their book entry systems has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

Exchange of Book Entry Notes for Certificated Notes

The Global Notes are exchangeable for Certificated Notes in definitive, fully registered form without interest coupons (the “Certificated Notes”) only in the following limited circumstances:

- DTC notifies the Issuer that it is unwilling or unable to continue as depository for the Global Note or DTC ceases to be a clearing agency registered under the Exchange Act at a time when DTC is required to be so registered in order to act as depository, and in each case the Issuer fails to appoint a successor depository within 90 days of such notice;
- the Issuer notifies the Indenture Trustee in writing that the Global Note will be so exchangeable; or
- if there will have occurred and be continuing an Event of Default with respect to the notes.

In all cases, Certificated Notes delivered in exchange for any Global Note will be registered in the names, and issued in any approved denominations, requested by or on behalf of DTC (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in “Transfer Restrictions” in this offering memorandum, unless the Issuer determines otherwise in accordance with the Indenture and in compliance with applicable law.

Transfers Within and Between Global Notes

Through and including the 40 day Period beneficial interests in the Regulation S Global Note may be transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Note only if such transfer is made pursuant to Rule 144A and the transferor first delivers to the Indenture Trustee a certificate (in the form provided in the Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a qualified institutional buyer within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and in accordance with all applicable securities laws of the states of the United States and other jurisdictions. After the expiration of the 40 day Period, beneficial interests in the Regulation S Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in the Rule 144A Global Note without compliance with these certification requirements.

Beneficial interests in the Rule 144A Global Note may be transferred to a person who takes delivery in the form of a beneficial interest in the Regulation S Global Note only upon receipt by the Indenture Trustee of a written certification (in the form provided in the Indenture) from the transferor to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the Securities Act (if available).

Transfers of beneficial interests within a Global Note may be made without delivery of any written certification or other documentation from the transferor or the transferee.

Transfers of beneficial interests in the Regulation S Global Note for beneficial interests in the Rule 144A Global Note or vice versa will be effected by DTC by means of an instruction originated by the Indenture Trustee through the DTC Deposit/Withdrawal at Custodian (DWAC) system. Accordingly, in connection with any transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note or vice versa, as applicable.

Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest.

CERTAIN INCOME TAX CONSIDERATIONS

Prospective purchasers of the notes should consult their own tax advisors as to the Costa Rican, U.S. or other tax consequences (including consequences arising under double-taxation treaties in effect) of the purchase, ownership and disposition of the notes, including the specific tax consequences to them in light of their particular investment circumstances.

Certain Costa Rican income tax consequences

The following summary contains a description of the principal Costa Rican tax consequences of the purchase, ownership and disposition of the notes but it does not purport to be a comprehensive description of all the tax consequences that maybe relevant to a decision to purchase the notes.

The Costa Rican tax system is based on the territorial principle, whereby only income derived within the Costa Rican territory and from Costa Rican sources is taxable. In accordance with Article 1 of the Costa Rican Income Tax Law (*Ley del Impuesto Sobre La Renta # 7092*), income from Costa Rican source earned or received by individuals domiciled in Costa Rica is subject to Costa Rican income tax. Furthermore, according to such article, a tax is imposed on occasional or continual revenues derived by legal entities and individuals within the Costa Rican territory, regardless of the nationality or domicile of the recipient. Revenues, income, or benefits from Costa Rican sources include any income from services rendered, goods located or investments used within the national territory. The corporate income tax rate is 30%, and the taxable base is the net profit for the year (that includes some permanent adjustments between the accounting and tax rules). The territoriality principle establishes that foreign source income is not subject to tax, nevertheless Article 55 of the Income Tax Law provides certain special instances of Costa Rican source income under which income is deemed to be sourced locally even when normal sourcing rules are not strictly met. Under that scenario, payments of principal under the notes will not be subject to withholding taxes. Nevertheless, payments of interest and other financial expenses related to the notes will be subject to a withholding tax of up to 15%, pursuant Section 59 of the Costa Rican Income Tax Law. Such tax is assessed over the gross amount remitted with no deductions allowed. In the event of a sale of the notes, capital gains realized by either a Costa Rican or a non-Costa Rican resident will not be subject to capital gains tax unless it is deemed that the person or entity's ordinary trade or business relates to the purchase and sale of securities, regardless of where such trade or business is conducted. Consequently, in the event of a sale or disposition of the notes, the person or entity should obtain tax advice to determine whether a capital gain tax is triggered.

Material United States federal income tax considerations

The following is a summary of certain U.S. federal income tax considerations relevant to the purchase, ownership and disposition of a note by a U.S. Holder (as described below) who acquires the notes upon original issuance at their initial offering price, and does not purport to be a comprehensive discussion of all the possible U.S. federal income tax consequences of the purchase, ownership or disposition of the notes. This summary is based on the U.S. federal income tax laws, including the Internal Revenue Code of 1986, as amended, or the Code, existing, temporary and proposed regulations, or the Treasury Regulations, promulgated thereunder, rulings of the Internal Revenue Service, or the IRS, official pronouncements and judicial decisions, all as in effect on the date of this offering memorandum and all of which are subject to change or differing interpretation, possibly with retroactive effect. No assurance can be given that the IRS will agree with the views expressed in this summary, or that a court will not sustain any challenge by the IRS in the event of litigation. No advance tax ruling has been sought or obtained from the IRS regarding the tax consequences of the transactions described herein.

This summary deals only with notes held as capital assets by U.S. Holders and does not deal with special classes of holders, such as brokers or dealers in securities or currencies, banks, tax exempt organizations, insurance companies, traders in securities that elect to use a mark-to-market method of accounting, real estate investment trusts, regulated investment companies, individual retirement accounts, qualified pension plans, persons who hold notes as part of a straddle, hedging, constructive sale, conversion, or other integrated transaction, partnerships and other pass-through entities and investors therein, certain U.S. expatriates, or U.S. Holders whose functional currency is not the U.S. dollar.

Prospective purchasers of notes should consult their own tax advisors concerning the U.S. federal, state, local and non-U.S. income and other tax consequences (including estate and gift tax consequences), in light of their particular circumstances, of the purchase, ownership and disposition of notes.

U.S. Holder

For purposes of the following discussion, a U.S. Holder is a beneficial owner of a note that is (a) an individual who is a citizen or resident of the United States for U.S. federal income tax purposes, (b) a corporation (or an entity that is classified for U.S. federal income tax purposes as a corporation) that is organized in or under the laws of the United States, any state thereof, or the District of Columbia, (c) an estate the income of which is subject to U.S. federal income taxation regardless of source, or (d) a trust (i) whose administration is subject to the primary supervision of a court within the United States and which is subject to the control of one or more United States persons as described in Section 7701(a)(30) of the Code, or United States persons, or (ii) that has a valid election in effect under applicable Treasury Regulations to be treated as a United States person.

If an entity or arrangement classified for U.S. federal income tax purposes as a partnership or other pass-through entity owns notes, the tax treatment of a member of the entity will depend on the status of the member and the activities of the entity. The tax treatment of such an entity, and the tax treatment of any member of such an entity, are not addressed in this summary. Any entity that is classified for U.S. federal income tax purposes as a partnership and that owns notes, and any member of such an entity, should consult its tax advisors regarding the U.S. federal income tax consequences of the purchase, ownership and disposition of notes.

Treatment of the notes as indebtedness

The Issuer will treat the notes as debt for U.S. federal income tax purposes. If the IRS were to successfully assert that the notes were not treated as debt for U.S. federal income tax purposes, the notes would be expected to be treated as preferred equity of the Issuer, with U.S. federal income tax results similar to those described below unless the Issuer were treated as a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes. The Issuer does not believe it currently meets the definition of a PFIC, nor does it expect to do so in the future. If, however, the Issuer were determined to be a PFIC, a U.S. Holder could be required to treat any gain realized on a disposition of notes as ordinary income, which for an individual is taxed at higher rates than capital gains. See *Purchase, sale, exchange and retirement of the notes, below*. Certain other adverse tax consequences would also be applicable to U.S. holders of notes if the Issuer were treated as a PFIC. U.S. holders are encouraged to consult their U.S. advisors regarding the possibility that the Issuer could be treated as a PFIC and the consequences of owning an equity interest in a PFIC.

Payments of interest on the notes

Interest on a note and Additional Amounts paid (such as amounts paid in respect of Costa Rican withholding taxes) imposed on payments on the notes (as described in “Description of the Notes—Additional Amounts”) will be taxable to a U.S. Holder as ordinary interest income at the time it is accrued or is paid in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

In determining a U.S. Holder’s U.S. federal income tax liability, such holder will be treated as actually receiving any amount withheld by the Issuer (and paid over to taxing authorities) with respect to a note. In addition, if any Additional Amounts are paid, a U.S. Holder will be required to include such Additional Amounts in income. Thus, a U.S. Holder may be required to report income in an amount greater than the actual amount of stated interest on a note.

If the notes are issued at a discount or premium, it is also possible that they will be subject to the “Contingent Payment Debt Instrument” or “CPDI” rules. The Issuer believes that the notes should not be subject to these rules. If the CPDI rules apply to the notes, the timing of a U.S. Holder’s income with respect to the notes could be accelerated and gain realized on a disposition of the notes could be ordinary income, rather than capital gain. See *Purchase, sale, exchange and retirement of the notes, below*. U.S. Holders are encouraged to consult their tax advisors with regard to the possible application of the CPDI rules to the notes.

Purchase, sale, exchange and retirement of the notes

A U.S. Holder will generally recognize gain or loss on a disposition (including a sale, exchange, or retirement) of a note equal to the difference between the amount realized (other than any amount representing accrued but unpaid interest, which will be treated as ordinary income to the extent not previously included in income) on the disposition and the U.S. Holder's tax basis of the note. Any gain or loss recognized on a disposition of a note will be capital gain or loss and generally will be long-term capital gain or loss if the note was held for more than one year. Long-term capital gains of non-corporate U.S. Holders (including individuals) are currently eligible for taxation at preferential rates of no more than 20%. The ability of U.S. Holders to deduct capital losses may be subject to significant limitations.

A U.S. Holder's tax basis in a note generally will equal its U.S. dollar cost reduced by the amount of any payments that are not qualified stated interest payments.

Foreign tax credit

Interest paid on the notes will constitute income from sources outside the United States, and, except as described below, will be treated as "passive category income" or "general category income" and considered separately for purposes of applying certain limitations on the claiming of foreign tax credits under U.S. federal income tax law. Subject to such limitations and certain other conditions, any Costa Rican income taxes withheld from interest income derived by a U.S. Holder in respect of the notes may be eligible for credit against the U.S. federal income tax liability of the U.S. Holder. Under the foreign tax credit limitation rules, a U.S. Holder's use of a foreign tax credit with respect to Costa Rican income taxes, if any, imposed on any gain resulting from a disposition of the notes, however, may be limited, as such gain will generally not constitute foreign source income. In lieu of claiming a credit, U.S. Holders may elect to deduct foreign income taxes in computing their U.S. federal taxable income (if such U.S. Holder does not take a credit for any foreign income tax during the taxable year).

The rules relating to foreign tax credits are complex, and U.S. Holders should consult their own tax advisors with regard to the availability of a foreign tax credit and the application of the foreign tax credit limitations to their particular situations.

Medicare surtax

Certain U.S. Holders who are individuals, estates or trusts generally will be required to pay a 3.8% Medicare surtax on (in the case of individuals) the lesser of (1) such U.S. Holder's net investment income or undistributed net investment income (which includes, among other things, any interest on and capital gains from the sale or other taxable disposition of notes) for the relevant taxable year and (2) the excess of the U.S. Holder's modified gross income or adjusted gross income for the taxable year over a certain threshold. U.S. Holders should consult their tax advisors regarding the effect, if any, of this surtax on their ownership and disposition of notes.

Information with respect to foreign financial assets

A U.S. Holder that is an individual (and certain entities) may be subject to reporting obligations with respect to notes if the aggregate value of these and certain other "specified foreign financial assets" held by the U.S. Holder exceeds U.S.\$50,000 (or a higher dollar amount prescribed by the IRS). If required, this disclosure is made by filing Form 8938 with the IRS. Significant penalties can apply if a U.S. holder is required to make this disclosure and fails to do so.

In addition, a U.S. Holder should consider the possible obligation to file online with the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN) a FinCEN Report 114—Foreign Bank and Financial Accounts Report. U.S. Holders are thus encouraged to consult their U.S. tax advisers with respect to these and other reporting requirements that may apply to their acquisition of notes.

Backup withholding and information reporting

In general, information reporting requirements may apply to payments of principal and interest on notes to U.S. Holders and dispositions of notes by U.S. holders. Backup withholding may apply to those payments if a U.S.

Holder fails to provide an accurate taxpayer identification number or, in the case of interest payments, fails to certify that it is not subject to backup withholding or if the IRS has notified the payer that such U.S. Holder has failed to report all interest and dividends required to be shown on its federal income tax returns. Exempt recipients may be required to certify their exempt status to avoid backup withholding and information reporting.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder of a note generally will be allowed as a refund or a credit against the U.S. Holder's U.S. federal income tax liability, *provided* that the required information is timely furnished to the IRS.

THE INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A HOLDER'S PARTICULAR SITUATION. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES, INCLUDING THE TAX CONSEQUENCES UNDER U.S. FEDERAL, STATE AND LOCAL, COSTA RICAN, AND OTHER TAX LAWS AND THE POSSIBLE EFFECTS OF CHANGES IN THE U.S. FEDERAL, COSTA RICAN OR OTHER TAX LAWS.

CERTAIN ERISA CONSIDERATIONS

The following summary regarding certain aspects of ERISA and the Code is based on ERISA, the Code, judicial decisions and United State Department of Labor and IRS regulations and rulings that are in existence on the date of this offering memorandum. This summary is general in nature and does not address every issue pertaining to ERISA and the Code that may be applicable to us, the notes or a particular investor. Accordingly, each prospective investor, including plan fiduciaries, should consult with his, her or its own advisors or counsel with respect to the advisability of an investment in the notes, and potentially adverse consequences of such investment, including, without limitation, certain ERISA-related issues that affect or may affect the investor with respect to this investment and the possible effects of changes in the applicable laws.

ERISA and the Code impose certain requirements on employee benefit plans that are subject to Title I of ERISA, plans to which Section 4975 of the Code applies and entities that are deemed to hold the assets of such plans (each such employee benefit plan, plan or entity, a “Plan”) and on those persons who are “fiduciaries” with respect to Plans. A fiduciary of a Plan subject to Title I of ERISA should consider whether an investment in the notes satisfies ERISA’s general fiduciary requirements, including, but not limited to, the requirement of investment prudence and diversification and the requirement that such a Plan’s investments be made in accordance with the documents governing the Plan.

An investor who is considering acquiring the notes with the assets of a Plan must also consider whether the acquisition and holding of the notes will constitute or result in a non-exempt prohibited transaction. Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions that involve a Plan and a “party in interest” as defined in Section 3(14) of ERISA or a “disqualified person” as defined in Section 4975 of the Code with respect to such Plan. Examples of such prohibited transactions include, but are not limited to, (i) sales or exchanges of property (such as the notes), or (ii) extensions of credit between a Plan and a party in interest or disqualified person or (iii) the transfer to, or use by or for the benefit of, a party in interest or disqualified person, of any Plan assets. Such parties in interest or disqualified persons could include, without limitation, the Issuer, the Initial Purchaser, the trustee, registrar and paying agent or any of their respective affiliates.

ERISA and the Code contain certain exemptions from the prohibited transactions described above, and the U.S. Department of Labor has issued several exemptions, although certain exemptions do not provide relief from the prohibitions on self-dealing contained in Section 406(b) of ERISA and Sections 4975(c)(1)(E) and (F) of the Code. Such exemptions include Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code pertaining to certain transactions with non-fiduciary service providers; Department of Labor Prohibited Transaction Class Exemption (“PTCE”) 95-60, applicable to transactions involving insurance company general accounts; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 91-38, regarding investments by bank collective investment funds; PTCE 84-14, regarding investments effected by a qualified professional asset manager; and PTCE 96-23, regarding investments effected by an in-house asset manager. There can be no assurance that any of these exemptions or any other exemption will be available with respect to the notes. Any particular transaction involving a party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code.

As a general rule, Governmental Plans, Church Plans and non-U.S. plans are not subject to the requirements of ERISA or Section 4975 of the Code. Accordingly, assets of such plans generally may be invested in the notes without regard to the fiduciary and prohibited transaction considerations under ERISA and Section 4975 of the Code described above. However, Governmental Plans, Church Plans or non-U.S. plans may be subject to other United States federal, state or local laws or non-U.S. laws that regulate their investments (a “Similar Law”). A fiduciary of a Governmental Plan, a Church Plan or a non-U.S. plan should make its own determination as to the requirements, if any, under any Similar Law applicable to the acquisition of the notes.

To address the above concerns, the notes may not be purchased by or transferred to any investor unless such investor represents the following: either (i) the purchaser is not acquiring or holding such note or interest therein with the assets of (A) an “employee benefit plan” that is subject to Part 4 of Subtitle B of Title I of ERISA, (B) a “plan” to which Section 4975 of the Code applies, (C) any entity deemed under ERISA to hold “plan assets” of either of the foregoing by reason of an employee benefit plan or plan’s investment in such entity, or (D) a Governmental Plan, Church Plan or non-U.S. plan; or (ii) the acquisition and holding of such note or interest therein

by the purchaser will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of any Similar Law.

This offer is not directed to any particular purchaser, nor does it address the needs of any particular purchaser. None of the Issuer or any of its affiliates shall provide any advice or recommendation with respect to the management of any purchase of the notes or the advisability of acquiring, holding, disposing or exchanging of any notes.

This offer is not a representation by the Issuer or the Initial Purchaser that an acquisition of the notes meets all legal requirements applicable to investments by Plans, Governmental Plans, Church Plans or non-U.S. plans or that such an investment is appropriate for any particular Plan, Governmental Plan, Church Plan or non-U.S. plan.

PLAN OF DISTRIBUTION

Citigroup Global Markets Inc. is acting as sole global coordinator and book runner and Initial Purchaser of the offering. The Note Purchase Agreement provides that the obligations of the Initial Purchaser to purchase the notes are subject to approval of legal matters by counsel and to other conditions. The Initial Purchaser must purchase all the notes if it purchases any of the notes.

The Initial Purchaser proposes to resell the notes at the offering price set forth on the cover page of this offering memorandum within the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and outside the United States in reliance on Regulation S. See “Transfer Restrictions”. The price at which the notes are offered may be changed at any time without notice.

The notes have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See “Transfer Restrictions”.

In addition, until 40 days after the commencement of this offering, an offer or sale of notes within the United States by a dealer that is not participating in this offering may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

The Issuer has agreed that, for a period of 90 days from the date of this offering memorandum, it will not, without the prior written consent of the Initial Purchaser, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce the offering of, any debt securities issued or guaranteed by the Issuer, other than the Local Notes. The Initial Purchaser in its sole discretion may release any of the securities subject to these lock-up agreements at any time without notice.

The notes will constitute a new class of securities with no established trading market. Approval-in-principle has been received from the SGX-ST for the listing and quotation of the notes on the Official List of the SGX-ST. However, there can be no assurance that the prices at which the notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the notes will develop and continue after this offering. The Initial Purchaser has advised the Issuer that it currently intends to make a market in the notes. However, it is not obligated to do so and may discontinue any market-making activities with respect to the notes at any time without notice. Accordingly, there can be no assurance as to the liquidity of, or the trading market for, the notes.

The Issuer estimates that its portion of the total expenses of this offering will be U.S.\$5.3 million.

In connection with the offering, the Initial Purchaser may purchase and sell notes in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions and stabilizing purchases.

- Short sales involve secondary market sales by the Initial Purchaser of a greater number of notes than it is required to purchase in the offering.
- Covering transactions involve purchases of notes in the open market after the distribution has been completed in order to cover short positions.
- Stabilizing transactions involve bids to purchase notes so long as the stabilizing bids do not exceed a specified maximum.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the Initial Purchaser for its own account, may have the effect of preventing or retarding a decline in the market price of the notes. They may also cause the price of the notes to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The Initial Purchaser may conduct these transactions in the over-the-counter market or otherwise. If the Initial Purchaser commences any of these transactions, it may discontinue them at any time.

The Issuer expects to deliver the notes against payment for the notes on or about the date specified in the last paragraph of the cover page of this offering memorandum, which will be the fourth business day following the date of the pricing of the notes. Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally settle in three business days, purchasers who wish to trade notes on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the notes initially will settle in T+4, to specify alternative settlement arrangements to prevent a failed settlement.

The Initial Purchaser is a full service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Initial Purchaser and its affiliates may, from time to time, engage in transactions with and perform services for the Issuer in the ordinary course of its business for which it may receive customary fees and reimbursement of expenses. In the ordinary course of its various business activities, the Initial Purchaser and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for its own account and for the accounts of its customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. The Initial Purchaser and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Issuer has agreed to indemnify the Initial Purchaser against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the Initial Purchaser may be required to make because of any of those liabilities.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a relevant member state), with effect from and including the date on which the Prospectus Directive is implemented in that relevant member state (the relevant implementation date), an offer of notes described in this offering memorandum may not be made to the public in that relevant member state other than:

- to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of securities shall require the Issuer or the Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For purposes of this provision, the expression an "offer of securities to the public" in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the expression may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant member state) and includes any relevant implementing measure in the relevant member state. The expression 2010 PD Amending Directive means Directive 2010/73/EU.

The sellers of the notes have not authorized and do not authorize the making of any offer of notes through any financial intermediary on their behalf, other than offers made by the Initial Purchaser with a view to the final placement of the notes as contemplated in this offering memorandum. Accordingly, no purchaser of the notes, other

than the Initial Purchaser, is authorized to make any further offer of the notes on behalf of the sellers or the Initial Purchaser.

Notice to Prospective Investors in the United Kingdom

This offering memorandum is only being distributed to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (each such person being referred to as a “relevant person”). This offering memorandum and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this offering memorandum or any of its contents.

Notice to Prospective Investors in the Netherlands

In addition and without prejudice to the EEA selling restrictions above, zero coupon debt securities in bearer form on which interest does not become due and payable during their term but only at maturity and other debt securities in bearer form that qualify as savings certificates (*spaarbewijzen*) within the meaning of the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) may be transferred or accepted only through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. and with due observance of the Dutch Savings Certificates Act and its implementing regulations (including the registration requirements), *provided* that no such mediation is required in respect of (i) the initial issue of such debt securities to the first holders thereof, (ii) any transfer and delivery by natural persons who do not act in the conduct of a profession or trade, and (iii) the issue and trading of such debt securities, if such debt securities are physically issued outside the Netherlands and not distributed in the Netherlands in the course of primary trading or immediately thereafter; in addition (i) certain identification requirements in relation to the issue and transfer of, and payment on, such debt securities have to be complied with, (ii) any reference in publications concerning such debt securities to the words “to bearer” is prohibited, (iii) so long as such debt securities are not listed at the regulated market operated by Euronext Amsterdam N.V., each transaction involving a transfer of such debt securities must be recorded in a transaction note, containing, at least, the name and address of the counterparty to the transaction, the nature of the transaction, and a description of the amount, registration number(s), and type of the debt securities concerned, and (iv) the requirement described under (iii) must be printed on such debt securities.

The underwriter and agent will acknowledge and agree that it will not make an offer of the debt securities to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive unless (i) such offer is made exclusively to persons or entities which are (a) qualified investors as defined in the Prospectus Directive or (b) represented by eligible discretionary asset managers in accordance with Article 55 of the Exemption Regulation DFSA (*Vrijstellingsregeling Wft*), or (ii) a standard warning is used as required by Article 5:5(2) or 5:20(5) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht* or DFSA), *provided* that no such offer of debt securities shall require Mexico or any underwriter or agent to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive. For the purpose of this paragraph the expression “Prospectus Directive” means Directive 2003/71/EC as amended and implemented in Dutch law.

The underwriter and agent will furthermore acknowledge and agree that it will not make an offer of debt securities with a maturity of less than 12 months until the competent authority publishes its interpretation of the term “public” (as referred to in Article 4.1(1) of Regulation (EU) No 575/2013), unless such debt securities either (a) have a minimum denomination of EUR 100,000, or (b) are offered solely to professional market parties (*professionele marktpartij*) within the meaning of the DFSA and the rules promulgated thereunder and, as soon as the competent authority publishes the interpretation of the term “public” as referred to in Article 4.1(1) of Regulation (EU) No 575/2013, to persons or legal entities that are part of the public within the meaning of Regulation (EU) No 575/2013 and the DFSA and the rules promulgated thereunder.

Notice to Prospective Investors in France

Neither this offering memorandum nor any other offering material relating to the notes described in this offering memorandum has been submitted to the clearance procedures of the Autorité des Marchés Financiers or of the competent authority of another member state of the European Economic Area and notified to the Autorité des Marchés Financiers. The notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this offering memorandum nor any other offering material relating to the notes has been or will be:

- released, issued, distributed or caused to be released, issued or distributed to the public in France; or
- used in connection with any offer for subscription or sale of the notes to the public in France.
- Such offers, sales and distributions will be made in France only:
- to qualified investors (investisseurs qualifiés) and/or to a restricted circle of investors (cercle restreint d'investisseurs), in each case investing for their own account, all as defined in, and in accordance with, articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code monétaire et financier;
- to investment services providers authorized to engage in portfolio management on behalf of third parties; or
- in a transaction that, in accordance with article L.411-2-II-1^o-or-2^o-or 3^o of the French Code monétaire et financier and article 211-2 of the General Regulations (Règlement Général) of the Autorité des Marchés Financiers, does not constitute a public offer (appel public à l'épargne).
- The notes may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*.

Notice to Prospective Investors in Italy

The offering of the debt securities has not been registered with the Commissione Nazionale per le Società e la Borsa ("CONSOB") pursuant to Italian securities legislation and, accordingly, no debt securities may be offered, sold or delivered, nor copies of this prospectus, any prospectus supplement or any other documents relating to the debt securities may be distributed in Italy except:

(a) to "qualified investors", as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "Decree No. 58") and defined in Article 26, paragraph 1, letter d) of CONSOB Regulation No. 16190 of 29 October 2007, as amended ("Regulation No. 16190") pursuant to Article 34-ter, paragraph 1, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("Regulation No. 11971"); or

(b) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any offer, sale or delivery of the debt securities or distribution of copies of this prospectus, any prospectus supplement or any other documents relating to the debt securities in Italy must be:

(a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993, as amended (the "Banking Law"), Decree No. 58 and Regulation No. 16190 and any other applicable laws and regulations

(b) in compliance with Article 129 of the Banking Law, and the implementing guidelines of the Bank of Italy, as amended; and

(c) in compliance with any other applicable notification requirement or limitation which may be imposed, from time to time, by CONSOB or the Bank of Italy or other competent authority.

Please note that, in accordance with Article 100-bis of Decree No. 58, where no exemption from the rules on public offerings applies, the subsequent distribution of the debt securities on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under Decree No. 58 and Regulation No. 11971.

Notice to Prospective Investors in Switzerland

The offer and sale of the debt securities is made in Switzerland exclusively on the basis of a private placement, not as a public offering. This prospectus is not intended to constitute an offer or solicitation to purchase or invest in the debt securities described herein. The debt securities may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this prospectus nor any other offering or marketing material relating to the debt securities constitutes a prospectus as such term is understood pursuant to Article 652a or Article 1156 of the Swiss Code of Obligations, or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd. or any other regulated trading facility in Switzerland, and neither this prospectus nor any other offering or marketing material relating to the debt securities may be publicly distributed or otherwise made publicly available in Switzerland.

Notice to Prospective Investors in Chile

NOTICE TO CHILEAN INVESTORS

The offer of the debt securities is subject to General Rule No. 336 of the Superintendencia de Valores y Seguros (“SVS”). The debt securities being offered will not be registered under the Securities Market Law (*Ley de Mercado de Valores*) in the Securities Registry (*Registro de Valores*) or in the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the SVS and, therefore, the debt securities are not subject to the supervision of the SVS. As unregistered securities, the Issuer is not required to disclose public information about the debt securities in Chile. Accordingly, the debt securities cannot and will not be publicly offered to persons in Chile unless they are registered in the corresponding Securities Registry. The debt securities may only be offered in Chile in circumstances that do not constitute a public offering under Chilean law or in compliance with General Rule No. 336 of the SVS. Pursuant to General Rule No. 336, the debt securities may be privately offered in Chile to certain “qualified investors” identified as such therein (which in turn are further described in General Rule No. 216, dated June 12, 2008, of the SVS).

AVISO A INVERSIONISTAS CHILENOS

La oferta de los bonos se acoge a la Norma de Carácter General N°336 de la Superintendencia de Valores y Seguros. Los bonos que se ofrecen no están inscritos bajo la Ley de Mercado de Valores en el Registro de Valores o en el Registro de Valores Extranjeros que lleva la Superintendencia de Valores y Seguros, por lo que tales valores no están sujetos a la fiscalización de ésta. Por tratarse de valores no inscritos, no existe obligación por parte del emisor de entregar en Chile información pública respecto de estos valores. Los bonos no podrán ser objeto de oferta pública en Chile mientras no sean inscritos en el Registro de Valores correspondiente. Los bonos solo podrán ser ofrecidos en Chile en circunstancias que no constituyan una oferta pública o cumpliendo con lo dispuesto en la Norma de Carácter General N°336 de la Superintendencia de Valores y Seguros. En conformidad con lo dispuesto por la Norma de Carácter General N°336, los bonos podrán ser ofrecidos privadamente a ciertos “inversionistas calificados”, identificados como tal en dicha norma (y que a su vez están descritos en la Norma de Carácter General N°216 de la Superintendencia de Valores y Seguros de fecha 12 de junio de 2008).

Notice to Prospective Investors in Hong Kong

The notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is

directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in Japan

The notes offered in this offering memorandum have not been and will not be registered under the Financial Instruments and Exchange Law of Japan. The notes have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan (including any corporation or other entity organized under the laws of Japan), except (i) pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

Notice to Prospective Investors in Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the notes pursuant to an offer made under Section 275 of the SFA except:
- to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
- where no consideration is or will be given for the transfer; or
- where the transfer is by operation of law.

Notice to Prospective Investors in Panama

The notes and the information contained in this offering memorandum have not been registered with or approved by the Panamanian National Securities Commission (Superintendencia del Mercado de Valores de Panamá) or the Panamanian Stock Exchange (Bolsa de Valores de Panamá, S.A.). Accordingly, the notes cannot be offered or sold in Panama, except in transactions exempted from the registration requirements of the securities laws and regulations of Panama.

Notice to Prospective Investors in Canada

The notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus supplement (including any amendment thereto) contains a misrepresentation, *provided* that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

General

No action has been taken by the Issuer or by the sole global coordinator and book runner that would, or is intended to, permit a public offer of the notes in any country or jurisdiction where any such action for that purpose is required.

Accordingly, the sole global coordinator and book runner has undertaken that it will not, directly or indirectly offer or sell any notes or distribute or publish any offering memorandum, this offering memorandum, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of notes by it will be made on the same terms.

TRANSFER RESTRICTIONS

As a result of the following restrictions, purchasers of notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such notes.

The notes are subject to restrictions on transfer as summarized below. By purchasing notes, you will be deemed to have made the following acknowledgements, representations to and agreements with the Issuer and the Initial Purchaser:

- (1) You acknowledge that:
 - (i) the notes have not been registered under the Securities Act or any other securities laws and are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws; and
 - (ii) the notes may not be offered, sold or otherwise transferred except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws, and, if applicable, in compliance with the conditions for transfer set forth in paragraph (4) below.
- (2) You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of the Issuer's, that you are not acting on behalf of the Issuer and that either:
 - (i) you are a qualified institutional buyer (as defined in Rule 144A under the Securities Act) and are purchasing the notes for your own account or for the account of another qualified institutional buyer, and you are aware that the Initial Purchaser is selling the notes to you in reliance on Rule 144A; or
 - (ii) you are not a U.S. person (as defined in Regulation S under the Securities Act) or purchasing for the account or benefit of a U.S. person and you are purchasing notes in an offshore transaction in accordance with Regulation S.
- (3) You acknowledge that neither the Issuer nor the Initial Purchaser nor any person representing the Issuer or the Initial Purchaser has made any representation to you with respect to the Issuer or the offering of the notes, other than the information contained in this offering memorandum. You represent that you are relying only on this offering memorandum in making your investment decision with respect to the notes. You agree that you have had access to such financial and other information concerning the Issuer and the notes as you have deemed necessary in connection with your decision to purchase notes, including an opportunity to ask questions of and request information from the Issuer.
- (4) If you are a purchaser of notes pursuant to Rule 144A, you represent that you are purchasing notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the notes in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of that investor account or accounts be at all times within your or their control and subject to your or their ability to resell the notes pursuant to Rule 144A or any other available exemption from registration under the Securities Act.
- (5) You agree, and each subsequent holder of the notes by its acceptance of the notes will agree, that the notes may be offered, sold or otherwise transferred only:
 - (i) to a person who the seller reasonably believes is a qualified institutional buyer within the meaning of Rule 144A under the Securities Act purchasing for its own account or for the account of a qualified institutional buyer or buyers in a transaction meeting the requirements of Rule 144A;

- (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act; or
- (iii) pursuant to an exemption from registration under the Securities Act (if available).

As a condition to registration of transfer of the notes pursuant to the exemption referred to in clause (iii) above, the Issuer or the Indenture Trustee may require delivery of any documents or other evidence that the Issuer or the trustee each, in the Issuer's or the Trustee's discretion, deems necessary or appropriate to evidence compliance with such exemption, and, in each case, in accordance with the applicable securities laws of the states of the United States and other jurisdictions.

(6) You also acknowledge that:

- (i) the above restrictions on resale are expected to apply from the issue date until the issuer decides to remove the below legend (in the case of Restricted Global Notes) or 40 days (in the case of Regulation S Global Notes) after the later of the issue date and the last date that the Issuer or any of its affiliates was the owner of the notes or any predecessor of the notes (the "resale restriction period"), and will not apply after the applicable resale restriction period ends;
- (ii) each Restricted Global Note will contain a legend substantially to the following effect:

NEITHER THIS GLOBAL NOTE NOR ANY BENEFICIAL INTEREST HEREIN HAS BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). NEITHER THIS GLOBAL NOTE NOR ANY BENEFICIAL INTEREST HEREIN MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER OR BUYERS IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (IF AVAILABLE) AND, IN EACH CASE, IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS. AS A CONDITION TO REGISTRATION OF TRANSFER OF THIS GLOBAL NOTE PURSUANT TO CLAUSE (3) ABOVE, AUTOPISTAS DEL SOL, S.A. OR THE TRUSTEE MAY REQUIRE DELIVERY OF ANY DOCUMENTS OR OTHER EVIDENCE THAT IT, IN ITS DISCRETION, DEEMS NECESSARY OR APPROPRIATE TO EVIDENCE COMPLIANCE WITH THE EXEMPTION REFERRED TO IN CLAUSE (3). THIS LEGEND MAY BE REMOVED SOLELY IN THE DISCRETION AND AT THE DIRECTION OF AUTOPISTAS DEL SOL, S.A.

EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREE THAT EITHER (i) THE PURCHASER IS NOT ACQUIRING OR HOLDING SUCH NOTE OR INTEREST THEREIN WITH THE ASSETS OF (A) ANY EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT ("ERISA"), (B) A "PLAN" TO WHICH SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE (THE "CODE") APPLIES, (C) ANY ENTITY DEEMED UNDER ERISA TO HOLD "PLAN ASSETS" OF EITHER OF THE FOREGOING BY

REASON OF AN EMPLOYEE BENEFIT PLAN OR PLAN'S INVESTMENT IN SUCH ENTITY OR (D) A GOVERNMENTAL PLAN, CHURCH PLAN OR NON-U.S. PLAN; OR (ii) THE ACQUISITION AND HOLDING OF SUCH NOTE OR INTEREST THEREIN BY THE PURCHASER WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF ANY U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAWS THAT REGULATE INVESTMENTS BY GOVERNMENTAL PLANS, CHURCH PLANS OR NON-U.S. PLANS.

- (iii) each Regulation S global note will contain a legend substantially to the following effect:

NEITHER THIS GLOBAL NOTE NOR ANY BENEFICIAL INTEREST HEREIN HAS BEEN REGISTERED UNDER THE SECURITIES ACT. NEITHER THIS GLOBAL NOTE NOR ANY BENEFICIAL INTEREST HEREIN MAY BE OFFERED, SOLD OR DELIVERED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON, UNLESS THIS GLOBAL NOTE IS REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS THEREOF IS AVAILABLE. THIS LEGEND WILL BE REMOVED 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THIS GLOBAL NOTE AND THE ORIGINAL ISSUE DATE HEREOF.

EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST HEREIN SHALL BE DEEMED TO HAVE REPRESENTED, WARRANTED AND AGREE THAT EITHER (i) THE PURCHASER IS NOT ACQUIRING OR HOLDING SUCH NOTE OR INTEREST THEREIN WITH THE ASSETS OF (A) ANY EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT ("ERISA"), (B) A "PLAN" TO WHICH SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE (THE "CODE") APPLIES, (C) ANY ENTITY DEEMED UNDER ERISA TO HOLD "PLAN ASSETS" OF EITHER OF THE FOREGOING BY REASON OF AN EMPLOYEE BENEFIT PLAN OR PLAN'S INVESTMENT IN SUCH ENTITY OR (D) A GOVERNMENTAL PLAN, CHURCH PLAN OR NON-U.S. PLAN; OR (ii) THE ACQUISITION AND HOLDING OF SUCH NOTE OR INTEREST THEREIN BY THE PURCHASER WILL NOT CONSTITUTE OR RESULT IN A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF ANY U.S. FEDERAL, STATE, LOCAL OR NON-U.S. LAWS THAT REGULATE INVESTMENTS BY GOVERNMENTAL PLANS, CHURCH PLANS OR NON-U.S. PLANS.

- (7) You understand that the notes will be represented by one or more Restricted Global Notes and one or more Regulation S Global Notes, and that certification requirements may apply before an interest in one global note may be transferred to a person who takes delivery in the form of an interest in the other global note.
- (8) You acknowledge that the Issuer, the Initial Purchaser and others will rely upon the truth and accuracy of the above acknowledgments, representations and agreements. You agree that if any of the acknowledgments, representations or agreements you are deemed to have made by your purchase of notes is no longer accurate, you will promptly notify the Issuer and the Initial Purchaser. If you are purchasing any notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those

accounts and that you have full power to make the above acknowledgments, representations and agreements on behalf of each account.

Furthermore, you will be deemed to have represented and agreed with the Issuer and the Initial Purchaser that either: (1) no assets of any employee benefit plan that is subject to Title I of ERISA, or of any plan to which Section 4975 of the Code applies or any entity deemed to hold assets of the foregoing or of any non-U.S., governmental or church plan have been or will be used to acquire or hold such notes or an interest therein; or (2) the acquisition and holding of such notes or an interest therein do not and will not constitute or give rise to a non-exempt prohibited transaction under ERISA or the Code or a violation of any federal, state, local or non-U.S. laws governing the investment and management of the assets of any non-U.S., governmental or church plan which contain fiduciary and prohibited transaction requirements similar to those under Title I of ERISA and Section 4975 of the Code.

LEGAL MATTERS

Certain legal matters will be passed upon for the Issuer by Jones Day, as to U.S. federal and New York law, and by BLP, as to Costa Rican law. Certain legal matters will be passed upon for the Initial Purchaser by Clifford Chance US, LLP, as to U.S. federal and New York law and by Consortium Legal-Costa Rica, as to Costa Rican law.

INDEPENDENT AUDITORS

The Issuer's financial statements as of and for the years ended December 31, 2016, 2015 and 2014 included in this offering memorandum have been audited by Deloitte & Touche, S.A., independent auditors, as stated in their report appearing herein.

EXPERTS

The information included in “Summary of the Traffic Consultant’s Report” and “Appendix A” in this offering memorandum regarding the analysis of historical traffic, traffic forecast and other traffic related information is based on the report titled “Traffic and Revenue Update Autopista del Sol (Costa Rica)” by Diadro Consulting España, S.L. This information is included in this offering memorandum in reliance upon the authority of that firm as experts in transport studies, including transport modeling, infrastructure analysis and transport planning for public and private clients in Latin America, Europe, Middle East and Africa.

The information included in “Summary of the Independent Engineer’s Report” and “Appendix B” in this offering memorandum regarding the condition of the Toll Road and compliance with the Concession Agreement is based on the report titled “Technical Report of the Route 27 Concession. Section: San José – Caldera” by Técnica y Proyectos, S.A. This information is included in this offering memorandum in reliance upon the authority of that firm as experts in infrastructure projects in the field of transport among other, assisting their clients in the development of such projects from concept to completion for public, private and institutional clients in the Americas, Europe, Africa, Asia and the Middle East.

The information included in “Summary of the Insurance Consultant’s Report” and “Appendix C” in this offering memorandum regarding the condition of the Toll Road and compliance with the Concession Agreement is based on the report titled “Ruta 27 Concession – Autopistas del Sol, S.A.” by Marsh S.A. This information is included in this offering memorandum in reliance upon the authority of that firm as global experts in insurance broking and risk management in the fields of infrastructure and transportation working with their clients to define, design, and deliver solutions to better quantify and manage risk.

INDEX TO FINANCIAL STATEMENTS

	<u>Page</u>
Autopistas del Sol, S.A.	
Unaudited Condensed Interim Financial Statements as of March 31, 2017 and for the Three-Month Periods Ended March 31, 2017 and 2016	
Unaudited Condensed Interim Statements of Financial Position as of March 31, 2016.....	F-2
Unaudited Condensed Interim Statements of Profit or Loss and Other Comprehensive Income for the Three-Month Periods ended March 31, 2017 and 2016.....	F-4
Unaudited Condensed Interim Statements of Changes in Equity for the Three-Month Periods ended March 31, 2017 and 2016.....	F-5
Unaudited Condensed Interim Statements of Cash Flows for the Three-Month Periods ended March 31, 2017 and 2016.....	F-6
Notes to the Financial Statements.....	F-7
Autopistas del Sol, S.A.	
Audited Financial Statements as of December 31, 2016, 2015 and 2014 and for the Years Ended December 31, 2016, 2015 and 2014:	
Independent Auditors' Report	F-21
Statements of Financial Position as of December 31, 2016, 2015 and 2014	F-24
Statements of Profit or Loss and Other Comprehensive Income for the Years Ended December 31, 2016, 2015 and 2014	F-26
Statements of Changes in Equity for the Years Ended December 31, 2016, 2015 and 2014	F-27
Statements of Cash Flows for the Years Ended December 31, 2016, 2015 and 2014	F-28
Notes to the Financial Statements.....	F-29

AUTOPISTAS DEL SOL, S.A.**UNAUDITED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2017 AND DECEMBER 31, 2016**
(Expressed in US Dollars)

ASSETS	Notes	March 31, 2017	December 31, 2016
CURRENT ASSETS:			
Cash and cash equivalents	1, 2	12,178,061	5,093,750
Restricted cash	3	28,029,292	28,029,292
Accounts receivable	4	516,295	362,580
Accounts receivable from related parties	1, 13	2,001	1,916
Notes receivable	1, 5	-	104,101
Inventory		112,097	114,787
Prepaid disbursements	1, 6	1,853,446	1,408,507
Current portion of financial assets - concession agreement	1, 8	78,425,673	72,816,815
Total current assets		121,116,865	107,931,748
VEHICLE, FURNITURE, AND EQUIPMENT – Net	1, 7	1,765,337	1,816,602
FINANCIAL ASSETS - Concession Agreement	1, 8	285,190,537	290,222,096
OTHER ASSETS - Net		268,543	286,199
Total non-current assets		287,224,417	292,324,897
TOTAL		408,341,282	400,256,645

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

AUTOPISTAS DEL SOL, S.A.

**UNAUDITED CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2017 AND DECEMBER 31, 2016**

(Expressed in US Dollars)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	March 31, 2017	December 31, 2016
CURRENT LIABILITIES:			
Current portion of the long-term Debt	17	18,432,778	18,432,778
Accounts payable	1, 9	750,580	5,344,681
Accounts payable to related parties	13	1,564,866	1,574,094
Accumulated expenses	1, 10	7,191,387	3,606,204
Income tax payable	1	2,336,722	2,708,647
Total current liabilities		30,276,333	31,666,404
LONG-TERM LIABILITIES:			
Long-Term Debt	17	185,554,608	185,554,608
Deferred Income Tax	1, 11	40,095,506	39,118,638
Other financial liabilities	1, 18	18,428,715	17,837,840
Total liabilities		274,355,162	274,177,490
SHAREHOLDERS' EQUITY:			
Capital stock	15	2,500,000	2,500,000
Additional capital contributions	15	58,000,000	58,000,000
Legal reserve	1, 15	500,000	500,000
Retained earnings		85,886,220	77,565,643
Cash flow hedge - other comprehensive income (accumulated)	1, 18	(12,900,100)	(12,486,488)
Total shareholders' equity		133,986,120	126,079,155
TOTAL		408,341,282	400,256,645

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

AUTOPISTAS DEL SOL, S.A.

UNAUDITED CONDENSED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2017 AND 2016

(Expressed in US Dollars)

	Notes	2017	2016
CONSTRUCTION INCOME	1	50,188	369,735
FINANCIAL INCOME - Concession Agreement	1, 8	14,545,051	14,010,164
OPERATING AND MAINTENANCE INCOME	1	5,104,656	5,105,181
Total operating income		19,699,895	19,485,080
CONSTRUCTION COSTS	1	(50,188)	(369,735)
OPERATING EXPENSES	12	(4,787,455)	(5,373,781)
OPERATING PROFIT		14,862,252	13,741,564
INTEREST AND EXPENSES FEES		(3,535,558)	(3,740,214)
FINANCIAL INCOME		156,751	221,757
OTHER INCOME - Net	14	224,099	93,524
EXCHANGE RATE DIFFERENCE - Net		9,850	(71,973)
EARNINGS BEFORE INCOME TAX		11,717,394	10,244,658
INCOME TAX	1, 11	(3,396,817)	(2,940,830)
NET PROFIT		8,320,577	7,303,828
OTHER COMPREHENSIVE INCOME:			
<u>Items that could be subsequently reclassified to the result of the period:</u>			
Cash flow hedge		(590,874)	(4,972,166)
Deferred income tax	11	177,262	1,491,650
Cash flow hedge - net		(413,612)	(3,480,516)
NET PROFIT AND OTHER COMPREHENSIVE INCOME OF THE PERIOD		7,906,964	3,823,312

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

AUTOPISTAS DEL SOL, S.A.

UNAUDITED CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2017 AND 2016

(Expressed in US Dollars)

	Notes	Capital Stock	Additional Capital Contributions	Legal Reserve	Retained Earnings	Cash Flow Hedge - Other Comprehensive Income (Accumulated)	Total Equity
BALANCES AS OF DECEMBER 31, 2015		2,500,000	58,000,000	500,000	80,917,567	(17,382,063)	124,535,504
Declared and paid dividends	15						-
Comprehensive income of the period	18				7,303,828	(3,480,516)	3,823,312
BALANCES AS OF MARCH 31, 2016		2,500,000	58,000,000	500,000	88,221,395	(20,862,579)	128,358,816

	Notes	Capital Stock	Additional Capital Contributions	Legal Reserve	Retained Earnings	Cash Flow Hedge - Other Comprehensive Income (Accumulated)	Total Equity
BALANCES AS OF DECEMBER 31, 2016		2,500,000	58,000,000	500,000	77,565,643	(12,486,488)	126,079,155
Declared and paid dividends	15						-
Comprehensive income of the period	18				8,320,577	(413,612)	7,906,965
BALANCES AS OF MARCH 31, 2017		2,500,000	58,000,000	500,000	85,886,220	(12,900,100)	133,986,120

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

AUTOPISTAS DEL SOL, S.A.

**UNAUDITED CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2017 AND 2016**
(Expressed in US Dollars)

	Notes	<u>2017</u>	<u>2016</u>
OPERATING ACTIVITIES			
Net profit		8,320,577	7,303,828
<u>Adjustments to reconcile the net profit with the net cash provided by (used in) the operating activities:</u>			
Income tax expense	11	2,242,687	1,538,025
Depreciation	12	99,256	73,610
Amortization	12	17,656	10,687
Loss (profit) in disposal of assets		29,946	
Deferred income tax	11	1,154,130	1,402,805
Financial expense		3,535,558	3,740,214
<u>Movements in working capital:</u>			
Accounts receivable and Notes receivable		(49,699)	(347,665)
Inventory		2,689	6,703
Prepaid expenses		(444,939)	1,811,798
Accounts payable		(4,603,329)	(4,353,743)
Notes receivable			312,303
Accumulated expenses		49,626	(1,284,740)
Financial assets - concession agreement	8	(577,299)	(1,870,566)
<u>Cash provided by the operating activities</u>		9,776,859	8,343,259
Income tax paid		(2,614,611)	(1,611,398)
Paid interest		-	-
Net cash provided by the operating activities		7,162,248	6,731,861
INVESTMENT ACTIVITIES			
Acquisition of fixed assets	7	(77,937)	(152,974)
Other assets		-	(38,316)
Net cash used in the investment activities		(77,937)	(191,290)
FINANCING ACTIVITIES			
Declared and paid dividends		-	-
Amortization of debt		-	-
Net cash used in the financing activities		-	-
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		7,084,311	6,540,571
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		5,093,750	40,566,676
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		12,178,061	47,107,247

The accompanying notes are an integral part of these condensed interim financial statements.

AUTOPISTAS DEL SOL, S.A.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2017 AND FOR THE YEAR ENDED DECEMBER 31, 2016

(Expressed in US Dollars)

1. NATURE OF BUSINESS, BASIS OF PRESENTATION, AND MAIN ACCOUNTING POLICIES

Nature of Business - Autopistas del Sol, S.A. (“the Company”) is an entity organized according to the commercial laws of Costa Rica, specifically under the provisions of Article No.31 of the General Concession Law for Public Works (Law No.7762). The Company is organized as a corporation that belongs to the following shareholders: PI Promotora de Infraestructuras, S.A. (35%), SyV Concesiones, S.A. (formerly Itinere Costa Rica, S.A.) (35%), Infraestructura SDC Costa Rica, S.A. (17%), and M&S DI-M&S Desarrollos Internacionales, S.A. (13%). The Company’s ultimate shareholders are the USS, OPTrust, and PGGM funds, after the sale of the concessionaire denominated Globalvía by FCC and Bankia in 2016. The Company’s objective is to execute and develop the Public Works Concession Agreement of the “San José – Caldera” route, awarded to a third party by the Government of Costa Rica, through public bid No.01-98, promoted by the National Concessions Board of the Ministry of Public Works and Transportation (MOPT, for its name in Spanish). Under the express authorization of the Government of Costa Rica, on March 9, 2006, the former awardee assigned the contract mentioned above to the business consortium formed by the previously mentioned companies (Autopistas del Sol.). The Company is domiciled in Escazú, next to the Autopista Próspero Fernández toll.

On January 8, 2008, the Company received the contract initiation order by the National Concessions Board, and the construction stage of the San José - Caldera highway started. The construction stage was completed on January 27, 2010, and at this moment, the exploitation stage started (toll collection) for all the highway sections.

These financial statements have been prepared only for their inclusion in the Offering Memorandum to be prepared by the Company in connection with the proposed offering of senior secured notes. These financial statements are an English translation of and were derived from (i) the Company’s financial statements as of March 31, 2017 (ii) the Company’s financial statements as of March 31, 2017, originally issued and approved by the Company’s management on May 3, 2017.

Basis of Presentation - The condensed interim financial statements corresponding to the three month period ended March 31, 2017 have been prepared according to IAS 34, “Interim Financial Reporting,” and they should be read along with the annual report for the year ended December 31, 2016, prepared in accordance with the International Financial Reporting Standards (IFRS.)

Accounting Policies - Except for the following, the accounting policies that have been applied are consistent with those applied in the annual report of 2015.

Taxes earned on results of the interim periods are calculated in function of the tax rate applicable to the foreseen annual income.

Application of New and Revised International Financial Reporting Standards (IFRS)

The amendments to the International Financial Reporting Standards are consistent with those applied in the annual report for the year 2016, no additional accounting standards have been applied as of March 31, 2017

NEW AND REVISED IFRSs IN ISSUE BUT NOT YET EFFECTIVE

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective, they are consistent with those applied in the annual report for the year 2016:

- *IFRS 9 Financial Instruments.*
- *IFRS 15 Revenue from Contracts with Customers.*
- *IFRS 16 Leases.*
- *Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or joint Venture.*
- *Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions.*

2. CASH AND CASH EQUIVALENTS

As of March 31, 2017 and December 31, 2016, cash and cash equivalents were broken down as follows:

	March 31, 2017	December 31, 2016
Cash on hand and due from banks	12,119,949	5,035,638
Cash equivalents	58,112	58,112
<u>Total</u>	<u>12,178,061</u>	<u>5,093,750</u>

As of March 31, 2017 and December 31, 2016, cash and cash equivalents included certificates of deposit at Banco de Costa Rica.

3. RESTRICTED CASH

The restricted cash for the years ended March 31, 2017 and December 31, 2016:

	March 31, 2017	December 31, 2016
Allowance for long-term debt	13,811,914	13,811,914
Allowance for maintenance	5,036,267	5,036,267
Allowance for operation and maintenance (Complementary Agreement No.1)	804,233	804,233
Allowance for investment of the project	451,878	451,878
Others	7,925,000	7,925,000
<u>Total</u>	<u>28,029,292</u>	<u>28,029,292</u>

The account denominated allowance for long-term debt is related to the “Fideicomiso Irrevocable de Garantía y Administración de Cuentas del Proyecto de Concesión San José - Caldera” (Irrevocable Account Management and Guarantee Trust Agreement of the San José-Caldera Concession Project Accounts) (Note 16). The objective of this is to reserve the amounts to be paid in the short-term of the bank operation, in order to comply with the Loan Agreement (Note 17). These funds earned interest at a rate of 1.75% per annum in 2017 and 2016.

The objective of the allowance for maintenance is to reserve the maintenance investment to be paid in accordance with the concession contract and the Base Case during the operating period.

The objective of the allowance for operation and maintenance (Complementary Agreement No.1) is to reserve the estimated amounts to be received from the Grantor. These amounts are related to the routine operation, maintenance and the periodic and deferred maintenance.

The allowance for investment of the project corresponds to restricted balances in the Last Disposal bank account, in order to comply with the provision set forth in the Loan Agreement (Note 17). These funds are allocated to additions made in the concession project.

Other reserves include the amount agreed in the contract for “declaration of commissioning and other agreements”, which will remain in any case unavailable for the entire life of the bank loan. This amount will be available only for the payment of the Debt Service at any fiscal year.

4. ACCOUNTS RECEIVABLE

Accounts receivable mainly include accrued and uncollected interest on bank deposits held (Note 2 and 3), exemptions from fuels and asphalts, sales taxes to be recovered and balances receivable from the Grantor.

5. NOTES RECEIVABLE

Notes receivable correspond to the balance receivable from the Association of Engineers and Architects for wrong charges in previous periods. The following note condensed the formal document signed between the parties as an agreement:

	March 31, 2017	December 31, 2016
Short term	-	104,101
Total	-	104,101

The pending amount at 31 December 2016, was collected in February 2017.

6. PREPAID EXPENSES

The detail of the prepaid expenses is the following:

	March 31, 2017	December 31, 2016
Construction companies and repairs	563,898	349,520
Insurance	425,779	109,174
Others	863,769	949,813
Total	1,853,446	1,408,507

7. VEHICLES, FURNITURE, AND EQUIPMENT - NET

The detail as of March 31, 2017 and December 31, 2016 of vehicles, furniture, and equipment is the following

	March 31, 2017	December 31, 2016
Vehicles	1,528,662	1,552,530
Office furniture and equipment	882,261	876,760
Computer equipment	808,784	763,671
Subtotal	<u>3,219,707</u>	<u>3,192,961</u>
Vehicle depreciation	(882,311)	(864,011)
Depreciation of office furniture and equipment	(330,786)	(305,214)
Depreciation of computer equipment	(241,273)	(207,134)
Less: Accumulated depreciation	<u>(1,454,370)</u>	<u>(1,376,359)</u>
Net	<u>1,765,337</u>	<u>1,816,602</u>

For both periods, the sum of US\$84,668 corresponding to vehicles, furniture, and equipment, is given as pledge guarantee under the financing agreement (Note 17) entered on December 20, 2007 with the Banco Centroamericano de Integración Económica (BCIE) and Bankia SAU.

The movement of the vehicles, furniture, and equipment account during the period between January 1st and March 31, 2017 and 2016:

	March 31, 2017	March 31, 2016
Initial balance	1,816,602	1,456,221
Additions	77,937	152,974
Disposals - cost	(51,192)	
Disposals - accumulated depreciation	21,246	
Depreciation expense	(99,256)	(73,610)
Final balance	<u>1,765,337</u>	<u>1,535,585</u>

8. FINANCIAL ASSET - CONCESSION AGREEMENT

The detail of the financial asset account balance is the following:

	Note	March 31, 2017	March 31, 2016
Initial balance		363,038,911	349,688,320
Increases resulting from construction and operation of the highway		5,154,843	5,474,916
Increase from financial income	22	14,545,051	14,010,164
Charges through toll collection and Complementary Agreement No.1		(19,122,595)	(17,517,786)
Total		<u>363,616,210</u>	<u>351,655,614</u>
Less: Current portion of financial asset		<u>(78,425,673)</u>	<u>(71,844,022)</u>
Total - Non Current Portion of Financial Asset		<u>285,190,537</u>	<u>279,811,592</u>

9. ACCOUNTS PAYABLE

Accounts payable for March 31, 2017 and December 31, 2016 include construction suppliers, service suppliers (security and toll agents) and others.

Additionally it includes the amount to be paid for Income Co-participation. At December 31, 2016, the amount owed to the Consejo Nacional de Concesiones (CNC) for this concept amounts US\$2,955,212.

10. ACCUMULATED EXPENSES

As of March 31, 2017 and December 31, 2016, the accumulated expenses are detailed as follows:

	Note	March 31, 2017	December 31, 2016
Interest payable		2,938,686	789,647
Interest payable - hedge		1,908,707	522,188
Employees' legal benefits		361,968	342,173
Provision for vacations		57,203	45,708
Provision for duty payable to Consejo Nacional de Concesiones		194,464	676,597
Provisions for related vendors	13	32,071	-
Provisions for suppliers (not billed)		1,534,277	978,141
Othes		164,011	251,750
Total		7,191,387	3,606,204

11. INCOME TAX

Review by Tax Authorities - Income tax returns for the last three fiscal years are open for review by the tax authorities. Consequently, discrepancies may arise from the application of concepts by the tax authorities that differ from those applied by the Company. The Company's tax management considers that it has properly applied the tax regulations. The tax rate in Costa Rica is 30%.

Income Tax Calculation - As of March 31, 2017, and 2016, income tax was calculated on the accounting profit using the current tax rate, deducting non-taxable income, and adding the non-deductible expenses:

	March 31, 2017	March 31, 2016
Profit before income tax	11,717,394	10,244,658
Difference between IFRIC result and tax result	(3,847,100)	(4,676,016)
Adjustments to the tax basis	(394,672)	(441,891)
Profit before tax, adjusted	7,475,622	5,126,751
Tax rate	30%	30%
Current income tax	2,242,687	1,538,025
Deferred Income Tax	1,154,130	1,402,805
Income tax	3,396,817	2,940,830

Deferred Income Tax - Deferred income tax liability originates from the financial asset related to the public works concession agreement. Deferred tax asset originates from the interest rate hedge agreement.

Deferred income tax movement is detailed as follows:

	As of March 31, 2017			March 31, 2017
	December 31, 2016	Movement Effect in Results	Movement Effect in Equity	
Effect of application - IFRIC 12	(44,469,990)	(1,154,130)	-	(45,624,120)
Hedge agreement	5,351,352	-	177,262	5,528,614
Total	(39,118,638)	(1,154,130)	177,262	(40,095,506)

	As of March 31, 2016			March 31, 2016
	December 31, 2015	Movement Effect in Results	Movement Effect in Equity	
Effect of application - IFRIC 12	(37,951,961)	(1,402,805)	-	(39,354,766)
Hedge agreement	7,449,456	-	1,491,650	8,941,106
Total	(30,502,505)	(1,402,805)	1,491,650	(30,413,660)

12. OPERATING EXPENSES

The detail of operating expenses as of March 31, 2017 and 2016:

	Note	March 31, 2017	March 31, 2016
Salaries and Social contributions		749,823	766,264
General office expense		206,796	218,221
Rentals		51,458	21,473
Depreciation	7	99,256	73,610
Amortization		17,656	10,687
Professional fees		1,133,216	1,326,327
All-risk insurance		377,173	352,901
Operation and maintenance		1,507,934	1,085,380
1% duty and other fees		328,839	387,541
Bank fees		186,445	416,610
Other operating expenses		128,859	714,767
Total		4,787,455	5,373,781

Duties (fees) also include 1% of the toll income of the period corresponding to the amount earned for adopting the Guaranteed Minimum Income plan with the National Concession Board, according to the Concession Agreement (Note 16).

Bank fees for 2016 corresponds to financial expenses directly related to the sixth novation of the loan.

13. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Balances with related parties are detailed as follows:

	March 31, 2017	December 31, 2016
<u>Short-term accounts receivable</u>		
Infraestructura SDC Costa Rica, S.A.	777	770
SyV Concesiones, S.A.	47	3
M&S Desarrollo Internacional, S.A.	792	778
Promotora de Infraestructura, S.A.	385	365
Total	2,001	1,916
<u>Accounts payable (long term and short term):</u>		
Globalvía Inversiones, S.A.	1,485,371	1,494,599
Globalvía Infraestructuras Chile, S.A.	79,495	79,495
Total	1,564,866	1,574,094
<u>Accumulated expenses</u>		
Globalvía Inversiones, S.A.	32,071	-
Total	32,071	-

Accounts receivable and payable in the short-term do not have guarantees, do not earn interest, and do not have a previously-agreed maturity date. These originate from business transactions as well as from intercompany loans.

Accumulated expenses payable correspond to sureties and the billing of professional services rendered by the Company's key staff.

Transactions with related parties are the following:

	March 31, 2017	March 31, 2016
<u>Miscellaneous fees (includes surety bonds and guarantees)</u>		
Globalvía Inversiones, S.A.	58,790	46,919
Total	58,790	46,919

Fees correspond to services provided by the Parent Company necessary for the development of the project, among these, services in the areas of construction, traffic, information systems, sureties, and legal. In addition, management services fees correspond to fees earned by the Financial Director and the Operations Director, who are expatriate employees from the Company's shareholders (the amount earned by these directors is approved by the Company's Board of Directors, and the sums paid are periodically billed to the Company by the respective employers of these persons).

14. OTHER INCOME

The 2017 and 2016 other income of the period correspond to the recovery of US dollars that were previously registered as repair and maintenance expenses for damages caused by the users, in addition to the sale of scrap and other income for the right of use of the highway.

15. CAPITAL STOCK AND ADDITIONAL CAPITAL CONTRIBUTIONS

Capital Stock - As of March 31, 2017 and December 31, 2016, capital stock amounts to US\$2,500,000, represented by 2,500,000 nominative common shares of US\$1.00 each. The totality of the shares was endorsed to guarantee the loan with Banco Centroamericano de Integración Económica (BCIE) and Bankia SAU (Note 16), and these were in a trust entered into with Scotiabank de Costa Rica, S.A. (Note 16).

Additional Capital Contributions - As of March 31, 2017 and December 31, 2016, no additional capital contributions were made by the shareholders; thus, the amount remained in US\$58,000,000 for both years.

Legal Reserve - As of March 31, 2017 and December 31, 2016, the Company reaches 20% of the legal reserve established by Costa Rican laws. Such reserve is accounted for in the moment in which the financial statements have been approved by the shareholders' Meeting.

Dividends - At March, 31 2017 and 2016, there not were dividends paid in cash and declared.

16. MAIN AGREEMENTS.

Regarding to the main agreements included in the annual report 2016, there have not been significant changes:

- ASSIGNMENT OF THE PUBLIC WORKS WITH PUBLIC SERVICE OF THE SAN JOSÉ - CALDERA HIGHWAY CONCESSION AGREEMENT (Note 17, annual report 2016).
- WORKS WITH PUBLIC SERVICE CONCESSION AGREEMENT FOR THE SAN JOSÉ CALDERA HIGHWAY (Note 18, annual report 2016).
- COMPLEMENTARY AGREEMENT No.1 TO THE PUBLIC WORKS WITH PUBLIC SERVICE CONCESSION AGREEMENT FOR THE SAN JOSÉ - CALDERA HIGHWAY (Note 19, annual report 2016).
- IRREVOCABLE ACCOUNT MANAGEMENT AND GUARANTEE TRUST FOR THE SAN JOSÉ - CALDERA CONCESSION AGREEMENT (Note 21, annual report 2016).
- AGREEMENT ON OBLIGATIONS AND COMMITMENTS UNDERTAKEN (Note 22, annual report 2016).
- AGREEMENT FOR ADDITIONAL WORKS (Note 23, annual report 2016).
- INSURANCE POLICY MANAGEMENT TRUST (Note 25, annual report 2016).
- CONSTRUCTION AGREEMENT (Note 26, annual report 2016).
- CONSTRUCTION AGREEMENT TO COMPLEMENTARY AGREEMENT No. 1 (Note 27, annual report 2016).
- AGREEMENT ENTERED INTO WITH BANCO DAVIVIENDA (Note 30, annual report 2016).
- QUICK PASS OPERATION AGREEMENT ENTERED INTO WITH ETC PEAJE ELECTRÓNICO, S.A. (Note 31, annual report 2016).

17. FINANCING AGREEMENT

On December 20, 2007, Autopistas del Sol, S.A. entered into a loan agreement with Bankia SAU and Banco Centroamericano de Integración Económica (BCIE), in order to finance the construction and liquidity (section C for US\$14.6 million) of the San José - Caldera highway, for the sum of US\$260,786,294.

The balances owed for financing are the following:

	March 31, 2017	December 31, 2016
Banco Centroamericano de Integración Económica (BCIE)	133,034,614	133,034,614
Bankia SAU	70,952,772	70,952,772
Total	203,987,386	203,987,386
Less: Current portion of the long- term debt	(18,432,778)	(18,432,778)
Total long term debt	185,554,608	185,554,608

A detail of the annual maturities of the long-term debt is shown as follows:

	March 31, 2017	December 31, 2016
Current	18,432,778	18,432,778
Non-current	185,554,608	185,554,608
Total	203,987,386	203,987,386

As of March 31, 2017, there have not been changes in relation to the terms and characteristics of the financing agreement.

18. MASTER AGREEMENT FOR FINANCIAL TRANSACTIONS (HEDGE AGREEMENT)

On December 20, 2007, the Company entered into a Master Agreement for Financial Transactions with Bankia SAU, which objective was to establish an interest rate swap hedge agreement. By means of this agreement, the Company established with such entity a hedge transaction at a fixed interest rate of 4.915%. In such way that, regardless of how LIBOR rate behaves at six-month rate (the rate agreed in the loan operation - Note 19, the Company will pay the fixed established rate.) The start date of such agreement is January 10, 2008 and expires on November 30, 2023. As of March 31, 2017 and December 31, 2016, the balances of US\$ 18,428,715 and US\$ US\$17,837,840, respectively, in the other financial liabilities account correspond to fair value of liability that results from the previously mentioned hedge agreement.

The fair value of the interest rate swaps at the end of the reporting period is determined discounting the future cash flows by using the curves at the end of the reporting period and the credit risk inherent in the agreement.

The following table details the notional capital amounts and the remaining terms of the interest rate contract pending as of the end of the reporting periods (figures in thousands):

	Fixed Interest Rate Agreed	March 31, 2017		December, 2016	
		Notional Value of Capital	Fair Value	Notional Value of Capital	Fair Value
1 year or less	4.92%	152,991	4,571	152,991	4,389
From 1 to 2 years	4.92%	139,166	3,796	139,166	3,840
From 2 to 5 years	4.92%	129,020	9,058	129,020	7,262
5 or more years	4.92%	85,871	1,004	85,871	2,347
Hedge agreement			18,429		17,838

Interest rate swap is paid every six months.

This contract is under Level 2 Fair Value hierarchy, which is the use of the discounted cash flow. Future cash flows are estimated in function of interest rates of futures contracts (yield curves observable as of the end of the reporting period) and contract interest rates discounted at a rate that reflects the credit risk of different counterparts.

The interest rate swap agreement through which variable interest rate amounts are exchanged for interest amounts at a fixed rate are denominated cash flow hedges, in order to reduce the Company's cash flow exposure which results from the variable interest rate on loans.

19. GUARANTEES

According to the terms of the Concession Agreement (Note 16), the Concessionaire must provide the following bonds:

- a. **Performance Guarantee** - As of December 31, 2007, the Concessionaire had granted a performance bond for US\$6,250,000 to the National Concession Board. On January 23, 2008, the National Concession Board returned this performance bond, which expired when the start order for the works was issued.
- b. **Construction Guarantee** - Addendum No.5 signed on October 4, 2007 states that the construction bond must cover 10% of the investment in civil works of the project. The estimated cost of the investment in civil works approved by the National Concession Board was US\$229,900,000. The bond amounting to US\$22,992,000 was created on behalf of the National Concession Board on December 31, 2007. This bond was provided by Constructora San José - Caldera CSJC, S.A., pursuant to the construction agreement (Note 16). As of the date of financial statements, all the construction bonds had been returned.
- c. **Operation Guarantee** - Operation bonds will have the same validity term as the operation period. As of December 31, 2016 and March 31, 2017, the Company will extend the operation bonds, which have been assumed by the Company's shareholders.

As of March 31, 2017, the aforementioned bonds will be in the amount of US\$276,600 (US\$26,400 of the Complementary Agreement, US\$46,300 of Sector I, US\$126,400 of Sector II and US\$77,500 of Sector III), an amount notified by the National Concession Board and which expires on April 29, 2017.

- d. **Environmental Guarantee** - On December 4, 2007, an environmental guarantee was furnished on behalf of the Ministry of Energy and Mines (MINAE) in the amount of US\$1 million, which was provided by Constructora San José - Caldera CSJC, S.A., pursuant to the construction agreement (Note 26g). During 2011, the environmental guarantee was adjusted by MINAE to US\$2.3 million; as of December 31, 2016, such amount is kept as a guarantee that expires on May 7, 2017.

- e. **Other Guarantees** - Guarantee in favor of the Consejo Nacional de Concesiones amounting US\$ 446,937 as a requirement to qualify for the Guaranteed Minimum Income mechanism for 2017. Additionally the Company has also provided for a total of US \$ 174,478, related to works to be executed detailed in Addendum No.6.

The detail of the guarantees is the following:

	Bond	Maturity
Section I	US\$ 46,300	29-Abr-17
Section II	126,400	29-Abr-17
Section III	77,500	29-Abr-17
Complementary Agreement	26,400	29-Abr-17
Environment	2,300,000	07-May-17
Guaranteed Minimum Income 2017	446,937	31-Dic-17
Addendum 6	<u>174,478</u>	31-May-17
Total	<u>US\$3,198,015</u>	

The Company has signed a contract with Banco de Costa Rica to secure obligations for the account of third parties and to comply with filing the guarantees required by the Concession Agreement and others within the Company's ordinary course of business. The maximum amount of such agreement is US\$10,000,000 with 1% annual commission on the amount of each of the guarantees issued to secure the contract, with maturity in April 2020.

20. FINANCIAL INSTRUMENTS

A summary of the main disclosures regarding the financial instruments is the following:

FINANCIAL INSTRUMENT CATEGORIES

As of March 31, 2017 and December 31, 2016, the Company's financial instruments consist of the following:

	March 31, 2017	December 31, 2016
Cash	12,119,949	5,035,638
<u>Financial assets (valued at fair value):</u>		
Restricted cash	28,029,292	28,029,292
Financial assets (valued at amortized cost):		
Cash equivalents	58,112	58,112
Accounts receivable	516,295	362,580
Accounts receivable from related companies	2,001	1,916
Notes receivable	-	104,101
Financial asset - concession agreement	<u>363,616,210</u>	<u>363,038,911</u>
Total	<u>404,341,859</u>	<u>396,630,550</u>
Financial liabilities:		
At amortized cost	<u>106,302,832</u>	<u>210,906,161</u>

A summary of the main risks associated to the previously mentioned financial instruments, as well as the way in which the Company is managing the risks, is presented as follows:

- a. **Credit Risk** - The financial instruments that may potentially subject the Company to credit risk consist mainly of cash, restricted cash, cash equivalents, held-to-maturity investments, and accounts receivable. Cash, cash and cash equivalents, restricted cash, and held-to-maturity investments are kept at sound financial institutions, are payable on demand, and generally pose a minimum risk. The accounts receivable are mainly with government agencies and with related companies that do not present any risks for their recovery based on the Company's previous experience with these entities.
- b. **Liquidity Risk** - The Company requires of liquid funds for its normal operation. For these purposes, the Company receives on a daily basis liquidity through toll collection. The Company constantly monitors its cash flows and analyzes its matched maturities, in order to attend to any short and mid-term obligation.
- c. **Interest Rate Risk** - The loan obtained for financing the works has been acquired at fluctuating interest rates (Libor rate plus a margin.) Consequently, the Company is exposed to risk of variations in such interest rate, which effect can be significant in the Project's operations. In order to be protected from this risk, the Company entered into an interest rate swap agreement (Note 18).
- d. **Exchange Rate Risk** - Most of the transactions conducted by the Company have been denominated in US dollars, and the transactions performed in Costa Rican colones (local currency) during these stages have been minimal. In addition, both the financing structure and the public works concession agreement include that most of the Company's construction and operating income and costs have been convened in this currency. Income from toll collection is received in Costa Rican colones, which is exchanged to US dollar on a daily basis, and in addition, the rate is adjusted on a quarterly basis, taking into account the exchange rate behavior. Consequently, Management considers that the Project is not exposed to exchange rate risk, except for those transactions that take place in local currency, which are not material.
- e. **Leverage Risk** - The Company manages its capital structure in order to maximize the return for its shareholders by optimizing equity and debt balance. The capital structure used consists of debt, cash and its equivalents, restricted cash, and shareholders' equity, which is included in the capital stock, additional capital contributions, reserves, retained earnings, and interest flow hedges. The Company's leverage ratio is the following:

	March 31, 2017	December 31, 2016
Bank debt	203,987,386	203,987,386
Cash and cash equivalents (includes restricted cash)	(40,207,353)	(33,123,042)
Net bank debt	<u>163,780,033</u>	<u>170,864,344</u>
Shareholders' equity	<u>133,986,120</u>	<u>126,079,155</u>
Leverage ratio	<u>122%</u>	<u>136%</u>

Restricted cash is included for debt service (Note 3).

- f. **Fair Value** - As of March 31, 2017 and December 31, 2016, the Company's financial instruments consist of the following:

	Level 1	Level 2	Level 3
<u>March 31, 2017:</u>			
<u>Assets:</u>			
Accounts receivable			516,295
Accounts receivable from related parties			2,001
Concession Agreement			363,616,210
 <u>Liabilities:</u>			
Accounts payable			750,580
Accounts payable to related parties			1,564,866
Bank loans (at amortized cost)			203,987,386
Hedge derivatives	18,428,715		
 <u>December 31, 2016:</u>			
<u>Assets:</u>			
Accounts receivable			362,580
Accounts receivable from related parties			1,916
Notes receivable			104,101
Concession Agreement			363,038,911
 <u>Liabilities:</u>			
Accounts payable			5,344,681
Accounts payable to related parties			1,574,094
Bank loans (at amortized cost)			203,987,386
Hedge derivatives	17,837,840		

21. CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities are those detailed in the annual financial statements as of December 31, 2016, on which there have not been significant changes that affect the Company's interim financial statements.

22. TOLL COLLECTION

The calculation for toll collection is the following:

	March 31, 2017	March 31, 2016
Gross toll collection	19,446,413	17,699,551
Co-participation - National Concession Board	-	-
Tolls paid to own employees	(34,611)	(38,043)
Exemptions, not under contract, granted to the Government	(289,207)	(143,722)
Net toll collection	19,122,595	17,517,786

The Company, when determining the financial asset balance, in addition to the co-participation with the National Concession Board, does not take into consideration any amounts that correspond to tolls granted to their own employees, as well as non-contractual exempted tolls granted to the Government, and this is due to the fact that it does not receive funds for these concepts.

23. SUBSEQUENT EVENTS

No subsequent events to be informed.

24. APPROVAL OF THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

The financial statements have been approved by Management, and its issue has been authorized for May 3, 2017.

* * * * *

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of
Autopistas del Sol, S.A.

Opinion

We have audited the financial statements of Autopistas del Sol, S.A. (the Company), which comprise the statement of financial position as at December 31, 2016, 2015 and 2014, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2016, 2015 and 2014, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics of the Association of Certified Public Accountants of Costa Rica and with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 14 of the financial statements, which indicates that the Company has significant transactions with related parties. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of Autopistas del Sol, S.A.

Auditor's Responsibilities for the Audit of the Financial Statements

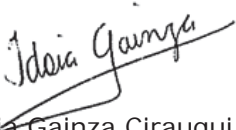
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards of Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards of Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Deloitte.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Idoia Gainza Cirauqui - C.P.A. No.4563

Insurance Policy No.0116 FIG 7

Expires: September 30, 2017

Revenue stamp of Law No.6663, for ₡1.000, adhered and paid

February 13, 2017



AUTOPISTAS DEL SOL, S.A.

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2016, 2015, AND 2014 (Expressed in US Dollars)

ASSETS	Notes	2016	2015	2014
CURRENT ASSETS:				
Cash and cash equivalents	1c, 2	5,093,750	40,566,676	52,794,101
Restricted cash	3	28,029,292	13,590,433	12,474,297
Accounts receivable	5	362,580	331,936	655,646
Accounts receivable from related parties	14	1,916	1,960	1,508
Notes receivable	6	104,101	208,203	-
Held-to-maturity investments	1d, 4	-	-	555,629
Inventory	1e	114,787	137,209	143,230
Prepaid disbursements	1f, 7	1,408,507	1,111,801	1,738,128
Current portion of financial assets - concession agreement	1k, 9	72,816,815	70,467,218	62,897,228
Total current assets		107,931,748	126,415,436	131,259,767
NOTES RECEIVABLE	6	-	104,101	-
VEHICLE, FURNITURE, AND EQUIPMENT - Net	1h, 1i, 8	1,816,602	1,456,221	1,263,226
FINANCIAL ASSETS - Concession Agreement	1k, 9	290,222,096	279,221,102	274,695,017
OTHER ASSETS - Net		286,199	286,861	172,871
Total non-current assets		292,324,897	281,068,285	276,131,114
TOTAL		400,256,645	407,483,721	407,390,881

The accompanying notes are an integral part of the financial statements.

AUTOPISTAS DEL SOL, S.A.

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2016, 2015 AND 2014 (Expressed in US Dollars)

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	2016	2015	2014
CURRENT LIABILITIES:				
Current portion of the long-term Debt	20	18,432,778	12,798,410	10,776,224
Accounts payable	10, 18j	5,344,681	3,840,092	891,824
Accounts payable to related parties	14	1,574,094	904,714	1,225,456
Accumulated expenses	1q, 11	3,606,204	4,618,295	3,503,661
Income tax payable	1j	2,708,647	1,361,193	964,254
Total current liabilities		31,666,404	23,522,704	17,361,419
LONG-TERM LIABILITIES:				
Accounts Payable to related parties- long-term		-	104,101	-
Long-Term Debt	20	185,554,608	203,987,386	216,785,796
Deferred Income Tax	1j, 12	39,118,638	30,502,505	22,284,136
Other financial liabilities	1p, 24	17,837,840	24,831,521	28,010,261
Total liabilities		274,177,490	282,948,217	284,441,612
SHAREHOLDERS' EQUITY:				
Capital stock	16	2,500,000	2,500,000	2,500,000
Additional capital contributions	16	58,000,000	58,000,000	58,000,000
Legal reserve	1n, 16	500,000	500,000	500,000
Retained earnings		77,565,643	80,917,567,	81,556,451
Cash flow hedge - other comprehensive income (accumulated)	1p, 24	(12,486,488)	(17,382,063)	(19,607,182)
Total shareholders' equity		126,079,155	124,535,504	122,949,269
TOTAL		400,256,645	407,483,721	407,390,881

The accompanying notes are an integral part of the financial statements.

AUTOPISTAS DEL SOL, S.A.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2016, 2015, AND 2014

(Expressed in US Dollars)

	Notes	2016	2015	2014
CONSTRUCTION INCOME	1/	5,075,258	1,286,169	3,225,148
FINANCIAL INCOME - Concession Agreement	1m, 9	56,040,655	51,098,003	44,034,354
OPERATING AND MAINTENANCE INCOME	1m, 1r	20,994,860	24,869,505	20,198,533
Total operating income		82,110,773	77,253,677	67,458,035
CONSTRUCTION COSTS	1/	(5,075,258)	(1,286,169)	(3,225,148)
OPERATING EXPENSES	13	(20,128,211)	(22,994,966)	(18,899,657)
OPERATING PROFIT		56,907,304	52,972,542	45,333,230
INTEREST AND EXPENSES FEES	20	(15,327,668)	(15,440,809)	(15,933,396)
FINANCIAL INCOME		995,065	946,025	1,020,292
OTHER INCOME - Net	15	981,840	456,765	417,897
EXCHANGE RATE DIFFERENCE - Net		263,253	137,418	112,436
EARNINGS BEFORE INCOME TAX		43,819,794	39,071,941	30,950,459
INCOME TAX	1j, 12	(12,871,718)	(11,710,825)	(8,767,837)
NET PROFIT		30,948,076	27,361,116	22,182,622
OTHER COMPREHENSIVE INCOME:				
<u>Items that could be subsequently reclassified to the result of the period:</u>				
Cash flow hedge	12	6,993,679	3,178,741	(2,642,966)
Deferred income tax	12	(2,098,104)	(953,622)	792,890
Cash flow hedge - net	1p	4,895,575	2,225,119	(1,850,076)
NET PROFIT AND OTHER COMPREHENSIVE INCOME OF THE PERIOD		35,843,651	29,586,235	20,332,546

The accompanying notes are an integral part of the financial statements.

AUTOPISTAS DEL SOL, S.A.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016, 2015, AND 2014**
(Expressed in US Dollars)

	Notes	Capital Stock	Additional Capital Contributions	Legal Reserve	Retained Earnings	Cash Flow Hedge - Other Comprehensive Income (Accumulated)	Total Equity
BALANCES AS OF DECEMBER 31, 2013		2,500,000	58,000,000	500,000	59,373,829	(17,757,106)	102,616,723
Comprehensive income of the period	24				22,182,622	(1,850,076)	20,332,546
BALANCES AS OF DECEMBER 31, 2014		2,500,000	58,000,000	500,000	81,556,451	(19,607,182)	122,949,269
Declared and paid dividends	16				(28,000,000)		(28,000,000)
Comprehensive income of the period	24				27,361,116	2,225,119	29,586,235
BALANCES AS OF DECEMBER 31, 2015		2,500,000	58,000,000	500,000	80,917,567	(17,382,063)	124,535,504
Declared and paid dividends	16				(34,300,000)		(34,300,000)
Comprehensive income of the period	24				30,948,076	4,895,575	35,843,651
BALANCES AS OF DECEMBER 31, 2016		2,500,000	58,000,000	500,000	77,565,643	(12,486,488)	126,079,155

The accompanying notes are an integral part of the financial statements.

AUTOPISTAS DEL SOL, S.A.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014 (Expressed in US Dollars)

	Notes	2016	2015	2014
OPERATING ACTIVITIES				
Net profit		30,948,076	27,361,116	22,182,622
<u>Adjustments to reconcile the net profit with the net cash provided by (used in) the operating activities:</u>				
Income tax expense	12	6,353,689	4,446,078	3,650,382
Depreciation	8	337,736	242,968	200,553
Amortization		55,827	70,984	109,839
Loss (profit) in disposal of assets				56,822
Deferred income tax	12	6,518,029	7,264,747	5,117,455
Financial expense		15,327,668	15,440,809	15,933,396
<u>Movements in working capital:</u>				
Accounts receivable		(30,602)	323,258	577,219
Notes receivable	6	208,203	(312,304)	-
Inventory		22,422	6,020	176,989
Prepaid expenses		(296,706)	626,328	(1,125,942)
Accounts receivable from related parties - long term				
Accounts payable		1,422,095	2,948,268	(260,114)
Accounts payable to related parties		669,380	(216,641)	15,119
Accumulated expenses		(1,430,520)	1,162,342	811,987
Financial assets - concession agreement		(13,350,591)	(12,096,075)	(7,019,200)
<u>Cash provided by the operating activities</u>		46,754,706	47,267,898	40,427,127
Income tax paid		(5,027,842)	(4,049,139)	(4,762,525)
Paid interest		(14,909,239)	(15,488,517)	(15,941,255)
Net cash provided by the operating activities		26,817,625	27,730,242	19,723,347
INVESTMENT ACTIVITIES				
Restricted cash		(14,438,859)	(1,116,136)	8,592
Held-to-maturity investments		-	555,629	(555,629)
Acquisition of fixed assets	8	(698,117)	(435,963)	(298,645)
Disposal of fixed assets		-	-	11,921
Other assets		(55,165)	(184,973)	(27,106)
Net cash used in the investment activities		(15,192,141)	(1,181,443)	(860,867)
FINANCING ACTIVITIES				
Declared and paid dividends	16	(34,300,000)	(28,000,000)	-
Amortization of debt		(12,798,410)	(10,776,224)	(8,203,432)
Net cash used in the financing activities		(47,098,410)	(38,776,224)	(8,203,432)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(35,472,926)	(12,227,425)	10,659,048
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		40,566,676	52,794,101	42,135,053
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		5,093,750	40,566,676	52,794,101

The accompanying notes are an integral part of the financial statements.

AUTOPISTAS DEL SOL, S.A.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2016, 2015, AND 2014

(Expressed in US Dollars)

1. NATURE OF BUSINESS, BASIS OF PRESENTATION, AND MAIN ACCOUNTING POLICIES

Nature of Business - Autopistas del Sol, S.A. (“the Company”) is an entity organized according to the commercial laws of Costa Rica, specifically under the provisions of Article No.31 of the General Concession Law for Concession agreement (Law No.7762). The Company is organized as a corporation that belongs to the following shareholders: PI Promotora de Infraestructuras, S.A. (35%), SyV Concesiones, S.A. (formerly Itinere Costa Rica, S.A.) (35%), Infraestructura SDC Costa Rica, S.A. (17%), and M&S DI-M&S Desarrollos Internacionales, S.A. (13%). The ultimate parent of the Company are the pension funds of USS, OPTrust and PGGM, following the sale during fiscal year 2016 from FCC and Bankia of Globalvia’s concessionary. Its objective is to execute and develop the Concession Agreement of the “San José - Caldera” route, awarded to a third party by the Government of Costa Rica, through public bid No.01-98, promoted by the National Concessions Board of the Ministerio de Obras Públicas y Transportes (MOPT). Under the authorization of the Government of Costa Rica, on March 9, 2006, the former awardee assigned the contract mentioned above to the business consortium formed by the previously mentioned companies (Autopistas del Sol). The Company is domiciled in Escazú, contiguous to the Autopista Próspero Fernández toll.

On January 8, 2008, the Company received the contract initiation order by the National Concessions Board, and the construction stage of the San José - Caldera highway started. The construction stage was completed on January 27, 2010, and at this moment, the exploitation stage (toll collection) for all the highway sections started.

These financial statements have been prepared only for their inclusion in the Offering Memorandum to be prepared by the Company in connection with the proposed offering of notes.

Basis of Presentation - The Company’s financial statements have been prepared according to the International Financial Reporting Standards (as issued by the International Accounting Standard Board).

The financial statements have been prepared on the historical cost basis. Generally, historical cost is based on the fair value of the consideration granted in exchange of goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purpose in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** - Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** - Inputs are unobservable inputs for asset or liability.

Significant Accounting Policies - The principal accounting policies used in the presentation of the financial statements are summarized as follows:

- a. **Currency and Transactions in Foreign Currency** - Management has determined that the US dollar is the Company's functional currency since income and most of the concession costs have been determined in such currency, in addition to the fact that the financing and capital required for the work are expressed in this currency. Transactions denominated in other currencies (mainly Costa Rican colones) are recorded at the exchange rates in force as of the date of the transaction, and the exchange rate differences resulting from the liquidation of assets and obligations denominated in such currencies, as well as by the adjustment of the balances as of closing date were registered as part of the cost of the project during the construction stage, and they are registered against the operating results as of the starting date of the exploitation stage. As of December 31, 2016, 2015 and 2014, the exchange rate of the Costa Rican Colon, in respect of the US dollar, was ¢561,80, ¢544,87 and ¢545,53 for selling transactions, respectively.

As of the date of financial statements, the reference exchange rate for selling transactions was ¢566,16 for US dollar.

- b. **Accounting Records** - For financial and reporting purposes, the accounting records are kept in the Company's functional currency (US dollar). For legal purposes in Costa Rica, the Company also keeps accounting records expressed in Costa Rican colones.
- c. **Cash and Cash Equivalents** - Cash and cash equivalents include the cash on hand and due from banks, demand deposits, and certificate of deposit (high liquidity), which original maturity is not greater than three months.
- d. **Held-to-Maturity Investments** - All those investments with fixed or variable collections and a fixed maturity date that the Company intends to keep until maturity and the Company has the capability to maintain until maturity. They are recorded at amortized cost.
- e. **Inventory** - Inventories are valued at the lower of cost or net realizable value, using the first in first out (FIFO) accounting method. (Net Realizable Value represents the estimated selling price for inventories less all estimated cost of completion and cost necessary to make the sale). Inventories correspond to materials purchased to repair infrastructure both for the highway and toll stations. When used, it is charged to the expense of the period.
- f. **Prepaid Expenses** - The Company records prepaid expenses, all those corresponding to a percentage of the value of the work to be acquired, demanded as advance payments by the construction companies hired to develop its additions, repairs, and maintenance of the work. These advances are applied to the final invoice of the vendor when the work or repair made is formally received.
- g. **Asset Impairment** -
- **Financial Asset Impairment** - Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

- **Tangible Asset Impairment** - Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

- h. **Vehicles, Furniture, and Equipment** - During the Company's course of operations, these assets are registered at cost less any recognized impairment loss. Such assets are classified in the proper categories of property, plant, and equipment. In case of having any case of impairment, it will be recognized in the result of the reporting period.
- i. **Depreciation** - Depreciation for vehicles, furniture, and equipment is determined using the straight-line method according to the estimated useful life of assets, as shown below:

Vehicles, Furniture, and Equipment	Depreciation Rates
Office furniture and equipment	10%
Vehicles	10%
Computer equipment	20%

- j. **Income Tax** - Income tax is determined based on the accounting profit, adjusted by non-taxable income, non-deductible expenses, and tax credits.
 - **Current Tax** - Current tax payable is based on the tax profits registered during the year. Tax profit differs from the profit reported in the statement of profit or loss and other comprehensive income due to the taxable or deductible expenses or income in other years and items that are never taxable or deductible. The Company's liability resulting from current tax is calculated using the tax rates issued or substantially approved at the end of the reporting period.
 - **Deferred Income Tax** - Deferred income tax is recognized on temporary differences existing between the carrying amount of assets and liabilities included in the financial statements and the corresponding tax based used to determine the tax profit. The

deferred tax liability represents a taxable temporary difference, and a deferred tax asset represents a deductible temporary difference. Asset or liability is not recognized if the temporary difference originates from goodwill or from the initial registration of an asset or liability (different than a business combination) that does not affect the tax or accounting profit.

Deferred income tax asset is recognized to the extent that it is likely to obtain future taxable profits.

Current and deferred taxes should be recognized in profit or loss, except when related to items of comprehensive income or directly in equity, in which case deferred or current tax is recognized in other comprehensive income or directly in equity, respectively.

The registered value of the deferred tax asset is reviewed as of the date of each financial statement, and it is adjusted if it is not likely to obtain sufficient taxable income or other sources of income that allow a full or partial recovery of the asset.

Deferred tax assets and liabilities are measured at the tax rate expected to be applied during the period in which the asset will be realized or the liability will be paid.

Deferred tax assets and liabilities are shown net since they relate to the same fiscal entity, and the Company expects to write off its tax assets and liabilities in a net form.

- k. **Financial Assets - Concession Agreement** - On November 30, 2006 the International Financial Reporting Standards Interpretations Committee (IFRIC) issued IFRIC 12 "Service Concession Arrangements".

Concession arrangements involve agreements between a contracting government agency (*Consejo Nacional de Concesiones*) and the Company to provide, in this case, the construction, operation, and maintenance service of the San José - Caldera highway (Note 18), through the exploitation of the infrastructure that has been built. In addition, income deriving from the provision of the service may be received directly from the users or the contracting entity itself, which regulates as well the prices for the provision of the service. The concessional right grants the monopoly of exploitation of the service for a specific period of time, after which the infrastructure becomes property of the contracting entity, with no consideration whatsoever.

The Company has concluded that, due to the characteristics of the concession agreement, it has a financial asset, since it has the unconditional contractual right to receive a guaranteed minimum income from the grantor.

According to IFRIC 12, there are two clearly differentiated stages to be highlighted in the concession arrangements, the first one is that the concessionaire (the Company) provides construction services that are recognized based on the progress of the work, according to IAS 11 "Construction Contracts", with a financial asset as counter item, and a second stage, where a series of maintenance and operation services for the infrastructure are provided, which will be recognized according to IAS 18 "Ordinary Revenue".

The Company recognizes the financial asset using the amortized cost method, and the corresponding income is recognized in results, according to the effective interest rate that results from the concession's cash flows projections. As previously stated, construction income and related costs are recognized in the statement of comprehensive income according to IAS 11 "Construction Contracts".

A short term portion of the financial asset is determined based on the estimated cash toll collection to be made on each operations cycle following the reporting period.

- l. **Construction Income and Costs** - Income resulting from the construction contract existing with Constructora San José Caldera CSJC, S.A. for the design and execution of works with materials supplied are recognized based on the progress of quantifiable components or tasks established each contract. Construction incomes are usually quantified by referring to the estimations, both billed and not billed, on the progress of such tasks or components and their respective unit prices. Construction costs are recognized as incurred, and they generally consist of costs directly related to a specific contract plus the applicable indirect costs. Under this accounting practice, income from contracts relate to the costs incurred to complete individual tasks or components of the contract.
- m. **Financial Income - Concession Agreement** - Financial income is recognized in the period as a result of the financial asset at the beginning of the period, at the effective interest rate determined at the moment of the initial valuation of the financial asset.
- n. **Legal Reserve** - According to current laws in Costa Rica, the Company should separate 5% of the net profits in Costa Rican colones to create and accumulate a reserve, until reaching 20% of capital stock.
- o. **Financial Instruments** - Financial assets and liabilities are recognized when the Company becomes part of the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than the financial assets and liabilities designated at fair value with changes in results) are added or deducted from the fair value of financial assets or liabilities, if applicable, at the time of initial recognition. Transaction costs directly attributable to the acquisition of financial assets or liabilities designated at fair value with changes in results are immediately recognized in profit or loss.

The financial assets kept by the Company correspond to cash and cash equivalents, restricted cash, accounts and notes receivable, and held-to-maturity investments. The classification depends on the nature and purpose of the financial assets, and it is determined at the moment of initial recognition. Regular purchases or sales are those purchases or sales of financial assets that require delivery of assets within the timeframe established by a regulation or agreement in the market's financial assets.

The effective interest rate is a method calculating the amortized cost of a financial instrument and of allocating the interest revenue or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including commission, basic interest points paid or received, transaction costs, and other premiums or discounts that are included in the effective interest rate calculation) through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the company intends to and has the capacity to keep until maturity. After the initial recognition, held-to-maturity investments are measured at amortized cost, using the effective interest method less any impairment.

Accounts and notes receivable are measured at amortized cost using the current interest method less any impairment. Interest income is recognized when applying the current interest rate, except the short-term accounts receivable when the effect of not discounting is not material.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the

transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the amount of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss. On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the amount of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

- p. **Derivative Financial Instruments** - The Company has a cash flow hedge instrument (interest rate swap), which is kept at fair value and represents a liability at the end of the period. The effective portion of changes in the fair value of this instrument in respect of the hedged risk is recorded in an equity account denominated "Cash Flow Hedge". Any ineffective portion is directly recognized in the results of the period. The amounts directly registered in equity are reversed against results in the same periods in which the hedged assets or liabilities affect the results of operation.

As of December 31, 2016, 2015, and 2014 except for the interest rate hedge agreement (Note 24), the Company had not entered into any agreement that involves derivative financial instruments, such as futures, options, and financial swaps.

- q. **Provisions** - A provision is recognized when the Company has a current (legal or implicit) obligation as a result of a past event, and it is likely that it will have to use funds of its own to pay off the obligation, and a reliable estimate of the amount can be made.

The amount recognized as provision should be the best estimate of the amount that will be needed to pay off the current obligation at the end of the reporting period, taking into account the corresponding risks and uncertainties. When a provision is measured using the estimated cash flow to pay off the current obligation, its carrying amount represents the current value of such cash flow (when the effect of the value of money throughout time is material).

When the recovery of some or all of the economic benefits required to pay off the provision are expected, an account receivable is recognized as an asset if it is highly likely that the disbursement will be received, and the amount of the account receivable can be reliably measured.

- r. **Operation and Maintenance Income** - Income which represent the operation and maintenance costs incurred by the Issuer, plus a 10% markup.

s. ***Application of New and Revised International Financial Reporting Standards (IFRS)***

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016.

- *Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception*

The Company has applied these amendments for the first time in the current year. The amendments clarify that the exemption from preparing financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS.

The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

The application of these amendments has had no impact on the Company's financial statements as the Company is not an investment entity and does not have any holding company, subsidiary associate or joint venture that qualifies as an investment entity.

- *Amendments to IFRS 11 Accounting for Acquisitions of Interests in joint Operations*

The amendments provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 *Business Combinations*. Specifically the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for joint operation.

The application of these amendments has had no impact on the Company's financial statements.

- *Amendments to IAS 1 Disclosure Initiative*

The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material.

The application of these amendments has not resulted in any impact on the financial performance or financial position of the Company.

- *Amendments to IAS 16 and IAS 38 Clarification on Acceptable Methods of Depreciation and Amortization*

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- When the intangible asset is expressed as a measure of revenue; or
- When it can be demonstrated that revenue and consumption of the economic benefits of the Intangible asset are highly correlated.

As the Company already uses the straight-line method for depreciation and amortization for its property, plant and equipment, and intangible assets respectively, the application of these amendments has had no impact on the Company's financial statements.

- **Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants**

The amendments define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

The application of these amendments has had no impact on the Company's financial statements as the Company is not engaged in agricultural activities.

- **Annual Improvements to IFRSs 2012-2014 Cycle**

The Company has applied these amendments for the first time in the current year. The *Annual Improvements to IFRSs 2012-2014 Cycle* include a number of amendments to various IFRSs, which are summarized below.

The amendments to IFRS 5 introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in IFRS 5 regarding the change of sale plan do not apply. The amendments also clarify the guidance for when held-for distribution accounting is discontinued.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to IAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The application of these amendments has had no effect on the Company's financial statements.

NEW AND REVISED IFRSs IN ISSUE BUT NOT YET EFFECTIVE

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

	New and revised IFRS	Reference
IFRS 9	Financial Instruments	I
IFRS 15	Revenue from Contracts with Customers (and the related Clarifications)	II
IFRS 16	Leases	III
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	IV
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealized Losses ⁴	I
Amendments to IAS 7	Disclosure Initiative	I
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions	II

- I Effective for annual periods beginning on or after January 1, 2017, with earlier application permitted.
- II Effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.
- III Effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.
- IV Effective for annual periods beginning on or after a date to be determined.

- *IFRS 9 Financial Instruments*

IFRS 9 - issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include: a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognized financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount Outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies) in other comprehensive income, with only dividend income generally recognized in profit or loss
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39 the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Company's management anticipate that the application of IFRS a might not have a material impact in the reported financial assets and liabilities. However, it is not practicable to provide a reasonable effect until a detail review is finalized.

- *IFRS 15 Revenue from Contracts with Customers*

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15. In April 2016, the IASB issued *Clarifications to IFRS 15* in relation to the identification of performance obligations, 11 principal versus agent considerations, as well as licensing application guidance.
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

- *IFRS 16 Leases*

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 *Leases* and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognized for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

- *Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions*

The amendments clarify the following:

- In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.
- Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to
- the tax authority, i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:

- i. the original liability is derecognised;
- ii. the equity-settled share-based payment is recognized at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and
- iii. any difference between the carrying amount of the liability at the modification date and the amount recognized in equity should be recognized in profit or loss immediately.

The amendments are effective for annual reporting periods beginning on or after January 1, 2018 with earlier application permitted. Specific transition provisions apply. The directors of the Company do not anticipate that the application of the amendments in the

future will have a significant impact on the Company's consolidated financial statements as the Company does not have any cash-settled share-based payment arrangements or any withholding tax arrangements with tax authorities in relation to share-based payments.

- *Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or joint Venture*

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognized in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Company's financial statements in future periods should such transactions arise.

- *Amendments to IAS 7 Disclosure Initiative*

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after January 1, 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Company's financial statements.

- *Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses*

The amendments clarify the following:

- Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flows;
- When an entity assesses whether taxable profits will be available against which it can utilize a deductible temporary difference, and the tax law restricts the utilization of losses to deduction against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;
- The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this; and

- In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's financial statements.

2. CASH AND CASH EQUIVALENTS

As of December 31, 2016, 2015 and 2014, cash and cash equivalents were broken down as follows:

	2016	2015	2014
Cash on hand and due from banks	5,035,638	40,505,682	52,749,360
Cash equivalents	58,112	60,994	44,741
Total	5,093,750	40,566,676	52,794,101

As of December 31, 2016, 2015, and 2014, cash equivalents included certificates of deposit at Banco de Costa Rica, at weighted average interest rate of 0.80% in 2016, 0.55% in 2015 and 0.89% in 2014, which maturity took place in January 2016.

In force as of December 31, 2016, during 2014 an agreement was entered into with Banco de Costa Rica to secure obligations for the account of third parties, in order to comply with the requirements established in the Concession Agreement and others within the Company. The maximum amount of such agreement was US\$12,900,000, with 1% annual fee on the amount of each of the guarantees issued under the contract.

During 2016 a renewal was signed. The new maturity is 2020 and the maximum amount to US \$ 10,000,000.

3. RESTRICTED CASH

The restricted cash for the years ended December 31, 2016, 2015 and 2014:

	2016	2015	2014
Allowance for long-term debt	13,811,914	13,140,710	12,023,956
Allowance for maintenance	5,036,267	-	-
Allowance for operation and maintenance (Complementary Agreement No.1)	804,233	-	-
Allowance for investment of the project	451,878	449,723	450,341
Others	7,925,000	-	-
Total	28,029,292	13,590,433	12,474,297

The account denominated allowance for long-term debt is related to the "Fideicomiso Irrevocable de Garantía y Administración de Cuentas del Proyecto de Concesión San José - Caldera" (Irrevocable Account Management and Guarantee Trust Agreement of the San José-Caldera Concession Project

Accounts) (Note 21n). The objective of this is to reserve the amounts to be paid in the short-term of the bank operation, in order to comply with the Loan Agreement (Note 20n). These funds earned interest at a rate of 1.75% per annum in 2016, 1.70% in 2015 and 1.65% 2014.

The objective of the allowance for maintenance is to reserve the maintenance investment to be paid in accordance with the concession contract and the Base Case during the operating period.

The objective of the allowance for operation and maintenance (Complementary Agreement No.1) is to reserve the estimated amounts to be received from the Grantor. These amounts are related to the routine operation, maintenance and the periodic and deferred maintenance.

The allowance for investment of the project corresponds to restricted balances in the Last Disposal bank account, in order to comply with the provision set forth in the Loan Agreement (Note 20o). These funds are allocated to additions made in the concession project.

Other reserves include the amount agreed in the contract for “declaration of commissioning and other agreements”, which will remain in any case unavailable for the entire life of the bank loan. This amount will be available only for the payment of the Debt Service at any fiscal year.

4. HELD-TO-MATURITY INVESTMENTS

As of December 31, 2014, held-to-maturity investments had a maturity between March to May 2015 and were handled with Banco Costa Rica, which earned an average interest rate of 1.8%.

5. ACCOUNTS RECEIVABLE

Accounts receivable mainly include accrued and uncollected interest on bank deposits held (Note 2 and 3), exemptions from fuels and asphalts, sales taxes to be recovered and balances receivable from the Grantor.

At 2015, this item also included the reimbursement of money from the Municipality of Escazú related to municipal taxes collected in previous periods.

At 2014, this item included a receivable with Colegio Federado de Ingenieros y Arquitectos amounting US \$ 466,591. The collection was agreed upon signing of a formal document. (Note 6).

6. NOTES RECEIVABLE

Notes receivable correspond to the balance receivable from the Colegio Federado de Ingenieros y Arquitectos for wrong charges in previous periods. The following note summarizes the formal document signed between the parties as an agreement:

	2016	2015	2014
Short term	104,101	208,203	-
Long term		104,101	-
Total	104,101	312,304	-

The note receivable generates interest and has a maturity date in February, 2017.

7. PREPAID EXPENSES

The detail of the prepaid expenses is the following:

	Note	2016	2015	2014
Construction companies and repairs		349,520	170,679	659,200
Related companies	14	-	-	112,582
Insurance		109,174	655,123	761,972
Others		949,813	285,999	204,374
Total		1,408,507	1,111,801	1,738,128

8. VEHICLES, FURNITURE, AND EQUIPMENT - NET

The detail of vehicles, furniture, and equipment is the following:

	2016	2015	2014
Vehicles	1,552,530	1,552,530	1,517,409
Office furniture and equipment	876,760	623,281	387,025
Computer equipment	763,671	319,034	154,448
Subtotal	3,192,961	2,494,845	2,058,882
Vehicle depreciation	(864,011)	(701,342)	(541,452)
Depreciation of office furniture and equipment	(305,214)	(214,261)	(155,102)
Depreciation of computer equipment	(207,134)	(123,021)	(99,102)
Less: Accumulated depreciation	(1,376,359)	(1,038,624)	(795,656)
Net	1,816,602	1,456,221	1,263,226

As of December 31, 2016, 2015, and 2014 the amount of US\$84,668, corresponding to vehicles, furniture, and equipment, is given as pledge guarantee under the financing agreement (Note 20) entered into on December 20, 2007 with the Banco Centroamericano de Integración Económica (BCIE) and Bankia SAU.

The movement of the vehicles, furniture, and equipment account is the following:

	2016	2015	2014
Initial balance	1,456,221	1,263,226	1,180,818
Additions	698,117	435,963	298,645
Disposals - cost	-	-	(33,500)
Disposals - accumulated depreciation	-	-	17,816
Depreciation expense	(337,736)	(242,968)	(200,553)
Final balance	1,816,602	1,456,221	1,263,226

9. FINANCIAL ASSET - CONCESSION AGREEMENT

The detail of the financial asset account balance is the following:

	Note	2016	2015	2014
Initial balance		349,688,320	337,592,245	330,626,104
Increases resulting from construction and operation of the highway		26,070,118	26,155,674	23,423,681
Increase from financial income		56,040,655	51,098,003	44,034,354
Charges through toll collection and Complementary Agreement No.1	35	(68,760,182)	(65,157,602)	(60,491,894)
Total		363,038,911	349,688,320	337,592,245
Less: Current portion of financial asset		(72,816,815)	(70,467,218)	(62,897,228)
Total		290,222,096	279,221,102	274,695,017

10. ACCOUNTS PAYABLE

Accounts payable for 2016, 2015 and 2014 include construction suppliers, service suppliers (security and toll agents) and others.

Additionally it includes the amount to be paid for Income Co-participation. At December 31, 2016, the amount owed to the Consejo Nacional de Concesiones (CNC) for this concept amounts US\$2,955,212 (2015: US \$ 2,249,312, in 2014, the minimum thresholds indicated in the contract were not met). (Note 35)

11. ACCUMULATED EXPENSES

As of December 31, 2016, 2015, and 2014, the accumulated expenses are detailed as follows:

	Notes	2016	2015	2014
Interest payable		789,647	510,549	493,642
Interest payable - hedge		522,188	-	-
Interest payable - hedge - related company	14	-	641,931	718,175
Interest payable - related companies	14	-	206,286	194,657
Employees' legal benefits		342,173	303,206	229,290
Provision for vacations		45,708	54,222	45,296
Provision for duty payable to Consejo Nacional de Concesiones	18h	676,597	649,893	605,138
Provisions for related vendors	14	-	761,822	-
Provisions for suppliers (not billed)		978,141	1,414,403	1,127,763
Othes		251,750	75,983	89,700
Total		3,606,204	4,618,295	3,503,661

12. INCOME TAX

Review by Tax Authorities - Income tax returns for the last three fiscal years are open for review by the tax authorities. Consequently, discrepancies may arise from the application of concepts by the tax authorities that differ from those applied by the Company. The Company's management considers that it has properly applied and interpreted the tax regulations. The tax rate in Costa Rica corresponds to 30% in 2016, 2015 and 2014.

Income Tax Calculation - For the periods 2016, 2015 and 2014 income tax was calculated on the accounting profit using the current tax rate, deducting non-taxable income, and adding the non-deductible expenses.

	2016	2015	2014
Profit before income tax	43,819,794	39,071,941	30,950,459
Difference between IFRIC result and tax result	(21,726,763)	(24,215,823)	(17,058,183)
Adjustments to the tax basis	(914,068)	(35,858)	(1,724,336)
Profit before tax, adjusted	21,178,963	14,820,260	12,167,940
Tax rate	30%	30%	30%
Current income tax	6,353,689	4,446,078	3,650,382
Income tax	12,871,718	11,710,825	8,767,837
Deferred income tax	6,518,029	7,264,747	5,117,455
Current income tax	6,353,689	4,446,078	3,650,382

The adjustments to the tax base correspond to non-deductible or non-taxable items, such as fines, donations, financial income, expense provisions, and exchange rate differences that are adjusted according to the Regulations to the Income Tax Law.

Deferred Income Tax - Deferred income tax liability originates from the financial asset related to the concession agreement. Deferred tax asset originates from the interest rate hedge agreement.

Deferred income tax movement is detailed as follows:

As of December 31, 2016				
	2015	Movement Effect in Results	Movement Effect in Equity	2016
Effect of application (IFRIC 12)	(37,951,961)	(6,518,029)	-	(44,469,990)
Hedge agreement	7,449,456	-	(2,098,104)	5,351,352
Total	(30,502,505)	(6,518,029)	(2,098,104)	(39,118,638)

As of December 31, 2015				
	2014	Movement Effect in Results	Movement Effect in Equity	2015
Effect of application (IFRIC 12)	(30,687,214)	(7,264,747)	-	(37,951,961)
Hedge agreement	8,403,078	-	(953,622)	7,449,456
Total	(22,284,136)	(7,264,747)	(953,622)	(30,502,505)

As of December 31, 2014				
	2013	Movement Effect in Results	Movement Effect in Equity	2014
Financial asset - concession	(25,569,759)	(5,117,455)	-	(30,687,214)
Hedge agreement	7,610,188	-	792,890	8,403,078
Total	(17,959,571)	(5,117,455)	792,890	(22,284,136)

13. OPERATING EXPENSES

The detail of operating expenses is the following:

	2016	2015	2014
Salaries	2,494,630	2,363,543	2,326,329
Social contributions	573,632	543,389	520,413
General office expense	936,732	1,649,988	1,643,930

	Notes	2016	2015	2014
Rentals		375,838	337,792	381,325
Depreciation	8	337,736	242,968	200,553
Amortization		55,827	70,984	109,839
Fees - management services		254,784	1,084,190	719,865
Professional fees		4,719,407	4,561,288	4,030,596
All-risk insurance		1,427,425	1,885,209	1,627,123
Operation and maintenance		4,004,277	6,118,561	5,177,838
1% duty and other fees	18h	1,142,156	874,622	593,814
Revenue stamps		137,211	273,149	301,931
Bank fees		2,960,442	2,574,544	-
Other operating expenses		708,114	414,739	1,266,101
Total		20,128,211	22,994,966	18,899,657

Duties (fees) also include 1% of the toll income of the period, the duty payment for adopting the Guaranteed Minimum Income plan with the National Concession Board, according to the Concession Agreement (Note 18h).

Bank fees for the periods 2016 and 2015 include financial expenses directly related to the sixth novation of the loan. In addition, 2016 also includes the banking fee paid in connection with the signing of the contract for declaration of commissioning and other agreements (Note 20).

During 2015, the Company incurred in operation and maintenance expenses for approximately US\$1 million more in 2014, for resurfacing and repair of slopes, in order to obtain the Final Implementation.

14. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

As of December 31, 2015 and 2014 include transactions with Bankia and Constructora San José Caldera were presented as related parties. As of December 31, 2016 after the sale of Globalvia from Bankia and FCC to the pension funds USS, OPTRUST and PGGM, these balances are presented as third parties.

Balances with related parties are detailed as follows:

	Notes	2016	2015	2014
<u>Short-term accounts receivable</u>				
Infraestructura SDC Costa Rica, S.A.		770	787	747
SyV Concesiones, S.A.		3	2	-
M&S Desarrollo Internacional, S.A.		778	801	397
Promotora de Infraestructura, S.A.		365	370	364
Total		1,916	1,960	1,508
<u>Financial asset - prepaid expenses</u>				
Constructora San José - Caldera CSJC, S.A.	14, 26	-	-	112,582
<u>Long-term debt:</u>				
Bankia SAU	20	-	75,572,912	79,463,056

	Notes	2016	2015	2014
<u>Interest payable:</u>				
Bankia SAU	11	-	206,286	194,657
<u>Interest payable (hedge):</u>				
Bankia SAU	11	-	641,931	718,175
<u>Accounts payable (long term and short term):</u>				
Constructora San José - Caldera CSJC, S.A.		-	550,564	706,226
Globalvía Inversiones, S.A.	26d, 27	1,494,599	458,251	519,230
Globalvía Infraestructuras Chile, S.A.		79,495	-	-
Total		1,574,094	1,008,815	1,225,456
<u>Accumulated expenses</u>				
Globalvía Inversiones, S.A.		-	697,496	-
Globalvía Infraestructuras Chile, S.A.		-	64,326	-
Total		-	761,822	-

As of December 31, 2015 and 2014, the balance owed to Constructora San José - Caldera CSJC, S.A. is due to the outsourcing of those works.

Accounts receivable and payable in the short-term do not have guarantees, do not earn interest, and do not have a previously-agreed maturity date. These originate from business transactions as well as from intercompany loans.

Accumulated expenses payable correspond to sureties and the billing of professional services rendered by the Company's key staff. Debt and related interest correspond to financing for construction of the highway (Note 20).

Transactions with related parties for the years ended December 31, 2016, 2015, and 2014 are the following:

	Notes	2016	2015	2014
<u>Miscellaneous fees (includes surety bonds and guarantees)</u>				
Globalvía Infraestructura, S.A.		-	-	87,367
Globalvía Infraestructuras Chile, S.A.		15,169	64,326	-
Globalvía Inversiones, S.A.		525,730	1,019,864	632,498
Total		540,899	1,084,190	719,865
<u>Financial assets - outsourcing:</u>				
Constructora San José - Caldera CSJC, S.A.	26, 27	-	-	1,161,153
<u>Interest expense:</u>				
Bankia SAU		-	2,193,690	2,213,942
<u>Interest expense (hedge):</u>				
Bankia SAU		-	7,724,670	8,119,004

Fees correspond to services provided by the Parent Company necessary for the development of the project, among these, services in the areas of construction, traffic, information systems, sureties, and legal. In addition, management services fees correspond to fees earned by the Financial Director and the Operations Director, who are expatriate employees from the Company's shareholders (the amount earned by these directors is approved by the Company's Board of Directors, and the amounts paid are periodically billed to the Company by the respective employers of these persons).

15. OTHER INCOME

The 2016, 2015 and 2014 other income of the period correspond to the recovery of US dollars that were previously registered as repair and maintenance expenses for damages caused by the users, in addition to the sale of scrap and other income for the right of use of the highway.

During 2016, the caption includes revenues for recovery of stamp duties (US \$ 255,720) and insurance indemnities for events occurred on the highway in previous years (US \$ 263,925)

In 2015, the amount of US\$149,919 was received as reimbursement for some municipal taxes previously paid, and which did not apply. These claims had been made in prior periods.

For 2014, the amount corresponding to other income, for US\$65,446, results from the indemnifications recognized to the Company for insurance.

16. CAPITAL STOCK AND ADDITIONAL CAPITAL CONTRIBUTIONS

Capital Stock - As of December 31, 2016, 2015, and 2014, capital stock amounts to US\$2,500,000, represented by 2,500,000 nominative common shares of US\$1.00 each. The totality of the shares was endorsed to guarantee the loan with BCIE and Bankia SAU (Note 20), and these were in a trust entered into with Scotiabank de Costa Rica, S.A. (Note 21).

Additional Capital Contributions - As of December 31, 2016, 2015 and 2014, no additional capital contributions were made by the shareholders; thus, the amount remained in US\$58,000,000 for both years.

Legal Reserve - As of December 31, 2016, 2015, and 2014, the Company reaches 20% of the legal reserve established by Costa Rican laws. Such reserve is accounted for in the moment in which the financial statements have been approved by the Shareholders' Meeting.

Dividends - During the year ended December 31, 2014, no dividends were declared or distributed to shareholders. For 2015, there were dividends paid in cash and declared for the amount of US\$20,000,000 in June 2015, according to Minutes No.16, and US\$8,000,000 in December 2015, according to Minutes No.20, both from the Shareholders' Meeting Book. For 2016, there were dividends paid in cash and declared for the amount of US\$1,700,000 in June 2016, according to Minutes No.3 (Legal Book 3), and US\$32,600,000 in December 2016, according to Minutes No.5 and 6 (Legal Book 3).

17. ASSIGNMENT OF THE CONCESSION AGREEMENT WITH PUBLIC SERVICE OF THE SAN JOSÉ - CALDERA HIGHWAY CONCESSION AGREEMENT

On March 9, 2006, the Government of Costa Rica, acting through the National Concession Board (CNC) ("the Granting Authority") signed Addendum No.3 to the Concession agreement with Public Service Concession Agreement for the San José - Caldera Highway Project, through which the concession agreement was modified to leave proof of the new concessionaire: Autopistas del Sol consortium ("the Awardee"), which is formed by the following companies: Promotora de

Infraestructuras, S.A., SYV CR Valle del Sol, S.A., Infraestructuras SDC Costa Rica, S.A., and M&S DI-M&S Desarrollos Internacionales, S.A. For that purpose, the awardee consortium created the corporation designated as Autopistas del Sol, S.A. (“the Concessionaire”) in order to carry out the project which is the objective of this agreement.

The Concession agreement with Public Services Concession is defined as “an administrative contract through which the competent Authority commissions a third party, which may be a public or a private person or a combination of both, to design, plan, finance, build, preserve, and extend works, providing the services requested in the contract in exchange for considerations charged to the users of the works or the beneficiaries of any kind of consideration paid by the Executive Branch”.

On July 30, 2015, the President of the Republic of Costa Rica, the Minister of Concession agreement and Transport, the Minister of Finance, the National Concession Board (“the Granting Authority”), Autopistas del Sol, S.A. (“the Concessionaire”) and the Awardee Consortium entered into Addendum No.6 and Addendum No.7 to the Concession agreement with Public Services Concession Agreement for the San José - Caldera Highway Project. These addenda modify certain clauses of the original Concession Agreement and have been submitted for endorsement to the Office of the Comptroller General of the Republic.

- a. **Addendum 6 to the Concession Agreement** - This addendum is based on initial matters of the final start of operations, works pending completion, and the calculation methodology of the Present Value of Income.

The following is a summary of the main agreements of the above mentioned addendum:

- Addition of clause 2.16.7.3 BIS with respect to Contractual Works to be performed in sections I and III. The parties agree that there are pending works in sectors I and III, which are included in the Estimated Total Income originally offered. The term will start being computed when the latest of the following events occurs: endorsement by the Office of the Comptroller General of the Republic, possession of the required lands or approval of the project by the CNC.
- Addition of clause 2.16.7.3 TER concerning Additional New Works to be performed in Section II named *Tramo de Radial Atenas* (Atenas Radial Section), which had not been considered in the Concession Agreement. The term will start being computed when the latest of the following events occurs: endorsement by the Office of the Comptroller General of the Republic, possession of the required lands or approval of the project by the CNC.
- Addition of clause 5.3. BIS regarding the Guarantees for the Construction of the Contractual Works to be performed in sections I and III, and the additional new works in section II, which shall be equivalent to 10% of the construction costs of each of the works, effective as of the endorsement by the Office of the Comptroller General of the Republic up to the final acceptance of the respective works by the Board of Directors.
- Addition of clause 3.7.8 in relation to the Works Balances indicating that there are works for US\$639,201.48 on behalf of the Granting Authority, which will be used as a contribution for the performance of the new works of sector II.
- Addition of clause 3.7.9 regarding the payment of the new works of sector II for a lump amount price of US\$1,894,432 which, after contributing the amount indicated in the previous clause, would be of US\$1,255,230.52. It is agreed that such price will be paid through one direct payment upon the conclusion of the works and their acceptance at the satisfaction of the Granting Authority.

- Modification of clause 1.8.6 with respect to the Term of the Concession. The maximum term of the Concession approved in this addendum is of twenty-five and a half years (25 years and 6 months), commencing on the date that the order to start the project is given, that is, January 9, 2008, subject to prior compliance with the preceding conditions by the concessionaire as well as the Granting Authority. The Parties understand and accept that the term of the concession includes both the construction phase and the works exploitation period.
 - Modification of clauses 3.7.4, 3.7.5., and table 3.5 in connection with data updating for the mechanism of Minimum Income Guaranteed by the State and the obligations involved.
 - Modification of clause 8.5 regarding the effects of termination due to the expiration of the term or by reaching the Present Value of Income. The concessionaire must comply with all maintenance programs that may be necessary up to the termination of the concession.
- b. **Addendum 7 to the Concession Agreement** - This addendum is based on initial matters of the arbitration process, which concluded with conciliation between the parties and was ratified on March 18, 2015. Through this conciliation, the Concessionaire became the beneficiary of US\$43,377,209.78 which shall be reimbursed by means of the increase of the Total Quoted Income.

The following is a summary of the main agreements of the above mentioned addendum:

- Addition of clause 3.7.7 Definition of the New Total Quoted Income, indicating that it will now be of US\$301,377,209.78 (US\$258,000,000 original value as of November 2000 plus the contribution of US\$43,377,209.78).
- Addition of clause 8.14 BIS regarding the recognition of the unrecovered Quoted Total Income increase amount in the event of an early termination of the agreement, which would entitle the Concessionaire to receive the amount not recovered as of the expiration date.
- Modification of clause 1.8.6 in relation to the concession term, indicating that even though the right to collect the unrecovered amount is granted per the previous clause, it does not prevent the parties from choosing, by mutual agreement, another method of payment such as the extension of the concession term, the increase of fees, contributions by the Granting Authority or any other economic regime of the concession.

On September 25, 2015, the Office of the Comptroller General of the Republic issued an official letter returning Addendum No.6 and Addendum No.7 without the corresponding endorsement.

18. **WORKS WITH PUBLIC SERVICE CONCESSION AGREEMENT FOR THE SAN JOSÉ - CALDERA HIGHWAY**

The concession agreement consists of providing services of design, planning, financing, construction, renovation, extension, lighting, signposting, repair, maintenance, and conservation services for Route 27, which has a total length of 76.8 kilometers, starting in the west area of the city of San José and ending at the Port of Caldera in the province of Puntarenas.

On October 4, 2007, the Government of Costa Rica, acting through the National Concession Board ("the Granting Authority") and Autopistas del Sol, S.A. ("the Concessionaire") signed Addendum No.5 to the Concession agreement with Public Services Concession Agreement for the San José - Caldera Highway Project. This Addendum modifies some clauses of the original concession agreement and

was endorsed by the Office of the Comptroller General of the Republic on November 19, 2007. The following is a detail of the main clauses of the Concession Agreement after incorporating the modifications agreed on through Addendum No.5:

- a. The estimated value of the investment up to the moment when all sections of the highway are in full operation was estimated approximately in three hundred thirty-one million dollars, legal tender of the United States of America (US\$331,000,000).
- b. The term of the concession is of twenty-five years and six months, commencing on January 8, 2008, date of the Works Start Order (Note 29). However, if the Concessionaire reaches the present value of income offered through toll collection before the expiration of the above mentioned term, the concession will terminate in the month in which such circumstance occurs.
- c. The maximum term for the construction of works is 30 months.
- d. The Concessionaire, prior to receiving the provisional order for start of operations shall submit its proposal of minimum income guaranteed by the State for years 1 through 18 of the highway operation, which may be equal or less than the maximum offered by the Granting Authority in the Bid Tender and in the Agreement. During each individual year of the concession exploitation, the Concessionaire has the option whether to take or not such Minimum Income Guarantee, and if the Concessionaire decides to take it, the Company shall pay an amount that will be determined based on a mathematical formula established in the Concession Agreement. Given that the final opening of the highway took place within fiscal year 2015, the company adopted such guarantee effectively.
- e. The concessionaire is authorized to charge a toll fee as they finish the construction of works, and the Granting Authority issues the respective authorization.
- f. Toll fees may be adjusted due to variations in the economic environment although they may not be related to the operation of the highway such as the devaluation of the colón with respect to the dollar, external inflation, and factors related to the operation, maintenance, and execution of new investments on the highway in order to readjust the financial balance of the agreement.
- g. The concessionaire will not have, at any moment, actual ownership rights over the public domain works and assets that are the objective of this Concession. All equipment, systems, and other assets and rights used in the Concession will be transferred to the corresponding State institutions and bodies upon expiration of the Concession, whatever its cause, in good state and operating conditions, free and clear of any encumbrances, liens, or obligations and free of cost for the Granting Authority.
- h. The Concessionaire will annually pay to the Granting Authority, as reimbursement for inspection and agreement control expenses, a one percent (1%) over the company's gross income generated in colones by the concession granted during the previous calendar year. When submitting its annual report on audited financial statements, the Concessionaire will also turn in a certification of audited gross income, which will be used as basis for the calculation of the payment.
- i. The Granting Authority authorized the Concessionaire to constitute a Guarantee Trust for one hundred percent of the ownership of the shares that form the capital stock of the Concessionaire Corporation so that they could be transferred in trust property as part of the securities granted to the Banco Centroamericano de Integración Económica (BCIE) and Bankia SAU in order to obtain financing for the Project (Notes 20 and 21).
- j. The Granting Authority is entitled to receive from the Concessionaire an income co-participation for toll per the co-participation table defined in the bid. As of December 31, 2015, the amount owed to the CNC under toll was US\$2,249,312. As of December 31, 2014, the minimum thresholds indicated in the agreement were not reached, so there was no debt to CNC. (Note 35)

Obligations of the Granting Authority -

- a. The Granting Authority recognizes all tax benefits contained in Article No.44 of the Concession agreement with Public Services Concession General Act. The Concessionaire is exempt from the following taxes: import tariff duties, 1% tax under Law No.6946, selective consumption tax, sales tax, single tax on fuels, and any other tax for local purchases as well as for the import of assets required to build the concession works or provide the services.
- b. The Granting Authority will proceed to pay the debt incurred with the Concessionaire Corporation, corresponding to tax liquidation either by the corporation or by subcontractors, within 30 days of the submission of the respective tax liquidation proof to the Granting Authority.
- c. In order to ensure that the payment of the above mentioned tax liquidation is made within the established time limit, the National Treasury of the Ministry of Finance will issue an annual liquidity bond for an amount of US\$6 million, exclusively to guarantee the payment of taxes, financial costs and administrative costs to be reimbursed in relation to the single tax on fuels in case the required resources were not budgeted and paid on the established date. This bond shall be renewed annually for the same amount and shall be effective for the entire term of the Concession. However, for the exploitation period, the amount of this bond will be reduced up to a minimum value of US\$1 million.
- d. As a result of the application of the methodology for the extraordinary updating of the civil works and equipment costs included in the bid, due to delays during the project development, which prevented the start of the works within the planned terms, a cost overrun for the works have been determined. Therefore, the parties submitted to an arbitration process, which has been approved (Note 33).

19. COMPLEMENTARY AGREEMENT No.1 TO THE CONCESSION AGREEMENT WITH PUBLIC SERVICE CONCESSION AGREEMENT FOR THE SAN JOSÉ - CALDERA HIGHWAY

On July 1, 2008, the Government of Costa Rica, acting through the National Concession Board (“the Granting Authority”) and Autopistas del Sol, S.A. (“the Concessionaire”) signed Complementary Agreement No.1 to the Concession agreement with Public Services Concession Agreement for the San José - Caldera Highway Project through Special Meeting No.07-2008.

This complementary agreement incorporates additional investments. Some of these investments were included in the Concession Agreement, but they had not been assigned a value, and other were not considered in the referential project of the invitation to bid such as, among others, repair of pavement slabs, construction of alternate routes, improvement of the traffic management plan, building walls to avoid expropriations, expansions (Circunvalación-Guachipelín), and the construction and renovation of structures. The following is a detail of the main clauses of Complementary Agreement No.1:

- a. The estimated value of the new investments incorporated was approximately of thirty-five million, nine hundred thirty-five thousand, and seven hundred forty-one dollars (US\$35,935,741), legal tender of the United States of America. As of December 31, 2016, 2015 and 2014, the Company maintains the amount received of US\$34,000,743, becoming the final amount of the new investments.
- b. The original term established in this agreement for the conclusion of the new works was of 12 months. However, they were finished approximately in January 2010. As of December 31, 2016, the Company had not closed this agreement because the certification of completion of works, which is a requirement to consider works finished and delivered, had not been issued. As of the date of the financial statements, a settlement has not been signed.

- c. The Concessionaire must deliver to the Granting Authority a construction guarantee equivalent to 5% of the value of the new investments included in this complementary agreement - excluding from such guarantee the cost of closing works, transport, collection, wood custody, traffic management plan, and detail design - for a total amount of US\$1,518,000. This guarantee was provided by the Company's shareholders.
- d. Costs related to the Complementary Agreement No.1 will be included in a monthly estimation report as works progress. This report will be submitted by the Concessionaire to the Project Manager designated by the Granting Authority within the first 15 business days of each month.

Obligations of the Granting Authority -

- a. The Granting Authority will have 15 calendar days to issue the approval of or the observations regarding the monthly estimation report. The Granting Authority will have 30 calendar days after the approval of such report to pay the respective amounts to the Concessionaire.
- b. As of the date of the last monthly estimation, the Granting Authority will pay the Concessionaire annually, within the first 5 days of the month of January, compensation for insurance and guarantees in effect during the exploitation phase, as well as for operating and maintenance costs.
- c. Given that the Granting Authority will directly assume the cost of the additional investments that are the objective of this agreement, it has been considered that the payments for such additional investments and their related costs have no effect on tax payments to which the Concessionaire is subject such as, among others, income tax or the corresponding municipal taxes withholdings.

As of December 31, 2016, 2015 and 2014, income were collected as a result of the additional costs for the payment of guarantees, maintenance, and insurance for the additional works of the complementary agreement, was the amount of US\$1,957,324, US\$390,679 and US\$354,669, respectively.

The following matters for the complementary agreement:

Complementary Agreement

Amounts received by the Company as of December 31, 2014	<u>US\$34,000,741</u>
Additions of the period	
Amount received by the Company as of December 31, 2015	<u>US\$34,000,741</u>
Additions of the period	
Amounts received by the Company as of December 31, 2016	<u>US\$34,000,741</u>

During the period ended December 31, 2016, 2015 and 2014, no additions were recorded.

20. FINANCING AGREEMENT

As of December 31, 2016, 2015, and 2014, the balances owed for financing are the following:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Banco Centroamericano de Integración Económica (BCIE)	133,034,614	141,212,884	148,098,964
Bankia SAU	70,952,772	75,572,912	79,463,056
Total	<u>203,987,386</u>	<u>216,785,796</u>	<u>227,562,020</u>
Less: Current portion of the long- term debt	<u>(18,432,778)</u>	<u>(12,798,410)</u>	<u>(10,776,224)</u>
Total long term debt	<u>185,554,608</u>	<u>203,987,386</u>	<u>216,785,796</u>

A detail of the annual maturities of the long-term debt is shown as follows:

For the Year that Will End on:	2016	2015	2014
Current	18,432,778	12,798,410	10,776,224
Non-current	185,554,608	203,987,386	216,785,796
Total	203,987,386	216,785,796	227,562,020

During 2016, 2015 and 2014, interest and commission expenses amounted to US\$ 8,410,158, US\$ 7,716,139 and US\$ 7,814,392 and financial expenses accrued by hedge instrument settlements (Note 24) amounted to US\$ 6,907,510, US\$ 7,724,670 y US\$ 8,119,004 respectively.

On December 20, 2007, Autopistas del Sol, S.A. entered into a loan agreement with Bankia SAU and Banco Centroamericano de Integración Económica (BCIE), in order to finance the construction and liquidity (section C for US\$14.6 million) of the San José - Caldera highway, for the amount of US\$260,786,294. Financing was divided in three different tranches, as indicated below:

Tranche	Financial Entity	Amount	Use of Funds
Tranche A:			Financing of construction and funding of the Debt Service Reserve Account
Sub-tranche A1	BCIE	40,000,000	
Sub-tranche A2	BCIE	<u>120,000,000</u>	
Subtotal		160,000,000	
Tranche B	Bankia SAU	86,186,294	Financing of construction and funding of the Debt Service Reserve Account
Tranche C	BCIE	9,500,000	Attention of debt service in 2011 and 2012
Tranche C	Bankia SAU	<u>5,100,000</u>	Attention of debt service in 2011 and 2012
Total		<u>260,786,294</u>	

The main clauses of the agreement are the following:

- The interest rate applicable to the principal of the loan will be calculated using LIBOR at six months plus a margin, which will depend of the Tranche as detailed: sub-tranche A1: 3.50%, sub-tranche A2: 3.25%, tranche B: 2.35% , and tranche C: 2.5%. Interest will be paid every semester (in May and November of each period).
- The maturity of the loan will be as follows: sub-tranche A1 expires on November 30, 2027, sub-tranche A2 expires on November 30, 2025, sub-tranche B expires on November 30, 2023, and tranche C expired on April 30, 2013. General maturity of the loan is November 30, 2027.
- Repayment of the principal started on May 31, 2012, and consequently, during the grace period, only the loan interest was paid per each six-month period due. The amounts of Tranches A and B should be amortized through consecutive semestral amortizations, and Tranche C should be fully or partially amortized in function of the remaining balances of the Main Accounts in US dollars and Costa Rican colones. After December 20, 2011 (Tranches A and B) and as of November 30, 2012 (Tranche C), the Company could pay in advance, in full or in part, the loan. Each advance payment will be for the minimum amount of US\$5,000,000 or for higher amounts, always in multiples of one million dollars, except when principal pending reimbursement is less than such amount, in which case the advance payment will be for total amount of the principal that has not been yet repaid.

- d. The Company will dispose of the funds of the loan as follows: It can request one or more disposals under Tranches A and B, with a joint limit of one disposal per month, for the minimum amount of one million dollars or greater amounts, always in multiples of one hundred thousand dollars, except in the case that the total limit pending disposal were less than such figure, in which case disposal should be made for the totality of amount pending disposal. Funds of Tranche C would be exclusively used to punctually cover the debt service payments corresponding to the months of May 2011, November 2011, May 2012, and November 2012, under the assumption that there were no sufficient funds to cover such payments, and for this reason, the Company does not require disposing of Tranche C since it covered its short-term obligations during the period without needing to make any disposals.

The Company's main obligations are the following:

- e. The Company must enter into and keep in full force and effect the insurance contracts in the terms and conditions established on the report issued by the Insurance Advisor and any other insurance on the property and assets of the Borrower not covered by the insurance contracts, throughout the entire term of this loan with first-tier companies, and the Company should also make the Contractor enter into and keep insurance contracts relating to the construction of the Project on the terms and conditions established by such report.
- f. Audit individual and consolidated annual financial statements, if any, with one of the main international audit firms, along with the approval of BCIE.
- g. Do not enter into agreements, do not acquire other obligations outside the ordinary course of business of the concessionaire, or do not perform other obligations outside the object of the Concession Agreement.
- h. Do not amortize or make interest payments for the Subordinated Debt (if any), and do not make any distribution of dividends or anything else to its Shareholders that is not in accordance with the provisions set forth in the Agreement.
- i. Do not sell or transfer by any means any asset (except the asset that are part of the replacement), nor assume any debts or payment obligations (whether it is through other loan transaction or additional credit, discount, collateral, or financial transaction for risks related to exchange rate, interest rate, or derivative transactions, and in general, acquire or grant any type of debt whatsoever), or grant loans or guarantees on behalf of others (except in this last assumption within the normal course of business and/or those that should be granted in favor of third parties (unless, for this last assumption, within the ordinary course or business and/or those that should be granted in the Concession Agreement), without having obtained the prior consent in writing of most of the Lending Entities, which cannot be rejected without a justified cause if the individual or accumulated balance of the previous transactions is less than US\$500,000.
- j. Within thirty (30) days following its approval, and in any case, no later than June 30 of each year, provide the financial entities with financial statements, management letter, audited financial statements and audit reports, duly approved by the Shareholders' Meeting. Likewise, it should furnish the financial entities, within the fifteen (15) business days after the request has been made, with any other accounting/financial information that such institutions may reasonably and on a justified manner request, and within the first three (3) months of each calendar semester, deliver the trial balance, income statement, and cash flows statements with provisional closing date as of the last day of the immediately previous semester.
- k. During the entire construction period, the Company should submit every two months a report on the progress of works, duly approved by the Technical Advisor, containing the following information a) a summary on the progress of the highway's construction works; b) expected date for completion of works, and in case of delays, a detailed explanation of the causes; c)

estimates of the outstanding cost of the project until it starts operating; and d) a detail of the claims made to the Contractor regarding the construction agreement and the insurance companies, in relation to the coverages of the outsourced Insurance Agreements.

- l. The Company should submit before December 1 each year an annual budget corresponding to the following year in which income, expenses, investments, and cash flows are shown.
- m. Acquire the insurance contracts regarding the exploitation period, in the terms established in the report issued by the Insurance Advisor.
- n. The Company should keep in the Trust, during the term of the Agreement, at least the following accounts:
 - **Allowance for Debt Service** - The Company should create and keep at Scotiabank de Costa Rica, S.A. an allowance account for debt service, which should be funded at all times charging the loan and the Company's own funds for an amount equivalent to the one required to cover the Debt Service amount foreseen for the following semester (Note 3).
 - **Main Accounts in Colones and Dollars** - Create and keep at Scotiabank de Costa Rica, S.A. a main account in US dollars and a main account in Costa Rican colones through which the different Company's cash flows will be managed, and where all funds in US dollars or Costa Rican colones that derive from the activity can be deposited.
 - **Construction** - Create and keep at Scotiabank de Costa Rica, S.A. a construction account in dollars. Such account will contain the funds in dollars received by the Company for the disposals made charging the Contract, the contributions made to it by the direct shareholders, indirect shareholders, and guarantors, according to the Agreement on Commitments and Obligations Undertaken (Note 21) and the funds from the transfers of the main account in US dollars.
 - **Other Accounts** - In addition, the following accounts should be created: Prepayment, Insurance, Operation, Last Disposal, Maintenance Reserve, Restricted Account, and Distribution Account.
- o. The Company cannot withdraw or transfer funds from any account of the project without having delivered a Confirmed Monthly Allocation Certificate, authorizing such disposal and transfer. Withdrawals or transfers from any account of the project will be made by the Trustee after they have been received and according to a Confirmed Monthly Certificate, a Semestral Certificate, and Annual Certificate or a Confirmed Allocation Certificate. Such certificates should be reviewed by the Designated Agent (BCIE) to determine if they are reasonable, and if they adjust to the requirements of the loan and the current annual budget.
- p. The Company should instruct the Designated Agent (BCIE) to proceed with the charges necessary in the construction account or in the main account in US dollars (Note 20n) for the amounts necessary to make the payments corresponding to the risk policy entered into by Bankia SAU with MIGA (Multilateral Investment Guarantee Agency), which amount to a total of US\$15,008,000, and which was fully paid as of December 31, 2008. Likewise, the semestral fees of the loan will be debited from such account, in applicable, as well as the fees from the advisors hired by the bankers for the analysis of the loan.
- q. The Company should pay to the Designated Agent (BCIE), for its distribution among the Lending Entities, in the terms agreed between them, an availability commission for up to 1% per annum, which will be earned on a daily basis during the Disposal Period (disbursement of the loan), and which will be calculated on the average balance of the amounts not disposed of

from A and B tranches of the Loan and an initial 0.25% annual commission until January 1, 2011 and a 0.50% annual commission, as of the date that it will be daily earned and daily calculated on the average balance amounts not disposed of from tranche C of the loan. Both commissions will be paid by the Agent and honored by the Company when the six-month period is due, within the first two business days of each semester. The first one of those payments was paid on June 20, 2008.

- r. The Company should keep a minimum of Own Funds/External Funds ratio (25/75) during the construction period. Noncompliance with this ratio will be considered grounds for earlier termination of the agreement. As of December 31, 2016, 2015 and 2014, the Company complies with such requirement.
- s. The Company should keep a Debt Service Coverage Ratio not lower than 1.02 on any calculation date. In case of noncompliance, the lending entities can request early termination. The Debt Service Coverage Ratio means the result between the available cash flows for debt service of a twelve-month period and debt service (sum of principal, interest, and fees, plus any other cost derived from coverage agreement) for the same exercise. As of December 31, 2016, 2015 and 2014, the debt service coverage ratio amounts to 1.25 for 2016 and 1.59 for 2015 and 2014. The surplus cash flows as of closing of 2016, 2015 and 2014 is US\$6,769,284, US\$16,531,522 and US\$14,803,967, respectively.

On January 18, 2008, as part of the guarantee of this loan agreement, the Company granted pledges on first and second degree on behalf of BCIE and Bankia SAU on vehicles, furniture, and computer equipment which net value as of the date of the signature was US\$84,668. The agreement expires on November 30, 2027.

First Novation - On August 2, 2012, a non-extinctive novation of the loan agreement is entered into, which main modifications are the following:

- It incorporates the concept of Additional Works Agreement, provided that the total investment does not exceed the Base Case investment, and for a maximum amount of US\$5,505,305.

The agreement should have a favorable report from the Legal and Technical Advisor and be satisfactory for the Lending Institutions.

- It modifies the definition of “Start of Operations of Highway”: Date in which a series of requisites are all fulfilled, among those:
 - The administrative act in which the Grantor declares the final start of operations and the certification of this act by the Technical Advisor.
 - The favorable opinion by the Costa Rican legal advisor to the Agent regarding the existence of the necessary licenses and authorizations for operation and exploitation, according to the laws of Costa Rica.
 - The Project’s agreements associated to the exploitation period have been duly formalized, and the credit rights that could result from these have been pledged by the Borrower.
 - Creation of exploitation guarantee upon the Administration’s satisfaction.
 - Compliance with the minimum disbursements of own funds established in the loan agreement.

- The Agent receives certificates related to compliance with the obligations derived from the Concession agreement and additional works agreements by the Borrower.
- Modification on the application of the allocation account to use cash flow surplus to compensate shareholders and others for project itself.
- The Borrower delivers to the Agent the Technical Advisor's report on the completion of works requested by Management, in terms satisfactory for the lending entities.
- Completion of specific works in sections II and III.
- Agreement with the Administration on an adjustment mechanism for the series of guaranteed minimum income equivalent to or greater than the Base Case, or that an alternative solution is agreed with the Borrowers.

The previous novation resulted in the performance of an additional work contract (Note 23).

On February 27, 2013, the fourth non-extinctive novation of the loan agreement is entered into, which main modifications are the following:

- On October 25, 2012, Globalvía Inversiones, S.A., as buyer, and Soares da Costa Concesores SPGS, S.A., as seller, entered into a purchase-sales agreement through which Globalvía Inversiones, S.A. acquired 100% of the capital stock of Infraestructura SDC Costa Rica, S.A.
- P.I. Promotora de Infraestructuras, S.A. (wholly owned by Globalvía Inversiones, S.A.), as buyer, and Sacyr Concesiones, S.L., as seller, entered into a purchase-sale agreement where P.I. Promotora de Infraestructuras, S.A. acquired 100% of capital stock of SyV CR Valle del Sol, S.A.
- Autopistas del Sol is (i) directly owned by P.I. Promotora de Infraestructuras S.A., SyV CR Valle del Sol, S.A., Infraestructuras SDC Costa Rica, S.A. y M&S DI-M&S Desarrollos Internacionales, S.A., with an interest of 35%, 35%, 17%, and 13%, respectively, in capital stock, and (ii) indirectly wholly-owned by Globalvía Inversiones, S.A., with 100% interest on capital stock.
- Globalvía Inversiones, S.A. becomes the only Indirect Shareholder.
- The Borrower may enter into an Operations and Maintenance agreement for the highway with any other company, and the Borrower should have the agreement formalized with any other company that belongs to the group to which Globalvía Inversiones, S.A. belongs.

On December 19, 2013, the fifth non-extinctive novation of the loan agreement is signed, which main modifications are detailed as follows:

- Modification of the definition of "Deadline for Final Receipt", establishing it for September 30, 2014.
- Amendment of the disposal date of the Last Disposal Account balance, which deadline is established, as first date, between: i) March 31, 2015; ii) date in which termination or declaration of early termination of the loan occurs.

The agreement would enter into force when the suspensive conditions are met:

- When the Multilateral Investment Guarantee Agency (MIGA) has approved the content of fifth novation agreement.
- When a non-extinctive novation agreement of the trust agreement has been satisfactorily formalized for all lending entities, and which would include, among others, such modifications that result necessary to harmonize the trust agreement with the Fifth Novation Agreement.

The following disbursement were allowed:

- **First Disbursement** - Within the 30 calendar days following the date of compliance with the suspensive condition, the Borrower could make one first disbursement to the Direct Shareholders for a maximum amount of US\$15,000,000.
- **Second Disbursement** - Within the month of September 2014, the lower of the following amounts: (i) US\$5 million or (ii) such amount that, as of the realization date of the second disbursement and after having funded the Project's Accounts for up to the deadlines established in the Loan Agreement, allows the main account in US dollars to keep a balance equivalent to, at least, the amount of the Debt Services corresponding to the months of November 2014, May 2015, November 2015, and May 2016. Also, the Company should comply with the suspensive conditions.

For the first disbursement, it should also comply with the following conditions:

- The Agent should receive from the Trustee a written certification, upon total satisfaction of the Lending Entities, which indicates that the Project's Account are fully funded as established in the Loan Agreement.
- None of the grounds for early termination included in the Loan Agreement, the Concession Agreement, or the Hedge Agreement have taken place, and the disbursement has not made the Borrower incur in any of the such assumptions, and
- The Debt Service Coverage Ratio calculated on the annual audited financial statements corresponding to the period of twelve (12) months ended December 31, 2012 is equal to or greater than 1.15x (Note 20s).

During 2015, the sixth novation of the agreement takes place, which main modifications are:

- The deadline for the "Start of Operations" under the financing agreement is extended to December 5, 2016.
- Modification of the date of disposal of the Last Disposal Account balance, which deadline is established as the first date between: (i) March 31, 2017 or (ii) the date in which the termination or declaration of early termination of the loan takes place.

In the same way, the following Pre-Authorized Disbursements are authorized:

- Authorization to perform 5 disbursements in each of the following dates: within the twenty (20) calendar days following the effective date of the sixth novation of the loan agreement and within five (5) calendar days following May 31, 2015, November 30, 2015, May 31, 2016, and November 30, 2016 to the shareholders of the Borrower in the form of dividends, disposal of reserves, premium of issue or its equivalent according to the accounting standard applicable in Costa Rica, for the entire amount available in cash

greater than US\$31,961,362, provided the Suspensive Conditions have been met to make Pre-Authorized Allocations. Such disbursements will be made within the time elapsed between the execution date of the documentation under which the Borrowers' request is formalized and December 5, 2016.

The suspensive conditions to perform the Pre-Authorized Disbursements are:

- The reserve accounts of the Borrower are fully funded.
- The amount of the balance is deposited in (1) the main account in US dollars, (2) the equivalent value in US dollars for the balance deposited in the main account in Costa Rican colones, and (3) the equivalent value in US dollars for the balance deposited in the Operation Account, immediately after the corresponding disbursement amounts to, at least, the amount of US\$31,961,362.
- The Debt Service Coverage Ration calculated on the audited financial statements corresponding to the twelve (12)-month period ended December 31 of the year before that when the corresponding disbursement is equal to or greater than 1.15x.
- That none of the early termination reasons included in the Loan Agreement, in the Concession Agreement, or Hedge Agreement has taken place and that the disbursement does not make the Borrower incur in some of such assumptions.

In December 2016, the contract for the declaration of commissioning and other agreements was signed, in which the conditions indicated in the definition of "Commissioning or Placement" are fulfilled by means of an amendment to the loan agreement.

The Parties agreed to satisfy the Pending Compliance Condition including a minimum balance amounting US \$ 7,925,000. (Note 3)

The Accrediting Entities proceed to withdraw the guarantees granted by the Direct Shareholders, related to the Start-up of the Motorway.

These novations have also meant the parallel execution of novations for the trust agreement (Note 21) and the agreement of commitments and obligations undertaken (Note 22).

21. IRREVOCABLE ACCOUNT MANAGEMENT AND GUARANTEE TRUST FOR THE SAN JOSÉ - CALDERA CONCESSION AGREEMENT

On December 20, 2007, the Company and its shareholders entered into an Account Management and Guarantee Trust, as detailed below:

Trustors -	Autopistas del Sol, S.A. P.I. Promotora de Infraestructuras, S.A. SyV CR Valle del Sol, S.A. Infraestructuras SDC Costa Rica, S.A. M&S DI-M&S Desarrollos Internacionales, S.A.
Beneficiaries -	Bankia SAU and BCIE
Trustee -	Scotiabank de Costa Rica, S.A.

The main clauses of such agreement are the following:

- a. **Objective of the Agreement** - That the trustors guarantee, with the trusted assets, the credit granted by the beneficiaries to Autopistas del Sol, S.A. and the hedge agreement (Note 24).
- b. **Trusted Assets** - The trustors transfer in fiduciary property the following assets and rights:
 - Income/cash flows from the collection of toll collection and from the guarantee for minimum income.
 - Income flows resulting from the Project's commercial contracts.
 - The project's accounts (Note 20).
 - Compensations paid to the trustors.
 - Shares of the concessionaire (Note 16).
 - Agreement on commitments and obligation undertaken (Note 22).
- c. **Management and Investment of the Trusted Equity** - The Trustee can only dispose of the amounts available in the Trust's account to make the following type of investments: Treasury bonds from the United States of America and bank deposits in the banks of the National Banking System, with maximum ninety-day maturity term, in dollars. In any case, investments should never have a maturity term greater than six months.

Last Novation of the Agreement on Commitments and Obligations Undertaken -

- *Obligations of the Indirect Shareholder* - The indirect shareholder is bound to keep at all moments a direct or indirect interest of, at least, 51% in the capital stock (i) of the Borrower and (ii) of the operator of the highway.
- *Guarantee Granted by the Guarantor ("FCC Construcción, S.A.")* - The Guarantor unconditionally and irrevocably guarantees the financial entities, and jointly and severally to P.I. Infraestructuras, S.A. and M&S DI-M&S Desarrollo Internacionales, S.A., all payment obligations and their contributions, until full compliance.
- *Guarantee Granted by the Indirect Shareholder (Globalvía Inversiones, S.A.)* - The Indirect Shareholder unconditionally and irrevocably guarantees the financial entities, and jointly and severally to SyV CR Valle del Sol, S.A. and Infraestructuras SDC Costa Rica, S.A., all payment obligations and their contributions, until full compliance, paying in full the guarantees of Sacyr, Vallehermoso, S.A., Grupo Soares Da Costa, SGPS, S.A.

22. AGREEMENT ON OBLIGATIONS AND COMMITMENTS UNDERTAKEN

As part of the loan agreement entered into with BCIE and Bankia SAU ("the Funding Entities") (Note 20), the Company entered into an "Agreement on Obligations and Commitments Undertaken" on December 20, 2007. Such agreement was amended through non-extinctive novation agreements entered into on December 1, 2008; September 13, 2011; August 2, 2012, February 27, 2013; and September 19, 2013. Through this agreement, the Company's direct shareholders (P.I. Promotora de Infraestructura, S.A., SyV Valle del Sol, S.A., Infraestructura SDC Costa Rica, S.A. and M&S DI-M&S Desarrollos Internacionales, S.A.) and indirect shareholders (Globalvía Inversiones, S.A.), as well as FCC Construcción, S.A. assume a series of obligations with the funding entities in February 2013.

Below is a detail of the main aspects of such agreement:

- a. The direct shareholders must keep their interest in the capital stock of the Company in the same percentages they currently own, until the start of operations of the highway, and then P.I. Promotora de Infraestructuras, S.A. and SyV CR Valle del Sol, S.A. must directly and jointly keep at least 51% interest in the Company, unless the majority of the Funding Entities authorize a decrease in the interest lower than such percentage.
- b. The Borrower can enter into a highway operation and maintenance agreement with any other company and must make this agreement to be entered into with another company of the group of which Globalvía Inversiones, S.A. is a member.
- c. Direct shareholders must not create a pledge or allow the creation of a pledge or attachment on their shares of the Company, except for any pledges or attachments created as collateral of this funding.
- d. Direct shareholders must provide funds to the Company, so that the latter can keep at all times, until the Start of Operations of the highway, a minimum Own Funds/External Funds ratio of 25/75. As of December 31, 2016, 2015 and 2014, the Company has complied with this clause.
- e. Under the assumption that termination of the Loan Agreement occurs due to causes attributable to the Company, Constructora San José - Caldera CSJC, S.A. (Note 26), or any other Shareholder as a consequence of the breach of obligations assumed by any of them, according to any of the financial documents or agreements of the Project, before the start of operations, the Shareholders agree to reimburse the Funding Entities the amounts owned by the Company according to such documents on first demand by the designated agent (BCIE).
- f. Direct shareholders are jointly liable, and therefore, each of them will be liable for the amounts to be given to the Borrower and for the corresponding amounts to be given to the Financial Entities, in equal proportion to the interest held by each of them.
- g. As part of the Company's reporting obligations, it has notified Lenders about the concession of the Final Start of Operations of Sections I and III. The concessionaire obtained the Final Start of Operations of Section II in July 2015.
- h. For the purposes of the guarantees granted as of December 31, 2016, 2015 and 2014, the agreement specifies them as follows:
 - FCC Construcción, S.A., unconditionally and irrevocably guarantees to the Funding Entities, upon BCIE's first demand, and jointly and severally guarantees to P.I. Promotora de Infraestructuras, S.A. and M&S DI-M&S Desarrollos Internacionales, S.A., all the payment and/or contribution obligations assumed as a result of the loan agreement under the same terms and conditions, and FCC Construcción, S.A. will be liable for all the obligations guaranteed in the same manner or form as P.I. Promotora de Infraestructuras, S.A. and M&S DI-M&S Desarrollos Internacionales, S.A. until the total fulfillment of the guaranteed obligations.
 - Globalvía Inversiones, S.A., unconditionally and irrevocably guarantees to the Funding Entities, upon BCIE's first demand, and jointly and severally guarantees to SyV CR Valle del Sol, S.A. and Infraestructuras SDC Costa Rica, S.A., all the payment and/or contribution obligations assumed as a result of the loan agreement under the same terms and conditions, and SyV CR Valle del Sol, S.A. and Infraestructuras SDC Costa Rica, S.A. will be liable for all the obligations guaranteed in the same manner or form as SyV CR Valle del Sol, S.A. until the total fulfillment of the guaranteed obligations.

- Globalvía Inversiones, S.A., unconditionally and irrevocably guarantees to the Funding Entities, upon BCIE's first demand, and jointly and severally guarantees to Infraestructuras SDC Costa Rica, S.A., all the payment and/or contribution obligations assumed as a result of the loan agreement under the same terms and conditions, and Grupo Soares Da Costa, SGPS, S.A. will be liable for all the obligations guaranteed in the same manner or form as Infraestructuras SDC Costa Rica, S.A. until the total fulfillment of the guaranteed obligations.

23. AGREEMENT FOR ADDITIONAL WORKS

On October 25, 2012, an agreement for additional works was entered into, including the supply of materials based on a turnkey system with lump sum and closed term, which is detailed as follows: a) interchange structure of El Coyol, b) retaining wall and slope protection from p.k. 45+800 to p.k. 46+100, c) retaining wall and slope protection from p.k. 47+200 to p.k. 47+600 and d) sheet pile wall and soil nailing p.k. 46+850.

The agreement was entered into to meet the requisites set forth in the novation loan agreement (Note 20). Such agreement discloses the described actions additional to the master construction agreement entered into on December 18, 2007.

The price was set at US\$5,505,304 and was disbursed on November 7, 2012 as of the loan drawdown.

24. MASTER AGREEMENT FOR FINANCIAL TRANSACTIONS (HEDGE AGREEMENT)

On December 20, 2007, the Company entered into a Master Agreement for Financial Transactions with Bankia SAU, which objective was to establish an interest rate swap hedge agreement. By means of this agreement, the Company established with such entity a hedge transaction at a fixed interest rate of 4.915%. In such way that, regardless of how LIBOR rate behaves at six-month rate (the rate agreed in the loan operation - Note 20, the Company will pay the fixed established rate). The start date of such agreement is January 10, 2008 and expires on November 30, 2023. As of December 31, 2016, 2015 and 2014, the balances of US\$24,831,521, US\$28,010,261 and US\$25,367,292, respectively, in the Other Financial Liabilities account, correspond to the fair value of the liability that results from the previously mentioned hedge agreement.

The fair value of the interest rate swaps at the end of the reporting period is determined discounting the future cash flows by using the curves at the end of the reporting period and the credit risk inherent in the agreement.

The following table details the notional capital amounts and the remaining terms of the interest rate contract pending as of the end of the reporting periods (figures in thousands):

Hired Fixed Interest Rate		2016		2015		2014	
		Notional Capital Value	Notional Capital Value	Notional Capital Value	Fair Value	Notional Capital Value	Fair Value
1 year or less	4,92%	152,991	4,389	157,790	6,085	170,672	3,947
From 1to 2 years	4,92%	139,166	3,840	146,078	4,623	157,790	9,415
From 2 to 5 years	4,92%	129,020	7,262	112,815	9,116	124,072	10,158
5 or more years	4,92%	85,871	2,347	52,349	5,008	52,439	4,490
		17,838		24,832		28,010	

Interest rate swap is paid every six months.

This contract is under Level 2 Fair Value hierarchy, which is the use of the discounted cash flow. Future cash flows are estimated in function of interest rates of futures contracts (yield curves observable as of the end of the reporting period) and contract interest rates discounted at a rate that reflects the credit risk of different counterparts.

The interest rate swap agreement through which variable interest rate amounts are exchanged for interest amounts at a fixed rate are denominated cash flow hedges, in order to reduce the Company's cash flow exposure which results from the variable interest rate on loans.

25. INSURANCE POLICY MANAGEMENT TRUST

On November 23, 2007, the Company entered into an "Insurance Policy Management Trust for the Concession agreement with Public Service of the San José-Caldera Highway Concession Agreement ("Concession Agreement"). The parties of the Agreement are:

Trustor -	Consejo Nacional de Vialidad
Trustee -	Banco de Costa Rica
Main Beneficiary -	Autopistas del Sol, S.A. (the Concessionaire)
Secondary Beneficiary -	Consejo Nacional de Vialidad ("CONAVI")

The main objective of the contract is to provide a smooth, transparent, and efficient financial mechanism to receive, manage, invest, and disburse the funds provided to the Trustee by the National Insurance Institute (INS) for concept of indemnifications resulting from policies duly acquired at such entity, intended to cover a potential claim in the Concession Agreement, so that such funds are irrevocably allocated to the reconstruction or replacement of the insured works by the Concessionaire. For such purpose, the corresponding amounts will be, upon previous express authorization in writing of the Trustor, delivered to the Trustor in order to comply with the contractual obligations by means of the payment procedure established for such purpose.

The term of the trust agreement is equal to that of the Concession Agreement plus the time necessary for liquidation and settlement of the trust, and this term cannot exceed 30 years.

26. CONSTRUCTION AGREEMENT

On December 18, 2007, the Company and Constructora San José Caldera CSJC, S.A. ("CSJC") (related party) entered into an agreement to design and develop works including the supply of materials, object of the San José - Caldera Concession Agreement. CSJO will implement, with technical and administrative autonomy but in all events under the supervision of the Company and the National Concession Board (CNC), all the works and services needed for the design and construction of the works described and specified in the Concession Agreement and its Addenda. Below is a detail of the main clauses of this agreement:

- a. The agreement is governed by the "back to back" principle regarding the rights and obligations assumed by the Company with the CNC with respect to the matters relating to the construction activity of the Concession Agreement. In this sense, unless different obligations or rights are otherwise expressly set forth in the Agreement, CSJO will have the same rights and obligations of the Company with CNC.
- b. The agreement is entered under the turnkey system commonly used in the market; in other words, based on a lump amount and closed term system.
- c. The price of the agreement is US\$229,924,319.

- d. The Company will make an advance payment of 20% on the price mentioned in the previous sub-paragraph, against delivery by CSJO of a guarantee on behalf of the Company for such amount and which could be enforceable in the event of non-compliance with the obligations assumed by CSJO by virtue of the Agreement. Such advance payment will be proportionally deducted from the certificates of works performed. As of December 31, 2016 and 2015, no advance payments had been made. As of December 31, 2014, the advances made to CSJO amounted to US\$112,582. (Note 14).
- e. As of the start order (January 8, 2008), the agreed-upon price will be paid in monthly installments in accordance with the effective progress of the works, justified in a payment record for the works performed that CSJO will submit to the Company within the first five calendar days of each month.
- f. The maximum term for the construction of the works is 30 months as of the start order (January 8, 2008). As of the date of financial statements, the works have been completed and delivered to the Government of Costa Rica; nevertheless, due to a delay in the delivery of lands by the Granting Authority, it has not been possible to deliver the totality of the works.
- g. CSJO will bear the cost of the construction bonds and the environmental guarantees (Note 28).
- h. If, due to circumstances beyond the control of CSJO and attributable to the Company or CNC, there were delays or construction overruns, CSJO will be entitled to compensation for damages by the Company.
- i. CSJO will not be able to transfer this agreement, unless expressly authorized by the Company and the CNC. Nevertheless, keeping its liability to the extent set forth in the Agreement, it will be able to outsource parts of the agreement from third parties provided it does not breach any provisions contained in the Costa Rican laws, the Bid Tender, and the Concession Agreement.
- j. Desarrollo y Construcción DEYCO CRCA, S.A., SACYR Construcción Costa Rica, S.A., Soares Da Costa - Construcao S.G.P.S., and FCC Construcción Costa Rica, S.A., (formerly M&S Compañía CSJO de San José (Meco - Santa Fe), S.A.) ("the Direct Shareholders"), as shareholders of the Company, jointly and severally guarantee, along with CSJO, the payment of all obligations incurred by CSJO as a result of the agreement and under the same terms and conditions, and each Direct Shareholder will be jointly and severally liable for the obligations in accordance with their interest in the capital stock of CSJO. Moreover, Globalvía Inversiones, S.A. ("Indirect Shareholder") will guarantee the obligations assumed by the Direct Shareholders.

On November 17, 2016, the Company proceeded with the settlement agreement with the San José Caldera CSJC, S.A. The main agreements reached were:

- Agreed that the Company has complied with the payment obligations regulated in the construction contract, delivering in favor of Constructora San José Caldera CSJC, S.A. US \$ 3,000,000 related to the amounts owed under the construction contract
- The Constructora San José Caldera CSJC, S.A granted a total, comprehensive, irrevocable and final settlement of the obligations assumed by the Company in the construction contract, expressly waiving any judicial or extrajudicial claim.
- The Constructora San José Caldera CSJC, S.A issued a certificate to the Company, stating that the Company has fully complied with its obligations. Likewise, Constructora San José Caldera CSJC, S.A. expressly waives any claim against the Company.
- The Company declared, except for the hidden defects and contingencies of the builder that must be duly corrected and compensated by the construction company, had received the works object of the work contract, duly executed

27. CONSTRUCTION AGREEMENT TO COMPLEMENTARY AGREEMENT No. 1

On December 1, 2008, the Company entered into with Constructora San José Caldera CSJC, S.A. ("CSJO") (a related party) an addendum to the Construction Agreement executed on December 18, 2007 (Note 26) to perform the works included in the Complementary Agreement No.1 to the Concession agreement with Public Service of the San José - Caldera Highway Concession Agreement (Note 18). The main clauses of this agreement are detailed as follows:

- a. CSJO will be responsible for performing the works set forth in the Complementary Agreement No.1 to the Concession agreement with Public Service Concession Agreement.
- b. From the time the Granting Authority makes payments according to the Monthly Estimate Report to the Concessionaire, the latter will in turn make payments to CSJO as soon as possible.
- c. The term and amount of this agreement will be in accordance with the Complementary Agreement No.1 to the Concession agreement with Public Service of the San José - Caldera Highway Concession Agreement, in other words, US\$34,000,743, and a twelve-month term, which expired in July 2010 (Note 18). As of January 2010, the works of the complementary agreement were completed; however, the Company has not settled this agreement because there has not been a certificate of completion of works, which is a requisite to complete and deliver the works.

28. GUARANTEES

According to the terms of the Concession Agreement (Note 17), the Concessionaire must provide the following bonds:

- a. **Performance Guarantee** - As of December 31, 2007, the Concessionaire had granted a performance bond for US\$6,250,000 to the National Concession Board. On January 23, 2008, the National Concession Board returned this performance bond, which expired when the start order for the works was issued.
- b. **Construction Guarantee** - Addendum No.5 signed on October 4, 2007 states that the construction bond must cover 10% of the investment in civil works of the project. The estimated cost of the investment in civil works approved by the National Concession Board was US\$229,900,000. The bond amounting to US\$22,992,000 was created on behalf of the National Concession Board on December 31, 2007. This bond was provided by Constructora San José - Caldera CSJC, S.A., pursuant to the construction agreement (Note 26). As of the date of financial statements, all the construction bonds had been returned.
- c. **Operation Guarantee** - Operation bonds will have the same validity term as the operation period. As of December 31, 2016, 2015 and 2014, the Company will extend the operation bonds, which have been assumed by the Company's shareholders. As of December 31, 2016, the aforementioned bonds will be in the amount of US\$276,600 (US\$26,400 of the Complementary Agreement, US\$46,300 of Sector I, US\$126,400 of Sector II and US\$77,500 of Sector III), an amount notified by the National Concession Board and which expires on April 29, 2017.
- d. **Environmental Guarantee** - On December 4, 2007, an environmental guarantee was furnished on behalf of the Ministry of Energy and Mines (MINAE) in the amount of US\$1 million, which was provided by Constructora San José - Caldera CSJC, S.A., pursuant to the construction agreement (Note 26g). During 2011, the environmental guarantee was adjusted by MINAE to US\$2.3 million; as of December 31, 2016, such amount is kept as a guarantee that expires on May 7, 2017.

- e. **Other Guarantees** – Guarantee in favor of the Consejo Nacional de Concesiones amounting US\$ 446,937 as a requirement to qualify for the Guaranteed Minimum Income mechanism for 2017. Additionally the Company has also provided for a total of US \$ 174,478, related to works to be executed detailed in Addendum No.6.

The detail of the guarantees is the following:

	Bond	Maturity
Section I	46,300	29-Abr-17
Section II	126,400	29-Abr-17
Section III	77,500	29-Abr-17
Complementary Agreement	26,400	29-Abr-17
Environment	2,300,000	07-May-17
Guaranteed Minimum Income 2017	446,937	31-Dic-17
Addendum 6	<u>174,478</u>	31-Mar-17
Total	<u>3,198,015</u>	

29. START ORDER

On January 8, 2008, the National Concessions Board issued the Start Order for the works, and consequently, the Company had a 30-month term as of such date to complete construction of the work.

30. AGREEMENT ENTERED INTO WITH BANCO DAVIVIENDA

The Concession agreement with Public Service of the San José - Caldera Highway Concession Agreement includes electronic tolls as a method of payment, which is defined as a system that allows paying tolls without stopping the vehicle through an electronic device called tag, which is set up inside the vehicle. Therefore, the Concessionaire will choose a bank to be in charge of the logistics for tag distribution, customization, and maintenance, as well as collection procedures.

On December 11, 2008, the Company entered into an agreement with Banco Davivienda for the tag logistics, distribution, and maintenance, as well as the collection procedures for the electronic toll transactions of the San José - Caldera Highway, which was implemented in August 2009.

The main clauses of this agreement are as follows:

- a. Banco Davivienda will provide and distribute the tags to users and will be in charge of the toll collection and payment process, either through their own accounts or using another method of payment to be defined in the agreement between the users or other banks and credit card operators and Banco Davivienda to later pay them to the Concessionaire.
- b. The agreement will be in force for 5 years as of December 11, 2008, and on June 25, 2013, an addendum was entered into to extend the term for another five years until December 12, 2018.
- c. Banco Davivienda will earn a commission to be determined in terms of the number of tags sold per year. During the first three years of service, the commission will range from 0.4% to 0.8%, and during years four and five, from 0.5% to 1%.

Obligations of the Concessionaire -

- a. Set up a toll booth on the highway to process tag transactions without the need to stop the vehicle.
- b. Develop and set up a computer system to verify and record the transit associated with the tags.

- c. Provide the necessary technical support to the Bank in order to implement the system that will permit proper operation of the platform, in accordance with the concession.
- d. Provide the bank with statistical information about the tag transactions of the highway.
- e. Keep exclusivity with the Bank regarding the distribution of tags and collection procedures. During 2010, Banco Davivienda breached some contractual clauses thereby losing the exclusive tag distribution and management.
- f. No later than 30 business days as of the date of the transactions, provide a list of transactions of authorized tags at the highway toll booths during a period of time.
- g. No later than 30 business days, provide the Bank with a photographic record of a transaction in case of a user claim.

Obligations of Banco Davivienda -

- a. Have a call center available to answer questions or claims of tag users.
- b. Start distributing tags to users as of February 15, 2009.
- c. No later than June 1, 2009, implement a prepaid tag system with automatic charge to an account or credit card of another bank to offer the service to users of other banks. The selected entities must have the approval of Autopistas del Sol, S.A.
- d. Bear the costs of the tags, including taxes as well as the costs associated with their distribution and advertising.
- e. Make payments to Autopistas del Sol, S.A. corresponding to the transactions of the tag owners within the following business day after receiving the transaction information sent by Autopistas del Sol, S.A. to the Bank.

31. QUICK PASS OPERATION AGREEMENT ENTERED INTO WITH ETC PEAJE ELECTRÓNICO, S.A.

The Concession agreement with Public Service of the San José - Caldera Highway Concession Agreement includes the electronic toll as one method of payment, which is defined as a system that allows paying the toll without stopping the vehicle through an electronic device which is set up inside the vehicle. Given an increase in the number of operations of the Company, the Concessionaire has required to expand this service to customers by authorizing a larger variety of banking entities; therefore, on May 27, 2010, an agreement was entered into so that ETC Peaje Electrónico, S.A. will be in charge of the logistics of the "QUICK PASS" distribution, customization, and maintenance and of the collection procedures. This agreement will be in effect for five years after its execution and can be renewed for identical conditions.

The main clauses of this agreement are detailed as follows, and according to this agreement ETC Peaje Electrónico, S.A. agrees to:

- a. Enter distribution and collection agreements with the issuers so customers can use a QUICK PASS.
- b. On a daily basis, receive the credit and debit transactions from QUICK PASS collection agents, and distribute them to issuers, in order to charge them to users.

- c. On a daily basis, receive from the issuers a list of the statements of account of QUICK PASS, for their consolidation and report to Autopistas del Sol, S.A. or any other affiliate.
- d. Enter into agreements with state-owned banks that have been previously approved and authorized by Autopistas del Sol, S.A., so that issuers authorize a debit or credit from their accounts following the instructions issued by ETC or the Company, in the event that ETC fails to follow the instructions.
- e. Enter into acceptance agreements with other affiliates for the inclusion of the QUICK PASS as a method of payment, upon previous authorization from Autopistas del Sol, S.A.

Obligations of ETC -

- a. Enter into at least 4 agreements during the following 12 months after execution of this agreement with entities that represent least 30% of the market in banking assets, and where at least one should be a state-owned bank, with at least 150 branches.
- b. Enter into an agreement with an entity for at least the first 90 days after the agreement has been signed.
- c. Implement this system with a public bank with at least 150 branches in the country during the first 6 months.
- d. Start with the first entity the distribution of the QUICK PASSES during the first 6 months after executing the agreement.
- e. Import and/or distribute, at its own expense, the payment devices of a brand authorized and approved by the Company.
- f. On a daily basis, process the transactions to pay the respective transactions to the QUICK PASS collectors before 2 p.m, on the following business day.
- g. Receive, process, and classify claims through an application which must affect the payments of the day, if necessary.
- h. Sell the payment devices to authorized entities and keep detailed records.
- i. Develop and set up a billing and collection system.
- j. Include in the issuer agreements a clause to make them inform users about the QUICK PASS charges.
- k. During the term of the agreement, provide the Company with one hundred QUICK PASSES, at cost.
- l. The QUICK PASS distributors will coordinate with the Company any information provided to users in the mass media.
- m. Include in the issuance agreements a clause relating to a minimum distribution of QUICK PASSES.
- n. Issue and give the Company an unconditional bank guarantee of US\$5,000 to secure the daily and accurate provision of information about the transactions relating to the agreement. In case of three events of noncompliance in one month, and if this is attributed to ETC, the Company may be able to enforce the guarantee, which must be renewed by ETC; if the guarantee is not renewed, the Company can terminate the agreement.

- o. Include in the agreements with the participating issuers a clause to require an unconditional bank guarantee on first demand on behalf of the Company, for a minimum amount of US\$10,000, which will be reviewed on a quarterly basis to comply with the calculation of the amount of the transactions of the last 90 days, divided by ninety and multiplied times three. This is a requisite to start the operations of the participating issuer.

Obligations of Autopistas del Sol, S.A. -

- a. Recognize issuers the commission on the amount collected to the issuers, as compensation for the collections services. The calculation must be submitted by ETC during the first three business days of the month, and the Company must pay on the 15th day of each month, or on the following business day as long as the information is provided by the systems of the Company.
- b. Autopistas del Sol, S.A. agrees not to enter any other agreement of a similar scope as long as ETC does not comply with its obligations relating to the commencement of operations.
- c. Keep the electronic system in working order to allow QUICK PASS transactions.
- d. Give a preferential treatment to QUICK PASS users provided that the circumstances do not make the Company use the manual toll collection lanes.
- e. Give support to ETC during the set up and operation of the service platform.
- f. Together with ETC, choose an electronic payment device vendor.

Rights of ETC -

ETC is entitled to charge, on behalf of the participating issuers, the amounts of the commissions for the services described in the contract and the following maximum amounts based on a total annual number of QUICK PASS transactions:

- 0.80% for the tranche between 0 and US\$2,000,000.
- 0.64% for the tranche between US\$2,000,001 and US\$6,000,000.
- 0.56% for the tranche between US\$6,000,001 and US\$8,000,000.
- 0.40% for a tranche higher than US\$8,000,001.

As of the date of financial statements, the following are the participating issuers of this agreement: Banco Lafise, BAC San José, Banco Nacional de Costa Rica, Banco de Costa Rica, Banco Cathay, Banco Promérica, Scotiabank, Credix, and Banco Crédito Agrícola de Cartago.

32. FINANCIAL INSTRUMENTS

A summary of the main disclosures regarding the financial instruments is the following:

32.1 FINANCIAL INSTRUMENT CATEGORIES

As of December 31, 2016, 2015 and 2014, the Company's financial instruments consist of the following:

	2016	2015	2014
Cash	5,035,638	40,505,682	52,749,360
<u>Financial assets (valued at fair value):</u>			
Restricted cash	28,029,292	13,590,433	12,474,297
Financial assets (valued at amortized cost):			
Cash equivalents	58,112	60,994	44,741
Held-to-maturity investments	-	-	555,629
Accounts receivable	362,580	331,936	655,646
Accounts receivable from related companies	1,916	1,960	1,508
Notes receivable	104,101	208,203	-
Financial asset - concession agreement	363,038,911	349,688,320	337,592,245
Total	396,630,550	404,387,528	404,073,426
Financial liabilities:			
At amortized cost	210,906,161	222,993,469	231,085,774

A summary of the main risks associated to the previously mentioned financial instruments, as well as the way in which the Company is managing the risks, is presented as follows:

- a. **Credit Risk** - The financial instruments that may potentially subject the Company to credit risk consist mainly of cash, restricted cash, cash equivalents, held-to-maturity investments, and accounts receivable. Cash and cash equivalents, restricted cash, and held-to-maturity investments are kept at sound financial institutions, are payable on demand, and generally pose a minimum risk. The accounts receivable are mainly with government agencies and with related companies that do not present any risks for their recovery based on the Company's previous experience with these entities.
- b. **Liquidity Risk** - The Company requires of liquid funds for its normal operation. For these purposes, the Company receives on a daily basis liquidity through toll payment collection. The Company constantly monitors its cash flows and analyzes its matched maturities, in order to attend to any short and mid-term obligation.

The expected recovery of financial assets as of December 31, 2016 is the following:

Financial Assets	Interest Rate	Less than 1 Month	2 Months	From 3 Months to 1 Year	More than 1 Year	Total
Instruments that do not earn interest		-	468,597	-	-	468,597
Instruments that earn interest	Between 1.40% and 16.03%	33,064,930	58,112	72,816,815	290,222,096	396,161,953
Total		33,064,930	526,709	72,816,815	290,222,096	396,630,550

The expected recovery of financial assets as of December 31, 2015 is the following:

Financial Assets	Interest Rate	Less than 1 Month	2 Months	From 3 Months to 1 Year	More than 1 Year	Total
Instruments that do not earn interest		3,401,024	437,998	104,101	104,101	4,047,224
Instruments that earn interest	Between 1.40% and 15.02%	50,695,091	60,994	70,467,218	279,221,102	400,444,405
Total		54,096,115	498,992	70,571,319	279,325,203	404,491,629

The expected recovery of financial assets as of December 31, 2014 is the following:

Financial Assets	Interest Rate	Less than 1 Month	2 Months	From 3 Months to 1 Year	More than 1 Year	Total
Instruments that do not earn interest		3,131,781	655,646			3,787,427
Instruments that earn interest	Between 1.42% and 13.21%	54,903,756	5,797,065	64,890,161	274,695,017	400,285,999
Total		58,035,537	6,452,711	64,890,161	274,695,017	404,073,426

The scheduled payments for the financial liabilities as of December 31, 2016 are the following:

Financial Liabilities	Interest Rate	Less than 1 Month	2 Months	From 3 Months to 1 Year	More than 1 Year	Total
Obligations that do not generate interest	4.915%			18,432,778	185,554,608	203,987,386
Obligations that do not generate interest		5,240,580	104,101	1,574,094	-	6,918,775
Total		5,240,580	104,101	20,006,872	185,554,608	210,906,161

The scheduled payments for the financial liabilities as of December 31, 2015 are the following:

Financial Liabilities	Interest Rate	Less than 1 Month	2 Months	From 3 Months to 1 Year	More than 1 Year	Total
Obligations that do not generate interest	4.915%			12,798,410	203,987,386	216,785,796
Obligations that do not generate interest		3,840,092	104,101	2,159,379	104,101	6,207,673
Total		3,840,092	104,101	14,957,789	204,091,487	222,993,469

The scheduled payments for the financial liabilities as of December 31, 2014 are the following:

Financial Liabilities	Interest Rate	Less than 1 Month	2 Months	From 3 Months to 1 Year	More than 1 Year	Total
Obligations that do not generate interest	4.915%			10,776,224	216,785,796	227,562,020
Obligations that do not generate interest		891,824		2,631,930		3,523,754
Total		891,824		13,408,154	216,785,796	231,085,774

- c. **Fair Value Risk** - As of December 31, 2016, 2015, and 2014, fair value of financial assets and liabilities, according to their fair value hierarchy, is as follows:

Management considers that the nominal amounts recorded for financial assets and liabilities in the financial statements approximate its fair value. The following table includes an analysis of financial instrument at fair value, classified by valuation method:

- **Level 1** - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** - Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** - Inputs are unobservable inputs for asset or liability.

	Level 1	Level 2	Level 3
<u>December 31, 2016:</u>			
<u>Assets:</u>			
Accounts receivable			362,580
Accounts receivable from related parties			1,916
Notes receivable			104,101
Concession Agreement			363,038,911
<u>Liabilities:</u>			
Accounts payable			5,344,681
Accounts payable to related parties			1,574,094
Bank loans (at amortized cost)			203,987,386
Hedge derivatives		17,837,840	
<u>December 31, 2015:</u>			
<u>Assets:</u>			
Accounts receivable			331,936
Accounts receivable from related parties			1,960
Notes receivable			312,304
Concession Agreement			349,688,320
<u>Liabilities:</u>			
Accounts payable			3,840,092
Accounts payable to related parties			1,008,815
Bank loans (at amortized cost)			216,785,796
Hedge derivatives		24,831,521	
<u>December 31, 2016:</u>			
<u>Assets:</u>			
Accounts receivable			655,646
Accounts receivable from related parties			1,508
Notes receivable			
Held-to-maturity investments			555,629
Concession Agreement			337,592,245
<u>Liabilities:</u>			
Accounts payable			891,824
Accounts payable to related parties			1,225,456
Bank loans (at amortized cost)			227,562,020
Hedge derivatives		28,010,261	

- d. **Interest Rate Risk** - The loan obtained for financing the works has been acquired at fluctuating interest rates (Libor rate plus a margin). Consequently, the Company is exposed to risk of variations in such interest rate, which effect can be significant in the Project's operations. In order to be protected from this risk, the Company entered into an interest rate swap agreement (Note 24).
- e. **Exchange Rate Risk** - Most of the transactions conducted by the Company have been denominated in US dollars, and the transactions performed in Costa Rican colones (local currency) during these stages have been minimal. In addition, both the financing structure and the Concession agreement include that most of the Company's construction and operating income and costs have been convened in this currency. Income from toll collection is received in Costa Rican colones, which is exchanged to US dollar on a daily basis, and in addition, the rate is adjusted on a quarterly basis, taking into account the exchange rate behavior. Consequently, Management considers that the Project is not exposed to exchange rate risk, except for those transactions that take place in local currency, which are not material.
- f. **Leverage Risk** - The Company manages its capital structure in order to maximize the return for its shareholders by optimizing equity and debt balance. The capital structure used consists of debt, cash and its equivalents, restricted cash, and shareholders' equity, which is included in the capital stock, additional capital contributions, reserves, retained earnings, and interest flow hedges. The Company's leverage ratio is the following:

	2016	2015	2014
Bank debt	203,987,386	216,785,796	227,562,020
Cash and cash equivalents (includes restricted cash)	<u>(33,123,042)</u>	<u>(54,157,109)</u>	<u>(65,268,398)</u>
Net bank debt	<u>170,864,344</u>	<u>162,628,687</u>	<u>162,293,622</u>
Shareholders' equity	<u>126,079,155</u>	<u>124,535,504</u>	<u>122,949,269</u>
Leverage ratio	<u>136%</u>	<u>131%</u>	<u>132%</u>

Restricted cash is included for debt service as of December 31, 2015, 2014, and 2013, respectively (Note 3).

33. CONTINGENT ASSETS

As of December 2016, 2015, and 2014, the Company had the following contingent assets:

- a. **Administrative Contentious Lawsuit filed by Autopistas del Sol, S.A. against the State and Consejo Nacional de Concesiones (National Concessions Board, CNC)** – Processed in the Administrative Contentious Court, II Judicial Circuit, judicial record No. 12-006627-1027-CA: The ordinary civil proceeding is sought to reverse Resolution No. 021-2011 of the Technical Office of the National Concession Board. The amount is US\$290,000. In resolution of July 27, 2015, the lawsuit was overruled and we were sentenced to pay court costs and attorney's fees, whose amount has been challenged and is awaiting resolution.
- b. **Administrative Contentious Lawsuit filed by Autopistas del Sol, S.A. against the State and Consejo Nacional de Concesiones (National Concessions Board, CNC)** – Processed in the Administrative Contentious Court, II Judicial Circuit, judicial record No. 16-003315-1027-

CCA: The claim is filed to reverse Resolution No. R-ST-046-2013 of the Technical Office of the National Concession Board and the penalty proceeding of administrative file No. PSJC-001-2012. The amount of the lawsuit is inestimable. Preliminary hearing is attended on November 16, 2016, and oral and public trial is still pending. It is still not possible to evaluate the potential adverse results.

In 2015, the proceeding was closed and it is detailed as follows:

- c. **Arbitration Proceeding of Autopistas del Sol, S.A. against Consejo Nacional de Concesiones (National Concessions Board, CNC), and the State** – Processed at the AMCHAM Center for Conciliation and Arbitration, under record 00215-3022/AR/ADHOC: Complaint for noncompliance by the concessions authority to pay for the updated costs of civil work and equipment established in Addendum No. 5 to the Concession Agreement. This case was closed as a result of the agreement between both parties and its ratification, which can be seen in addenda 6 and 7 to the Concession Agreement. Upon resolution number 94 of March 18, 2015, the conciliation agreement is approved and ratified, and the payment of the sums referred to in “Whereas Eight” of such agreement is ordered. On August 20, 2015, the process is considered as concluded, and the record is filed away. There are no adverse results.

34. CONTINGENT LIABILITIES

As of December 31, 2016, 2015, and 2014, the Company had the following liabilities:

- a. **Action for Payment Filed by Sasmarketing, S.A. against Autopistas del Sol, S.A.** – Processed at the Specialized Collection Court of the First Judicial Circuit of San José, under record No. 14-002703-1044-CJ: A debt is being collected based on an invoice regarding a services agreement. It is estimated in ₡233,605,233 (US\$415,816 as of December 31, 2016), plus 50% of legal costs and interest to be paid up to the effective payment of the totality of the debt. The record is in the Court of Appeals to hear the appeal filed by Autopistas del Sol against the resolution that exempted the plaintiff from paying court costs and attorney’s fees. The probabilities of an adverse result are low.
- b. **Ordinary Civil Lawsuit filed by Carlos Arrea Anderson and P Tres Counsel, LTD against Autopistas del Sol S.A.** – Processed in the Third Civil Court of San José, legal record No.15-000185-0182-CI: The lawsuit results after alleged breach of contract for untimely termination of the professional services agreement since plaintiffs believed a termination notice should have been issued. The estimated amount of the lawsuit is US\$138,750. The closing argument was presented and we are awaiting judgment. As of the date of the financial statements, it is not possible to assess the potential adverse results.
- c. **Administrative Contentious Lawsuit filed by Fiduciaria Cuscatlan S.A. against Autopistas del Sol S.A., the State, Consejo Nacional de Concesiones (National Concessions Board, CNC), and Hermanos Herrera Vargas** – Processed in the Administrative Contentious Court, II Judicial Circuit of San José, legal record No.10-0000967-1027-CA-4: Plaintiff is seeking for removal of debris and dirt from properties and payment of damage caused. The amount of the lawsuit is inestimable. This complaint is being processed by the attorneys of Constructora San Jose Caldera and the final result will be accepted by it.
- d. **Administrative Contentious Lawsuit filed by Natalia Bolaños Araya against the State and Autopistas del Sol, S.A.** - Processed in the Administrative Contentious Court, II Judicial Circuit of San José, legal record No.10-002300-1027-CA: Plaintiff is seeking payment of damages caused by a rock that fell on the windshield. Damage is quantified on US\$522,389. The lawsuit was dismissed and the resolution regarding the appeal for reversal (*recurso de casación*) filed by the plaintiff has not been issued, and it is not possible to assess the potential adverse results.

- e. **Administrative Contentious Lawsuit for Probate Proceedings of Marlene Briones Cruz against the Ministry of Public Works and Transportation and Autopistas del Sol, S.A.** - Processed in the Administrative Contentious Court, II Judicial Circuit of San José, legal record No.10-004240-1027-CA: Claim of damages caused for death in motorcycle due to falling rock. It is quantified in US\$1,191,415. In 2016, an out-of-court settlement was reached by the parties in the amount of CRC50,000,000 which was paid by the Company's insurance company through the deductible.
- f. **Ordinary Civil Lawsuit of Quintas Vistas Santa Ana, S.A. against the Company, the State and CNC** - Processed in the Administrative Contentious Court, II Judicial Circuit of San José, legal record No.10-004557-1027-CA: Claim for damages caused by landslide that left parcel without access to Route 27. The amount of the lawsuit is inestimable. Parties are summoned to oral and public trial on February 24 and 27, 2017. Since it is inestimable and the lawsuit is pending, it is still not possible to evaluate the potential adverse results for the Company.
- g. **Administrative Contentious Lawsuit filed by Tajo Florencia, S.A. and Franklin Rojas Castillo Contra Autopistas del Sol S.A., and the State** - Processed in the Administrative Contentious Court, II Judicial Circuit of San José, legal record No.13-000887-1028-CA-4: Enforcement of judgment to determine damages that were granted by the Fourth Chamber. The estimated amount is US\$1,227,619. The request for an interim relief filed by the plaintiff was dismissed. The Court is now waiting for the appraisal report and the respective hearing. It is still not possible to evaluate the potential adverse results.
- h. **Administrative Contentious Lawsuit filed by Omar Alvarado Gatjens and Others against Autopistas del Sol, S.A., the State, Consejo Nacional de Vialidad (Highway Administration Authority) and Consejo Nacional de Concesiones (National Concession Board)**- Processed in the Administrative Contentious Court, II Judicial Circuit of San José, legal record No.14-3438-1027-CA: Introduction process to determine damages caused to property for deviation of water in virtue of highway. The amount is US\$586,543. The preliminary hearing is pending. As of the date of the financial statements, it is still not possible to evaluate the potential adverse results.
- i. **Administrative Contentious Lawsuit filed by Office of the Comptroller General against Autopistas del Sol, S.A.** - Processed in the Administrative Contentious Court, II Judicial Circuit of San José, legal record No.14-010753-1027-CA: Complaint filed in order for the Company to be declared civilly liable for the alleged contractual breach regarding the lump sum design and execution of works for the alternate route Escazú - Hatillo - Calle Morenos. The estimate is ₡2,528,591,618 (equivalent to US\$4,500,875 as of closing of 2016). Preliminary hearing is attended on July 30, 2015. The preliminary hearing is still in process. As of closing of the financial statements, it is still not possible to evaluate the potential adverse results.
- j. **Administrative Contentious Lawsuit filed by María Isabel Ramírez González against Autopistas del Sol, S.A., the State and Others** - Processed in the Administrative Contentious Court, II Judicial Circuit of San José, legal record No.15-000701-1027-CA: Complaint filed in order for the Company to be declared civilly liable for not building a drainpipe that would allow rainwater to properly drain at the plaintiff's property, which resulted in damages to the plaintiff and her property. The amount has not been estimated. Through resolution issued on November 21, 2016, an introduction process was filed against Consejo Nacional de Concesiones (National Concessions Board, CNC) and Constructora San José Caldera, S.A. As of the date of the financial statements, the response to the complaint of Constructora San José Caldera and Consejo Nacional de Concesiones (National Concessions Board, CNC) is pending. It is still not possible to evaluate the potential adverse results.
- k. **Administrative Contentious Lawsuit filed by 3-102-562805 S.R.L. against Autopistas del Sol, S.A., the State, Consejo Nacional de Concesiones (National Concessions Board, CNC), and Consejo Nacional de Vialidad (Highway Administration Authority-CONAVI)** - Processed in the Administrative Contentious Court, II Judicial Circuit of San José, legal record

No.10-001059-1027-CA-4: Complaint to access public road. Inestimable value. Lawsuit was dismissed, and the plaintiff should pay court costs and attorney's fees of the defendants. The resolution regarding the settlement of court costs and attorney's fees filed by the defendants is pending.

- l. **Administrative Contentious Lawsuit filed by Jose Martin Irias (Agent of Constructora Guter Martini, S.A.) and Others against Autopistas del Sol, S.A., the State, and CSJC, S.A.** - Processed in the Administrative Contentious Court, II Judicial Circuit of San José, legal record No.10-001778- 1027-CA: Introduction process to determine damages to the property in the town of Pan de Azúcar. The sum amounts to US\$2,237,978. Through resolution of June 30, 2016, the process is considered as concluded and the record is filed away in virtue of the out-of-court settlement between the parties on May 18, 2016.
- m. **Ordinary Civil Lawsuit filed by Lorena Bolaños Masis and Others against Autopistas del Sol, S.A., Consejo Nacional de Concesiones (National Concession Board) and the State** - Processed in the Administrative Contentious Court, II Judicial Circuit of San José, legal record No.11-002660-1027-CA.: Civil lawsuit to determine damages undergone by the plaintiff's vehicle, as a result of rocks that fell in Kilometer 44 of Route 27. The amount estimated for the lawsuit is ₡64,216,470 (US\$114,305 as of December 31, 2016). Parties are summoned to oral and public trial on June 28, 2017. It is still not possible to evaluate the potential adverse results.
- n. **Administrative Contentious Lawsuit filed by Marta Mora Rojas against Autopistas del Sol, S.A. el Estado, CSJC, S.A. and Consejo Nacional de Concesiones (National Concession Board)** - Processed in the Administrative Contentious Court, II Judicial Circuit of San José, legal record No.12-000170-1027-CA: Complaint filed for damages caused to the owners of a property located in Pan de Azúcar because it lost its access to public road. Parties are summoned to oral and public trial on June 28, 2017. Since this proceeding has an inestimable value and the lawsuit is pending, it is still not possible to evaluate the potential adverse results.
- o. **Administrative Contentious Lawsuit filed by Asociación Preservacionista de Flora y Fauna (APREFLOFLAS) against Consejo Nacional de Vialidad (Highway Administration Authority), Autopistas del Sol, S.A., Consejo Nacional de Concesiones (National Concession Board), the State, Regulatory Authority of Public Services, and the Office of the Comptroller General** - Processed in the Administrative Contentious Court, II Judicial Circuit of San José, legal record No.12-003415-1027-CA: Lawsuit that requests abatement of Addendum number 2 and the following ones of the Agreement, payment of contractual penalties and construction of infrastructure by Autopistas del Sol, and the elimination of tolls . This proceeding has an inestimable value. On July 14 and 15, 2016, a preliminary hearing was held. An oral and public trial has not been scheduled. Since it is inestimable and the lawsuit is pending, it is still not possible to evaluate the potential adverse results for the Company.
- p. **Administrative Actions Brought by the Technical Secretary of Consejo Nacional de Concesiones (National Concession Board) against Autopistas del Sol, S.A.** – They consist of miscellaneous complaints for alleged noncompliance regarding delivery of information, non-observance of orders, instructions, deficiencies, conditions of pavement, attention to landslides or interruption of service. The total amount of these 11 cases is US\$3,883,338. As of December 31, 2016, it is not possible to assess if there will be adverse results since the cases were filed recently.
- q. **Administrative Environmental Action Filed by Anonymous (Amicus: the State and the Central Pacific Conservation Area (ACOPAC) against Autopistas del Sol, S.A.; filed with the Administrative Environmental Court (TAA), under administrative file No. 215-09-02-TAA** - The administrative environmental proceeding has been estimated in US\$1,065,169,55. A response of the Registration Service Department of the National Registry regarding the registration status of Autopistas del Sol, S.A., and the existence or not of Globalvía Ruta 27 in

the National Registry is still pending. An oral hearing by the Administrative Environmental Court has not been scheduled yet. It is still not possible to evaluate the potential adverse results. Valid and solid arguments that might succeed have been developed; however, we should take into consideration that Management itself will settle the case.

- r. **Arbitration Process of Autopistas del Sol, S.A. and Others against Constructora San José - Caldera, CSJC, S.A.; processed in the International Court of Arbitration of the International Chamber of Commerce under file No. 21814/ASM.** - The purpose of the proceeding is to file claims related to the breach of the Contract on the Implementation of Works with the Supply of Materials for the Construction of Route 27, San José - Caldera. The complaint was estimated in US\$10,692,763 (which was increased by a counterclaim for US\$35,000,000). The resolution of August 20, 2015 closed the case.
- s. **Administrative Tax Proceeding at the Large Taxpayers Division due to Review of Income Tax Return for FY2011** - The Large Taxpayer Division reviewed the 2011 Income Tax Return of Autopistas del Sol, S.A. Such tax review resulted in Settlement Event number 1-10-034-13-031-41-03, where the Tax Administration rejected as deductible expense what was paid by the Company for repair and maintenance of route number 27.

Specifically, the rejected expense corresponds to an invoice paid to vendor Constructora San José - Caldera CSJC, S.A., for the sum of U\$3,500,000 (three million five hundred thousand dollars), which resulted in an increase in the 2011 income tax base. Likewise, in virtue of the previously described procedures, the Large Taxpayer Division issued Penalization Resolution N°2-10-034-013-052-514-03, establishing a 25% penalty on the sums that supposedly were not paid by Autopistas del Sol, S.A. in relation to FY2011. The sum under discussion amounts to the sum of ¢543.468.426, plus interest. (¢434,774,741 of debt and ¢108,693,685 of 25% penalty, equivalent to a total of US\$967,370 as of December 31, 2016).

The Company filed a motion for appeal against the Settlement Event on April 10, 2014. Likewise, a motion for appeal against the Penalization Resolution was filed on the same date. Both motions should be resolved by the Administrative Tax Court. The ruling to be made by such Court exhausts the Administrative Tax Court, and in case the ruling is adverse to the Company's interest, it is possible to file a legal complaint with the Administrative Contentious Court.

Should the Administrative Tax Court issue a ruling against the interests of our client, it is possible to review the legality of the resolution by filing a complaint with the Administrative Contentious Court.

As of the date of the financial statements, the final resolution of previous matters is unknown (except for what is expressly indicated in each case); therefore, Management has not recorded any asset or liability for these contingencies.

35. TOLL COLLECTION

The calculation for toll collection as of December 31, 2016, 2015 and 2014 is the following:

	Note	2016	2015	2014
Gross toll collection		70,621,133	67,734,651	60,798,136
Co-participation - National Concession Board	18j	(2,955,212)	(2,249,312)	
Tolls paid to own Employees		(146,796)	(148,115)	(131,933)
Exemptions, not under contract, granted to the government		(716,267)	(570,299)	(529,978)
Net toll collection		66,802,858	64,766,925	60,136,225

The Company, when determining the financial asset balance (Note 9), in addition to the co-participation with the National Concession Board, does not take into consideration any amounts that correspond to tolls granted to their own employees, as well as non-contractual exempted tolls granted to the Government, and this is due to the fact that it does not receive funds for these concepts.

36. SUBSEQUENT EVENTS

No subsequent events to be informed.

37. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements have been approved by the Administration and its issuance has been authorized for February 13, 2017.

* * * * *

ANNEX A

The financial projections set forth in the table included below have been extracted from the Economic Offer (Oferta Económica) included in the original bid for the Project submitted by the Cartellone – Acosol consortium on May 14, 2001. In preparing these projections, the Cartellone – Acosol consortium made certain assumptions, which were and continue to be subject to uncertainty, based on the information available to them at the time the original bid for the Project was prepared. Accordingly, the Issuer’s results of operation and the Project’s actual cashflows may differ, perhaps materially, from the projections presented below. Holders of the notes are cautioned not to place undue reliance on the projections contained in this Annex A. Unless otherwise defined in this Annex A, capitalized terms shall have the meanings assigned to such terms in the offering memorandum. Copies of the original bid for the Project can be obtained from the Grantor at its offices in San José, Costa Rica, Montes de Oca, Distrito Mercedes. Ofplaza del Este, Building C, First Floor, Central Archive Department. File “Licitación Pública Internacional 01-98 - Concesión Carretera San José-Caldera”. This Annex A should be read together with the information contained in “Forward-Looking Statements” and “Risk Factors.”

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Income																									
Toll Income	1.0	11.7	20.3	25.7	29.0	32.0	35.0	38.2	41.5	44.9	48.4	52.1	55.9	59.9	64.1	65.4	66.7	68.0	69.4	70.7	72.2	73.6	75.1	76.6	78.1
Expected Income from General Services	52.6	0.0	0.5	0.8	1.1	1.2	1.3	1.4	1.6	1.7	1.9	2.0	2.1	2.3	2.5	2.6	2.7	2.7	2.8	2.9	3.0	3.0	3.1	3.2	3.2
Total Income	1,328	1.0	12.2	21.1	26.8	30.2	33.3	36.5	39.8	43.2	46.7	50.4	54.3	58.2	62.4	66.7	68.1	69.4	70.8	72.2	73.7	75.1	76.6	78.2	79.7
Expenses																									
Operating Costs (Exploitation)	(138.81)	(1.8)	(3.5)	(4.6)	(4.6)	(4.7)	(4.7)	(4.8)	(4.9)	(5.0)	(5.2)	(5.3)	(5.4)	(5.5)	(5.7)	(5.9)	(6.0)	(6.1)	(6.3)	(6.4)	(6.5)	(6.7)	(6.8)	(6.9)	(7.1)
Routine Conservation	(44.17)	(1.2)	(1.1)	(1.5)	(1.5)	(1.5)	(1.6)	(1.5)	(1.6)	(1.7)	(1.6)	(1.7)	(1.8)	(1.7)	(1.8)	(1.9)	(1.9)	(1.9)	(2.0)	(2.0)	(2.0)	(2.1)	(2.1)	(2.1)	(2.3)
Periodic Conservation	(31.03)	-	-	-	-	-	-	-	(8.8)	-	-	-	-	-	-	-	(10.3)	-	-	-	-	-	-	-	(11.9)
Reimbursement of Inspection Costs	(9.30)	(0.0)	(0.1)	(0.2)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)	(0.6)	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.8)	(0.8)	(0.8)	(0.8)
Insurance and Guarantees	(2.00)	(0.0)	(0.1)	(0.2)	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)	(0.4)	(0.4)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.6)
Implementation Costs	(2.84)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Minimum Guaranteed Income	(126.09)	(3.5)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)	(5.1)
Fixed Asset Amortization	(18.23)	(0.4)	(0.6)	(0.7)	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)	(0.8)	(0.8)	(0.6)	(0.6)	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)	(0.6)	(0.6)	(1.0)	(1.0)	(1.0)	(1.2)
Interest, Taxes and Financing Fees	(71.29)	(10.1)	(10.4)	(10.1)	(8.9)	(7.6)	(6.3)	(4.9)	(3.6)	(2.3)	(2.0)	(1.6)	(1.3)	(1.0)	(0.7)	(0.4)	(0.1)	-	-	-	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
INCOME BEFORE TAXES	(17.3)	(9.3)	(1.3)	5.4	10.0	14.2	18.5	22.9	18.6	31.1	34.9	38.8	43.0	47.2	51.5	53.1	44.1	55.6	56.9	58.2	59.0	60.3	61.6	51.0	63.0
Taxes/Rent	(260.76)	-	-	-	-	-	(5.6)	(6.9)	(6.6)	(9.3)	(10.5)	(11.6)	(12.9)	(14.2)	(15.4)	(15.9)	(13.2)	(16.7)	(17.1)	(17.4)	(17.7)	(18.1)	(18.5)	(15.3)	(18.9)
Total Expenses	(718)	(18.3)	(21.5)	(22.4)	(21.4)	(20.2)	(19.1)	(23.5)	(23.7)	(30.1)	(25.0)	(26.0)	(27.1)	(28.1)	(29.3)	(30.7)	(30.9)	(38.6)	(31.9)	(32.4)	(33.0)	(33.9)	(34.4)	(35.0)	(44.0)
NET INCOME	(17.3)	(9.3)	(1.3)	5.4	10.0	14.2	12.9	16.1	13.0	21.8	24.4	27.2	30.1	33.1	36.0	37.2	30.9	38.9	39.8	40.7	41.3	42.2	43.1	35.7	44.1
Project Cashflows																									
Net Income	(17.3)	(9.3)	(1.3)	5.4	10.0	14.2	12.9	16.1	13.0	21.8	24.4	27.2	30.1	33.1	36.0	37.2	30.9	38.9	39.8	40.7	41.3	42.2	43.1	35.7	44.1
Fixed Asset Amortization	126.10	3.5	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1
Capital Asset Amortization (Equipments)	18.23	0.4	0.6	0.7	0.6	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.6	0.6	0.6	0.7	0.7	0.7	0.6	0.6	1.0	1.0	1.0	1.0	1.2
Working Capital	-	0.5	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	1.0	(1.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	1.3	(1.3)	-	-	-	-	-	1.5	(0.6)
Investments Fixed Assets	(126.10)	(88.4)	(37.7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Investments	(18.23)	(4.0)	(1.5)	(1.2)	(0.3)	(0.1)	(0.5)	(0.1)	(0.2)	(0.3)	(3.1)	(0.1)	(0.2)	(0.2)	(0.1)	(1.7)	(0.1)	(0.1)	(0.2)	-	(3.6)	(0.2)	(0.1)	-	(0.2)
Tax Assets	(6.47)	(0.9)	(1.2)	(1.2)	(1.1)	(1.1)	(1.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cashflows before debt and equity	(106.1)	(44.3)	2.0	9.7	14.5	18.4	18.5	21.8	19.6	26.1	27.1	32.7	35.5	38.5	41.5	41.2	37.8	43.3	45.3	46.4	43.8	48.1	49.2	43.3	49.6

APPENDIX A: TRAFFIC CONSULTANT'S REPORT



TRAFFIC AND REVENUE UPDATE AUTOPISTA DEL SOL (COSTA RICA)

Final Report

January, 2017

Prepared for |

Globalvia

Content	Page
1. INTRODUCTION	9
Concession description	9
2. SOCIOECONOMIC CONTEXT	12
Introduction	12
Area of influence	12
Global overview	14
Population	15
Motorisation	21
Tourism	22
Puerto Caldera	25
3. FIELDWORK	29
Area and objectives of fieldwork	29
Technical equipment	30
Outcome	31
4. HISTORICAL TRAFFIC ANALYSIS	49
Introduction	49
Actual origin and destination relations using the concession	50
Historical traffic analysis along the concession	53
Monthly Distribution	73
Weekly traffic profile	84
Hourly traffic profiles	90
5. TRAFFIC GROWTH MODELS	109
Traffic Growth models	109
Adjusted models	110
6. TRAFFIC MODEL	114
Introduction	114
Network Model	115
7. SENSITIVITY ANALYSIS	135
Value of time sensitivity	135
Toll tariff sensitivity	138
Demand increase sensitivity	140
8. TRAFFIC FORECAST. BASE, STRESS AND UPSIDE CASE	143

Base Case	144
Stress Case	149
Upside Case	154

Figures

Figure 1.1. Autopista del Sol Toll Plazas	11
Figure 2.1. Location of the concession	12
Figure 2.2. Area of influence of the concession.....	13
Figure 2.3. Influence area population by districts (2011).....	16
Figure 2.4. Historical population trend	16
Figure 2.5. Annual growth variation rates of population (2001-2011).....	17
Figure 2.6. Compound annual growth of population of the influence area (2011-2000)	17
Figure 2.7. Population forecast 2011-2025. Absolute values	18
Figure 2.8. Population forecast 2011-2025. Annual growth variation rates.....	18
Figure 2.9. Influence area population by districts (2016).....	19
Figure 2.10. Influence area population by districts (2021).....	20
Figure 2.11. Influence area population by districts (2025).....	20
Figure 2.12. Compound annual growth of population of the influence area (2025-2011)	21
Figure 2.13. Motorisation rate	22
Figure 2.14. International arrival to Costa Rica by mode	23
Figure 2.15. Historical international arrivals to Costa Rica.....	23
Figure 2.16. International arrivals to Costa Rica by plane and area (2015)	24
Figure 2.17. Tourist offer. Number of rooms.....	24
Figure 2.18. Plano del puerto.....	26
Figure 2.19. Puerto Caldera: Annual evolution of cargo.....	26
Figure 2.20. Puerto Caldera: type of cargo.....	27
Figure 2.21. Total tonnage Costa Rica ports	28
Figure 2.22. Incoming and outgoing tonnes	28
Figure 3.1. Fieldwork area	29
Figure 3.2. Photograph taken along the road	30
Figure 3.3. Tools used in fieldwork	30

Figure 3.4. Example of Virb Edit output	31
Figure 3.5. Tracks covered by video. Day 1	33
Figure 3.6. Photograph of video 3. Ruta 27, close to Guácima.....	34
Figure 3.7. Photograph of video 3. Ruta 27, Turrúcares intersection.....	34
Figure 3.8. Photograph of video 4. Ruta 27, close to Escobal	35
Figure 3.9. Photograph of video 4. Ruta 27, Orotina intersection	35
Figure 3.10. Photograph of video 5. Ruta 27, third section	35
Figure 3.11. Photograph of video 5. Ruta 27, close to Caldera.....	36
Figure 3.12. Photograph of video 1. Road 167.....	36
Figure 3.13. Photograph of video 1. Road 105.....	36
Figure 3.14. Photograph of video 2. Road 310.....	37
Figure 3.15. Photograph of video 2. Road 121.....	37
Figure 3.16. Tracks covered by video. Day 2	38
Figure 3.17. Photograph of video 14. Autopista General Cañas next to San José	39
Figure 3.18. Photograph of video 14. Autopista Gral Cañas next to Santamaría Int. Airport.....	39
Figure 3.19. Photograph of video 13. Autopista Gral Cañas close to Atenas	39
Figure 3.20. Photograph of video 13. Autopista Gral Cañas past Santamaría Int. Airport	40
Figure 3.21. Photograph of video 12. Autopista Gral Cañas close to Atenas	40
Figure 3.22. Photograph of video 12. Autopista Gral Cañas after intersection road 136	40
Figure 3.23. Photograph of video 17. Alternative route, 3 rd section Road 131 by San Mateo	41
Figure 3.24. Photograph of video 17. Alternative route, 3 rd section. Road 131 by San Rafael.....	41
Figure 3.25. Photograph of video 16. Alternative route, 3 rd section. Road 131 by Espíritu Santo	41
Figure 3.26. Photograph of video 16. Route 1, Interamerican Highway.....	42
Figure 3.27. Photograph of video 15. Alternative route, 3 rd section. Road 17 close to El Roble.....	42
Figure 3.28. Photograph of video 15. Alternative route, 3 rd section. Route 1, Interamerican Highway.....	42
Figure 3.29. Accessing a Toll plaza in Ruta 27 seen through video camera	43
Figure 3.30. Image taken with photograph camera	43
Figure 3.31. Floating vehicle data results	45
Figure 3.32. Elevation Profile alternative route and Route 27	46
Figure 3.33. Detail San José – Colón	47
Figure 4.1. Origin-Destination pairs light vehicles. Detail	50

Figure 4.2. Origin-destinations pairs light vehicles. Overview51

Figure 4.3. Origin-destination pairs heavy vehicles52

Figure 4.4. Total Average Daily Traffic (light and heavy vehicles)53

Figure 4.5. Total Average Daily Traffic. Escazú55

Figure 4.6. Total Average Daily Traffic. Ciudad Colón56

Figure 4.7. Total Average Daily Traffic. San Rafael56

Figure 4.8. Total Average Daily Traffic. Guácima.....57

Figure 4.9. Total Average Daily Traffic. Siquiaries58

Figure 4.10. Total Average Daily Traffic. Rampa Atenas58

Figure 4.11. Total Average Daily Traffic. Atenas59

Figure 4.12. Total Average Daily Traffic. Pozón60

Figure 4.13. Total Average Daily Traffic. Rampa Pozón60

Figure 4.14. Heavy vehicles share61

Figure 4.15. Heavy vehicles share per categories.....62

Figure 4.16. Annual growth rate along the concession (%) per category.....63

Figure 4.17. Composition of traffic. Light/ heavy vehicles. Escazú64

Figure 4.18. Heavy vehicles share per categories. Escazú.....64

Figure 4.19. Composition of traffic. Light/ heavy vehicles. Ciudad Colón65

Figure 4.20. Heavy vehicles share per categories. Ciudad Colón.....65

Figure 4.21. Composition of traffic. Light/ heavy vehicles. San Rafael66

Figure 4.22. Heavy vehicles share per categories. San Rafael.....66

Figure 4.23. Composition of traffic. Light/ heavy vehicles. Guácima.....67

Figure 4.24. Heavy vehicles share per categories. Guácima67

Figure 4.25. Composition of traffic. Light/ heavy vehicles. Siquiaries68

Figure 4.26. Heavy vehicles share per categories. Siquiaries68

Figure 4.27. Composition of traffic. Light/ heavy vehicles. Rampa Atenas69

Figure 4.28. Heavy vehicles share per categories. Rampa Atenas.....69

Figure 4.29. Composition of traffic. Light/ heavy vehicles. Atenas70

Figure 4.30. Heavy vehicles share per categories. Atenas70

Figure 4.31. Composition of traffic. Light/ heavy vehicles. Pozón71

Figure 4.32. Heavy vehicles share per categories. Pozón71

Figure 4.33. Composition of traffic. Light/ heavy vehicles. Rampa Pozón72

Figure 4.34. Heavy vehicles share per categories. Rampa Pozón.....72

Figure 4.35. Total monthly traffic profile. 201573

Figure 4.36. Total monthly traffic profile. Average 2012-2015.....73

Figure 4.37. Monthly distribution per category (2015)74

Figure 4.38. Monthly distribution. Average 2012-2015. Escazú75

Figure 4.39. Monthly distribution. 2015. Escazú75

Figure 4.40. Monthly distribution per category (2015). Escazú75

Figure 4.41. Monthly distribution. Average 2012-2015. Ciudad Colón76

Figure 4.42. Monthly distribution. 2015. Ciudad Colón76

Figure 4.43. Monthly distribution per category (2015). Ciudad Colón76

Figure 4.44. Monthly distribution. Average 2012-2015. San Rafael77

Figure 4.45. Monthly distribution. 2015. San Rafael77

Figure 4.46. Monthly distribution per category (2015). San Rafael77

Figure 4.47. Monthly distribution. Average 2012-2015. Guácima78

Figure 4.48. Monthly distribution. 2015. Guácima78

Figure 4.49. Monthly distribution per category (2015). Guácima78

Figure 4.50. Monthly distribution. Average 2012-2015. Siquiaries79

Figure 4.51. Monthly distribution. 2015. Siquiaries79

Figure 4.52. Monthly distribution per category (2015). Siquiaries79

Figure 4.53. Monthly distribution. Average 2012-2015. Rampa Atenas80

Figure 4.54. Monthly distribution. 2015. Rampa Atenas80

Figure 4.55. Monthly distribution per category (2015). Rampa Atenas80

Figure 4.56. Monthly distribution. Average 2012-2015. Atenas81

Figure 4.57. Monthly distribution. 2015. Atenas81

Figure 4.58. Monthly distribution per category (2015). Atenas81

Figure 4.59. Monthly distribution. Average 2012-2015. Pozón82

Figure 4.60. Monthly distribution. 2015. Pozón82

Figure 4.61. Monthly distribution per category (2015). Pozón82

Figure 4.62. Monthly distribution. Average 2012-2015. Rampa Pozón83

Figure 4.63. Monthly distribution. 2015. Rampa Pozón83

Figure 4.64. Monthly distribution per category (2015). Rampa Pozón83

Figure 4.65. Weekly profile Escazú84

Figure 4.66. Weekly profile Ciudad Colón85

Figure 4.67. Weekly profile San Rafael85

Figure 4.68. Weekly profile Guácima86

Figure 4.69. Weekly profile Siquares86

Figure 4.70. Weekly profile Rampa Atenas87

Figure 4.71. Weekly profile Atenas87

Figure 4.72. Weekly profile Pozón88

Figure 4.73. Weekly profile Rampa Pozón88

Figure 4.74. Light vehicles weekday hourly profile. Escazu91

Figure 4.75. Heavy vehicles weekday hourly profile. Escazu.....91

Figure 4.76. Light vehicles weekday hourly profile. Ciudad Colón92

Figure 4.77. Heavy vehicles weekday hourly profile. Ciudad Colón.....92

Figure 4.78. Light vehicles weekday hourly profile. San Rafael93

Figure 4.79. Heavy vehicles weekday hourly profile. San Rafael.....93

Figure 4.80. Light vehicles weekday hourly profile. Guácima94

Figure 4.81. Heavy vehicles weekday hourly profile. Guácima94

Figure 4.82. Light vehicles weekday hourly profile. Siquares.....95

Figure 4.83. Heavy vehicles weekday hourly profile. Siquares95

Figure 4.84. Light vehicles weekday hourly profile. Rampa Atenas96

Figure 4.85. Heavy vehicles weekday hourly profile. Rampa Atenas.....96

Figure 4.86. Light vehicles weekday hourly profile. Atenas.....97

Figure 4.87. Heavy vehicles weekday hourly profile. Atenas97

Figure 4.88. Light vehicles weekday hourly profile. Pozón.....98

Figure 4.89. Heavy vehicles weekday hourly profile. Pozón98

Figure 4.90. Light vehicles weekday hourly profile. Rampa Pozón99

Figure 4.91. Heavy vehicles weekday hourly profile. Rampa Pozón.....99

Figure 4.92. Light vehicles weekend hourly profile. Escazu.....100

Figure 4.93. Heavy vehicles weekend hourly profile. Escazu100

Figure 4.94. Light vehicles weekend hourly profile. Ciudad Colón.....101

Figure 4.95. Heavy vehicles weekend hourly profile. Ciudad Colón101

Figure 4.96. Light vehicles weekend hourly profile. San Rafael.....102

Figure 4.97. Heavy vehicles weekend hourly profile. San Rafael102

Figure 4.98. Light vehicles weekend hourly profile. Guácima103

Figure 4.99. Heavy vehicles weekend hourly profile. Guácima.....103

Figure 4.100. Light vehicles weekend hourly profile. Siquares104

Figure 4.101. Heavy vehicles weekend hourly profile. Siquares104

Figure 4.102. Light vehicles weekend hourly profile. Rampa Atenas.....105

Figure 4.103. Heavy vehicles weekend hourly profile. Rampa Atenas105

Figure 4.104. Light vehicles weekend hourly profile. Atenas106

Figure 4.105. Heavy vehicles weekend hourly profile. Atenas106

Figure 4.106. Light vehicles weekend hourly profile. Pozón107

Figure 4.107. Heavy vehicles weekend hourly profile. Pozón107

Figure 4.108. Light vehicles weekend hourly profile. Rampa Pozón.....108

Figure 4.109. Heavy vehicles weekend hourly profile. Rampa Pozón108

Figure 6.1. General view network model	116
Figure 6.2. Detail view network model.....	117
Figure 6.3. AM adjustment Light vehicles.....	118
Figure 6.4. AM adjustment Trucks 2-3 axles	119
Figure 6.5. AM adjustment Trucks 4-5 axles	119
Figure 6.6. Original vs adjusted matrix light vehicles.....	120
Figure 6.7. Original vs adjusted matrix Trucks 2-3 axles.....	121
Figure 6.8. Original vs adjusted matrix Trucks 4-5 axles.....	121
Figure 6.9. Tren Urbano lines and stations.....	122
Figure 6.10. New road projects analysed	124
Figure 6.11. AM period. 2016 network vs Section I improvements SJ-SR.....	125
Figure 6.12. AM period. 2016 network vs Section I & II improvements SJ-SR	126
Figure 6.13. AM period. 2016 network vs all improvements SJ-SR	127
Figure 6.14. AM period. 2016 network vs Radial Sta. Ana.....	128
Figure 6.15. Scenario results actual network vs SJ-SR improvements (tolled).....	130
Figure 6.16. San José – San Ramón no toll. Total volume	132
Figure 6.17. San José – San Ramón no toll. 2 and 3 axles trucks.....	132
Figure 6.18. San José – San Ramón no toll. 4 and 5 axles trucks.....	133
Figure 6.19. Total volumen difference. Improved vs Santa Ana 2016 demand	134
Figure 7.1. Traffic sensitivity to VoT	137
Figure 7.2. Fare sensitivity. Traffic and Revenue	140
Figure 7.3. Traffic sensitivity to demand growth	142
Figure 8.1. Upside case vs base case.....	147
Figure 8.2. Stress case vs Upside case	153
Figure 8.3. Stress vs Base Case	153

Tables

Table 1.1. Current toll rates	11
Table 2.1. Global macroeconomic indicators.....	14
Table 2.2. GDP indicators.....	15
Table 3.1. Video structure.....	31
Table 3.2. Travel time results floating vehicle data.....	44
Table 3.3. Travel time ranges	48
Table 4.1. Vehicle type	49
Table 4.2. Annual growth rate.....	53
Table 4.3. Summary of Average Annual Daily Traffic per plaza and veh. type	54
Table 4.4. Annual growth rate. Escazú.....	55
Table 4.5. Annual growth rate. Ciudad Colón.....	56
Table 4.6. Annual growth rate. San Rafael.....	57
Table 4.7. Annual growth rate. Guácima	57
Table 4.8. Annual growth rate. Siquiaries.....	58
Table 4.9. Annual growth rate. Rampa Atenas.....	59
Table 4.10. Annual growth rate. Atenas	59
Table 4.11. Annual growth rate. Pozón	60
Table 4.12. Annual growth rate. Rampa Pozón.....	61
Table 4.13. Annual growth rate per category.....	63
Table 4.14. Costa Rica Tourist arrival per year	89
Table 5.1. Light traffic growth models. Summary	112
Table 5.2. Heavy traffic growth models. Summary	113
Table 6.1. Value of time. Cars and trucks.....	118
Table 6.2. Differences actual network vs SJ-SR improvements (tolled).	129
Table 6.3. Differences actual network vs San José - San Ramón improvements (non-tolled)	131
Table 7.1. Sensitivity VoT	136
Table 7.2. AADT and revenue toll fare sensitivity.....	139
Table 7.3. Global demand sensitivity analysis.....	141
Table 8.1. Base case traffic series.....	145
Table 8.2. Equivalent vehicles per lane forecast. AM peak, base case	148
Table 8.3. Stress case traffic series.....	151
Table 8.4. Upside case traffic series.....	155

1. INTRODUCTION

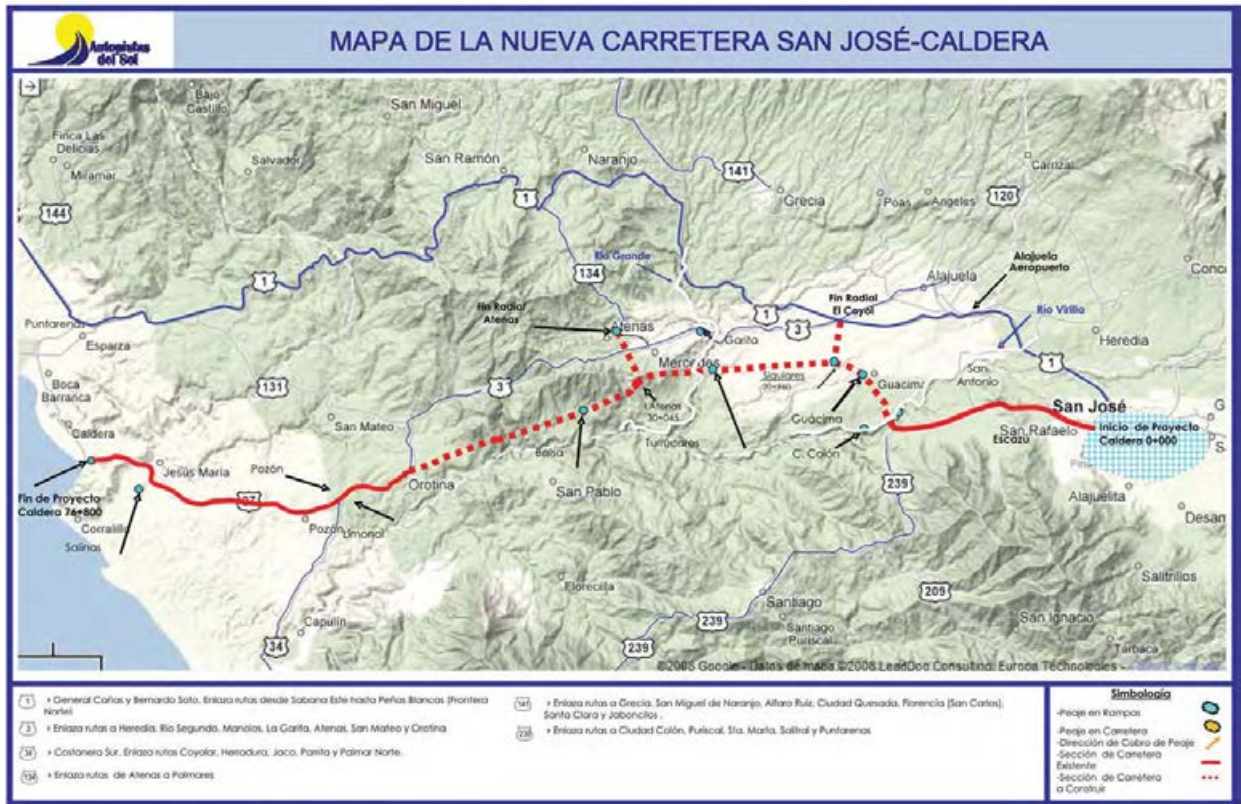
- 1.1. The present study is prepared for Globalvia with the objective to produce an update of the demand model of the Autopista del Sol in Costa Rica, including the update of the traffic and revenue forecast of the concession under different hypothesis of economic evolution and network configuration.
- 1.2. The study includes the analysis done up to date; with the objective to have an appropriate description of the corridor's mobility and a reasonable simulation of the road's conditions during the concession period, as well as the conditions of the competing routes.
- 1.3. This study will be set a base for the concession's refinancing, so it is very important that the hypothesis are presented very clearly.

Concession description

- 1.4. The project started its operation on January 2008 and consists of a 25 year and 6 months' concession (including the construction period) for the design, planning, financing, construction, rehabilitation, improvement, operation and maintenance of the 76.8 km San José – Caldera (Ruta 27) toll road in Costa Rica.
- 1.5. In 2013, Globalvia, decided to expand its participation in the project and assumed the corporate control of the Concessionaire in charge, which resulted in the makeover to Globalvia Route No. 27 in 2014, trade name and brand under which currently operates the concession.
- 1.6. This highway represents a high standard road connection between the capital of Costa Rica and the Pacific, in addition to serving as a high capacity highway for trips in the Metropolitan area of San José. For these trips, the Concession allows to avoid the most congested zones of the Metropolitan area, saving a substantial amount of time to the road users.
- 1.7. The project consists of three main road segments:
 - San José – Ciudad Colón: This segment corresponds to an existing 14.2 km long highway from Gimnasio Nacional in San José to the entrance of Ciudad Colón. The 4 existing lanes (two per direction) of this segment have been rehabilitated as well as the expansion to 6 lanes between the intersections of Circunvalación and Multiplaza.
 - Ciudad Colón – Orotina: This segment comprises 38.8 km of new road constructed between Ciudad Colón and Orotina. This segment was completed in January 2010 and has one lane per direction with an additional fast lane on steep areas.

- Orotina – Caldera: This segment corresponds to an existing 23.8 km long highway that starts at the end of the Ciudad Colón – Orotina segment and ends at Caldera. The works undertaken in this segment started September 2008 consisted only of rehabilitation and were completed in May 2009. This section has one lane per direction.
- 1.8. The Concession has toll plazas located in a manner that enables the Concessionaire to charge the users of the road according to an approximation of the total or partial distance travelled on the highway. Tolls are paid at the mainline toll plazas or at the ramp toll plazas. Toll location and current tariffs are the following:
- Section Escazú – Multiplaza: Escazú toll plaza
 - Radial Ciudad Colón – Brasil intersection: Exit ramps, to and from San José (Rampas Siquiaries)
 - Section Ciudad Colón – Radial El Coyo: Mainline toll San Rafael (collection in both directions)
 - Interchange Atenas – Radial Atenas: Exit or entry ramps, to and from San José (Rampas Atenas)
 - Section Atenas – Orotina: Mainline toll Atenas (collection in both directions)
 - Section Pozón – Caldera: Mainline toll Pozón (collection in both directions)
 - Interchange Pozón – Costanera Sur: Exit and entry ramps to San José (Rampas Pozón)

Figure 1.1. Autopista del Sol Toll Plazas



Source: Autopista del Sol

Table 1.1. Current toll rates

Vehicle Type	Escazú	Ciudad Colón	San Rafael	Guácima	Siquiaraes	Rampa Atenas	Atenas	Pozón	Rampa Pozón
Motocycles	330	170	510	380	400	330	670	510	170
Light	330	170	510	380	400	330	670	510	170
Buses	670	330	1010	760	790	670	1340	1010	330
2 Axle	840	420	1270	950	990	840	1680	1270	420
3 Axle	840	420	1270	950	990	840	1680	1270	420
4 Axle	1480	740	2240	1670	1750	1480	2960	2240	740
5 Axle	2120	1060	3210	2400	2500	2120	4240	3210	1060

Source: <http://www.cnc.go.cr/>. (Valid rates from July 1st 2016)

2. SOCIOECONOMIC CONTEXT

Introduction

- 2.1. The purpose of this chapter is to provide a comprehensive view of the country and the area of influence of the road under study.
- Some indicators as macroeconomic index, population, motorisation, etc have been gathered.
 - An overview of Puerto Caldera, located at the extreme West side of the road is also presented.

Area of influence

- 2.2. The concession is located at the central west area of Costa Rica.
- 2.3. The administrative division of Costa Rica include provinces, cantons (municipalities) and districts. There are 7 provinces, 81 cantons and 473 districts.
- 2.4. The next figure shows a map with the location of the road and the area that has been defined as its influence area. It includes the cantons that the concession runs through and the “Gran Area Metropolitana” of San José (GAM).

Figure 2.1. Location of the concession

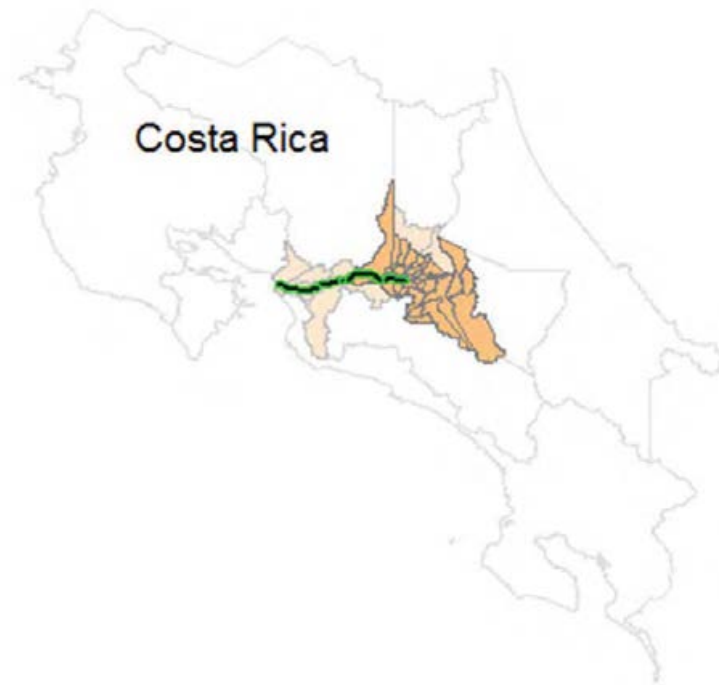
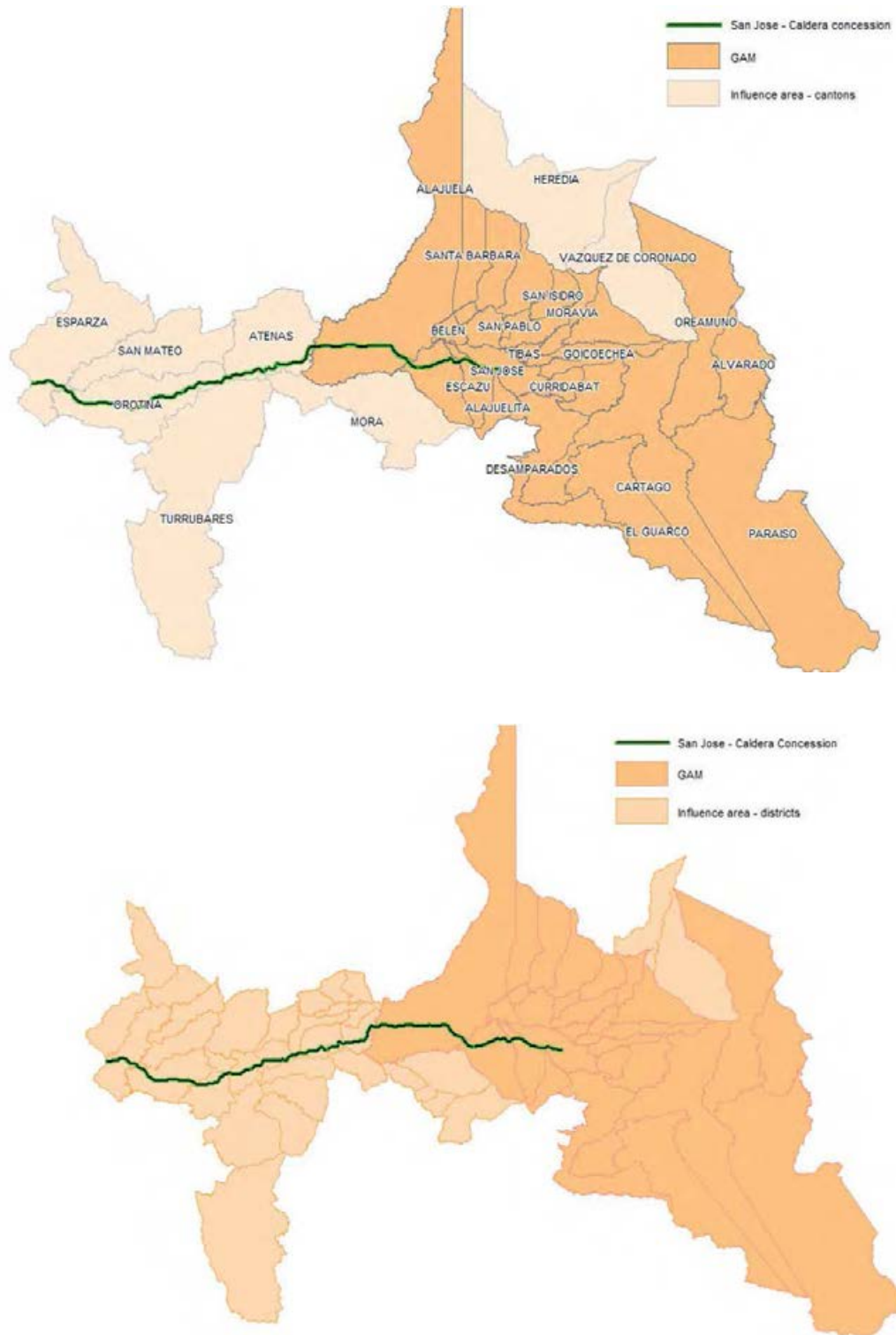


Figure 2.2. Area of influence of the concession



Global overview

- 2.5. Costa Rica has experienced steady economic expansion over the past 25 years. The post-1980s economic growth is the product of a strategy of outward-oriented growth, based on openness to foreign investment, and gradual trade liberalization. Now it can be considered an upper middle-income country.
- 2.6. According to the view of the World Bank, the combination of political stability, a social compact, and steady growth, has resulted in one of the lowest poverty rates in Latin America and the Caribbean. Using the poverty and extreme poverty lines of US\$4 per day and US\$2.5 per day respectively, just 12 percent of the Costa Rican population is considered poor, and 4.7 percent extremely poor (about one third of the Latin America and Caribbean average).
- 2.7. Moreover, only 1.4 percent of the population lives under the global US\$1.25 poverty line. The country's success over the past decades is also reflected in its strong human development indicators, which continue to rank higher than those of other countries in the region.
- 2.8. Costa Rica's GDP per capita has tripled since 1960 and its growth averaged 4.5 percent between 2000 and 2013, as compared to the regional average of 3.8 percent for the same period.
- 2.9. During the global crisis, real GDP growth slowed to 2.7 percent in 2008 and contracted to 1 percent in 2009. The economy rebounded following the crisis, achieving an average real growth rate of 4.9 percent between 2010 and 2012. Growth decelerated to 3.5 percent in 2013, and remained stable in 2014 and 2015. It is expected to pick up in 2016 to 4.2 percent.
- 2.10. Despite the solid growth over the past decades, two pressing development challenges stand out: the deteriorating fiscal situation and stubborn inequality. These affect the basic pillars of development: inclusion, growth, and sustainability.
- 2.11. In order to have a global comprehensive view of the country, the next tables show some macroeconomic indicators. That information provides from www.tradingeconomics.com.

Table 2.1. Global macroeconomic indicators

Indicator	Last data	Reference	Frequency
GDP Annual Growth Rate	4.8 %	Mar-16	Yearly (*)
Unemployment Rate	9.5 %	Mar-16	Quarterly
Inflation Rate	-0.88 %	Jun-16	Monthly
Interest Rate	1.75 %	Jun-16	Daily
Balance of Trade	-512 USD Million	Jun-16	Monthly
Government Debt to GDP	62.11 %	Dec-15	Yearly

Source: <http://www.tradingeconomics.com/>

Table 2.2. GDP indicators

Indicator	Last data	Reference	Frequency
GDP Growth Rate	0.7 %	Dec-15	Quarterly
GDP Annual Growth Rate	4.8 %	Mar-16	Yearly (*)
GDP	51.11 USD Billion	Dec-15	Yearly
GDP Constant Prices	615839 CRC Million	Mar-16	Quarterly
Gross Fixed Capital Formation	171079 CRC Million	Mar-16	Quarterly
GDP per capita	9130 USD	Dec-15	Yearly
GDP per capita PPP	14472 USD	Dec-15	Yearly

Source: <http://www.tradingeconomics.com/>

(*) According to Trading Economics “the Gross Domestic Product (GDP) in Costa Rica expanded 4.80 percent in the first quarter of 2016 over the same quarter of the previous year”.

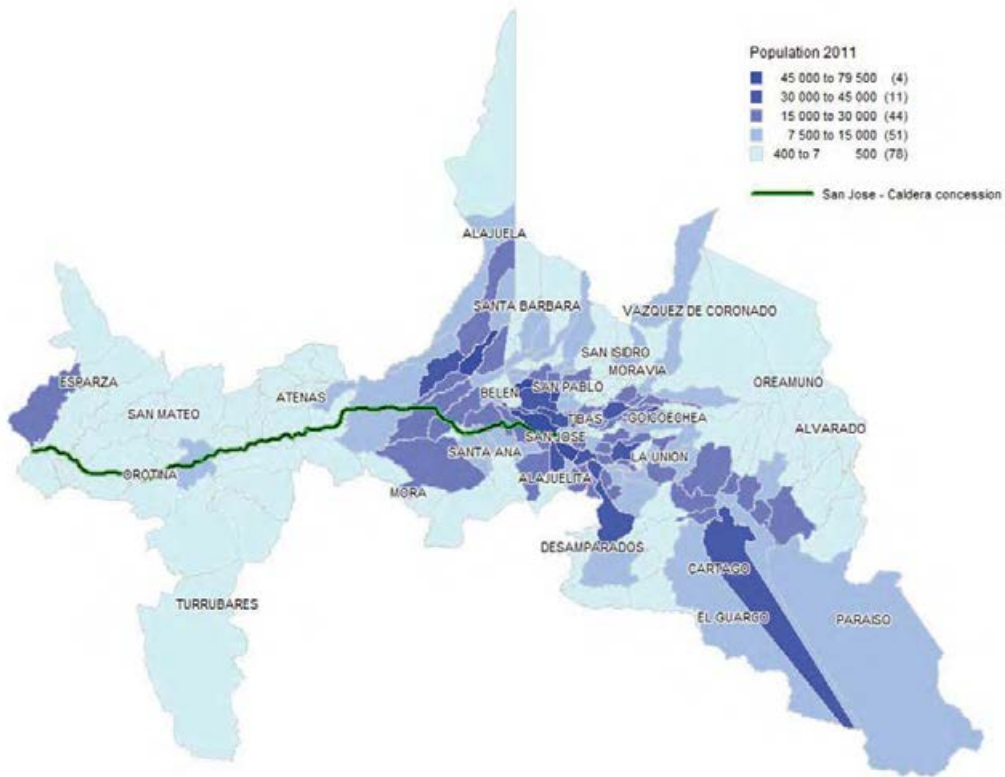
Population

- 2.12. The Instituto Nacional de Estadística de Costa Rica (INEC) provides estimations of population from 2011; this is the most recent data available. It also provides population forecasts by districts. These forecasts were updated in 2011 by Centro Centroamericano de Población (CCP) and the Instituto Nacional de Estadística y Censos (INEC).

Historical trend of population

- 2.13. According to those figures, the total population of the country was around 4.6 million while population in the influence area was 2.4 million (2.292 in the GAM).
- 2.14. The next figure shows how population increases as the distance to San José is reduced. In addition to these, we can emphasize Espiritu Santo in Esparza and Orotina, which is in the canton with the same name.

Figure 2.3. Influence area population by districts (2011)



2.15. From 2000 to 2011, the compound annual growth of the population in Costa Rica was 1.56%. In the corridor, it was 1.38% lightly higher than the 1.34% of GAM.

Figure 2.4. Historical population trend

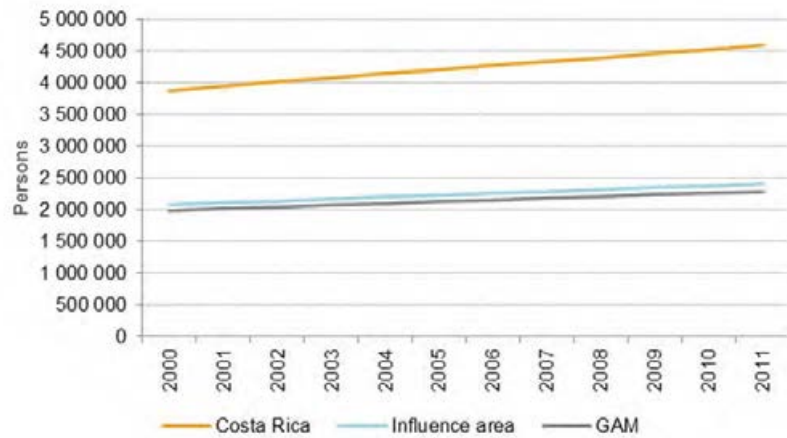
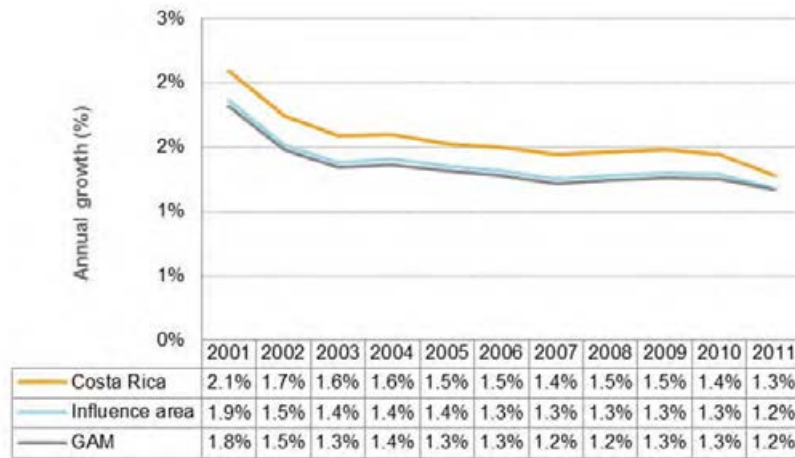
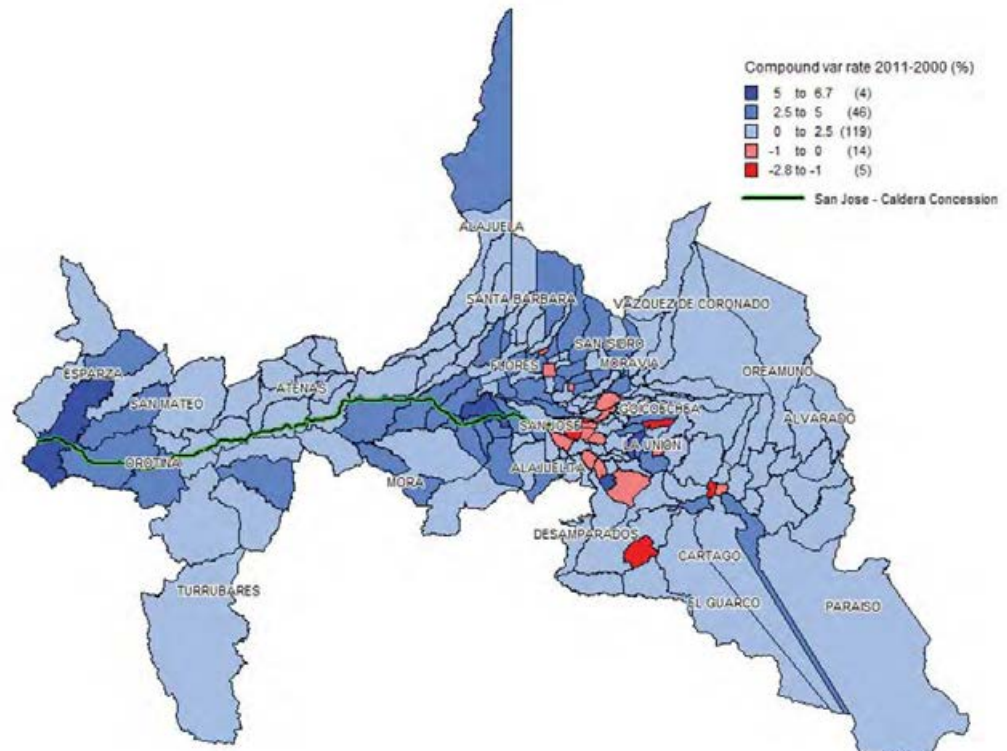


Figure 2.5. Annual growth variation rates of population (2001-2011)



- 2.16. The population growth of the influence area has been under the growth registered for the whole country but lightly above the one for GAM.
- 2.17. The next figure shows the compound annual growth for the influence area in that period. The vast majority of districts experienced an increase of the population.

Figure 2.6. Compound annual growth of population of the influence area (2011-2000)



Population forecast 2011-2025

- 2.18. According to Instituto de Estadística forecast, population is expected to increase in more than 750.000 inhabitants in the period 2011-2025. Of those, 357.110 will belong to the influence area of the concession and 335.486 to GAM.
- 2.19. 2011-2025 Forecasts anticipate quite a similar picture to that observed for the period 2000-2011: a growth rate for the influence area lower than the one expected for the whole country and lightly higher than the one for GAM.

Figure 2.7. Population forecast 2011-2025. Absolute values

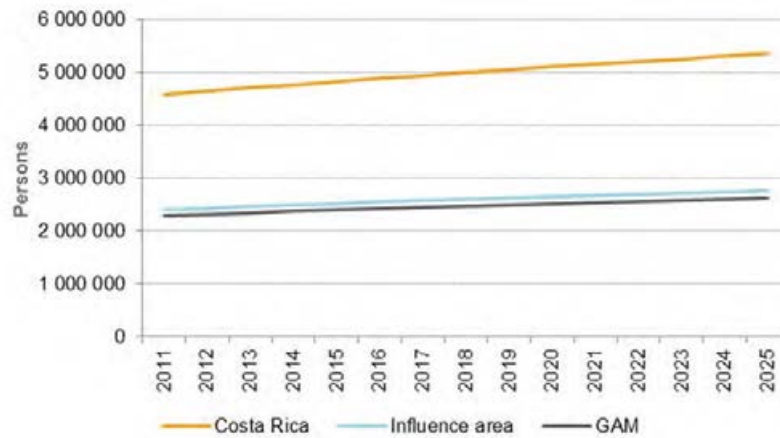
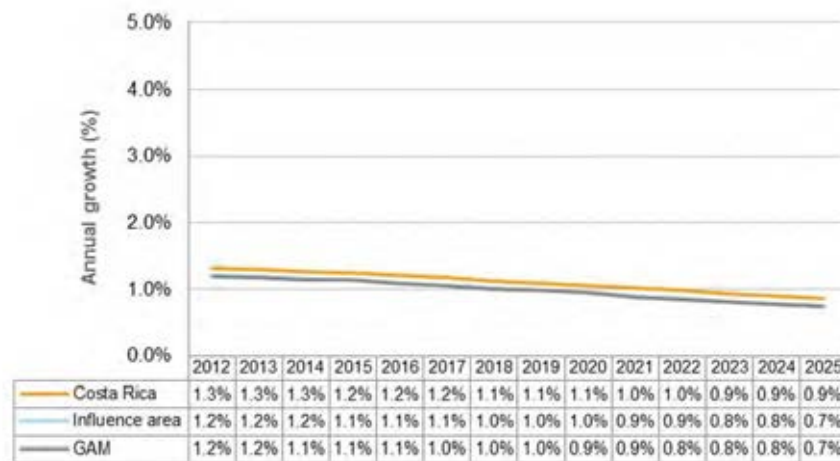


Figure 2.8. Population forecast 2011-2025. Annual growth variation rates



2.20. The next figures show the population forecast for years 2016, 2021 and 2025 by districts in the area of influence as well as the compound annual growth rate for the period 2011-2025. The last plots shows that:

- A loss of population is only expected in 6 of the districts of the area of influence
- The highest growth rates (above 2%) are expected for Orotina and Espiritu Santo.

Figure 2.9. Influence area population by districts (2016)

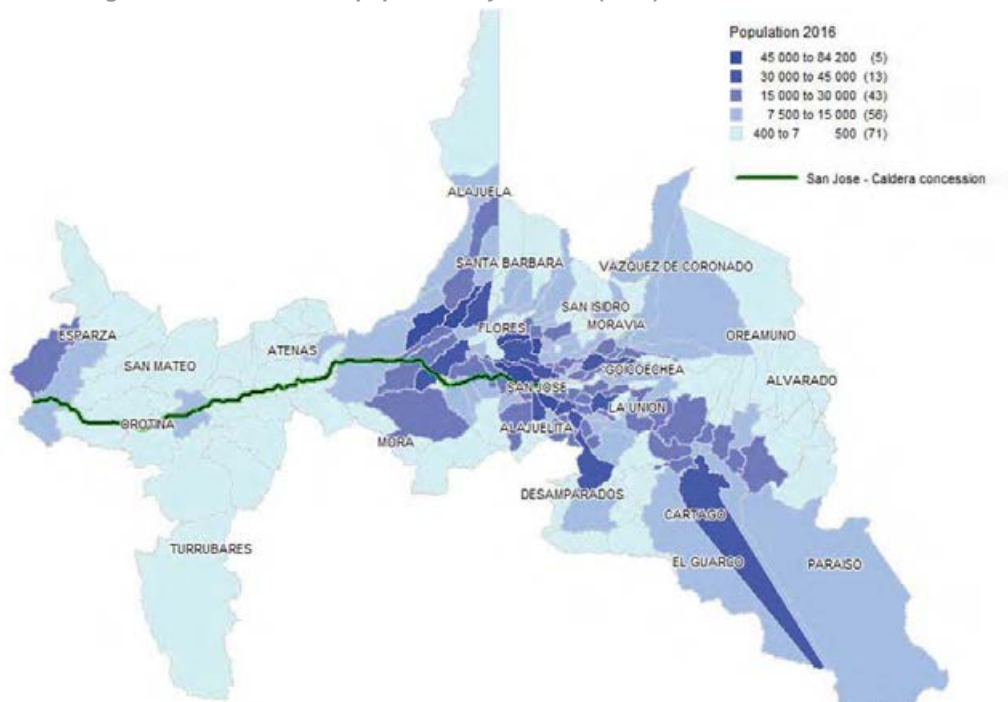


Figure 2.10. Influence area population by districts (2021)

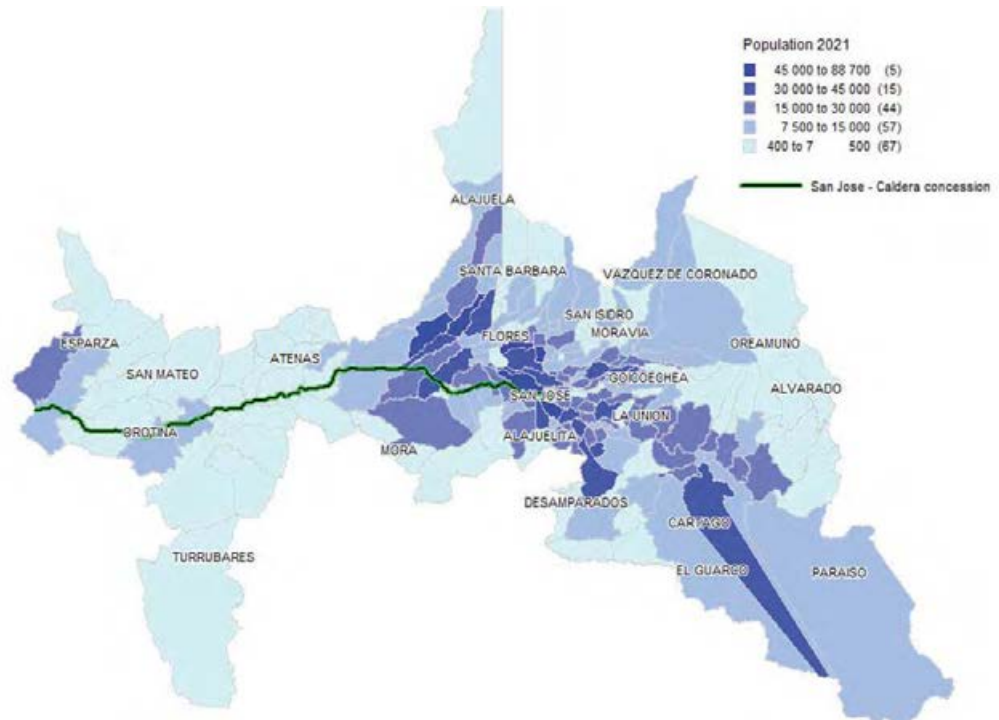


Figure 2.11. Influence area population by districts (2025)

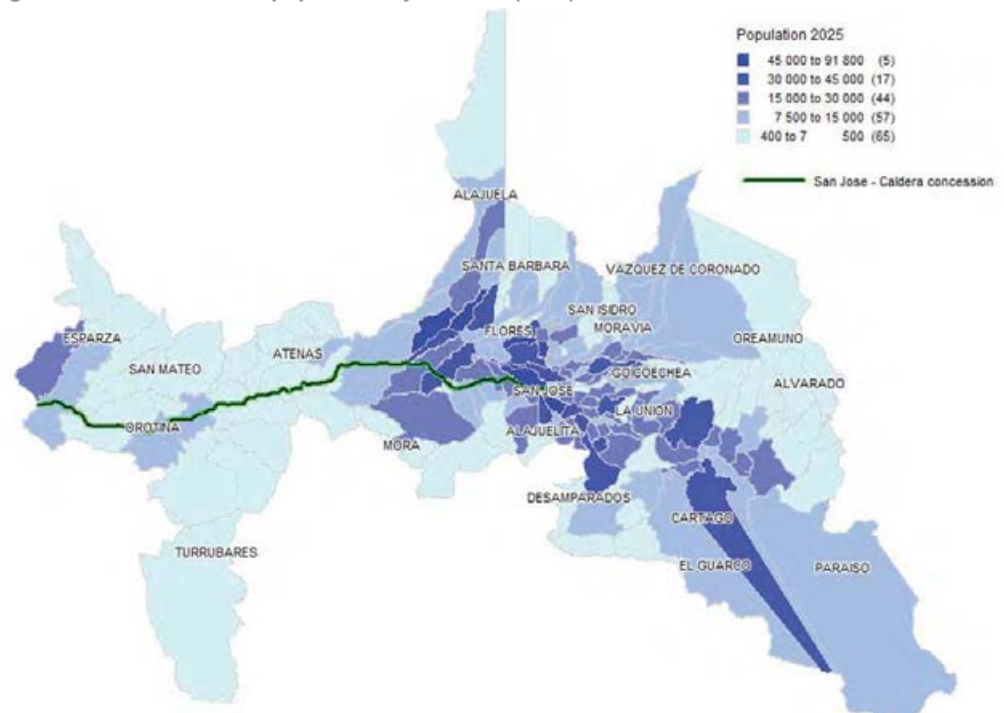
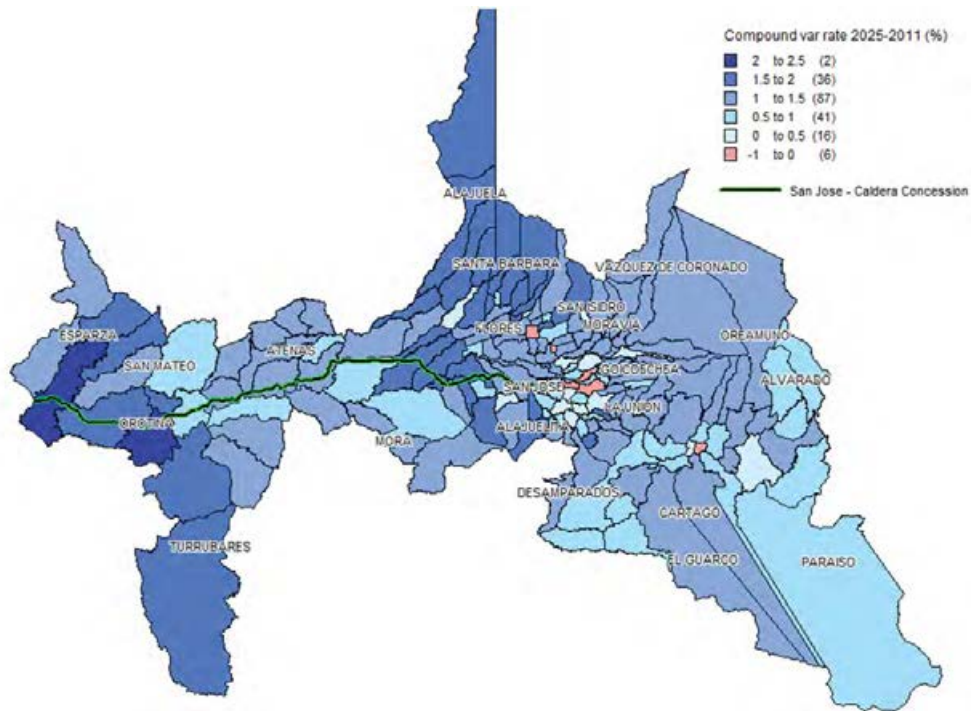


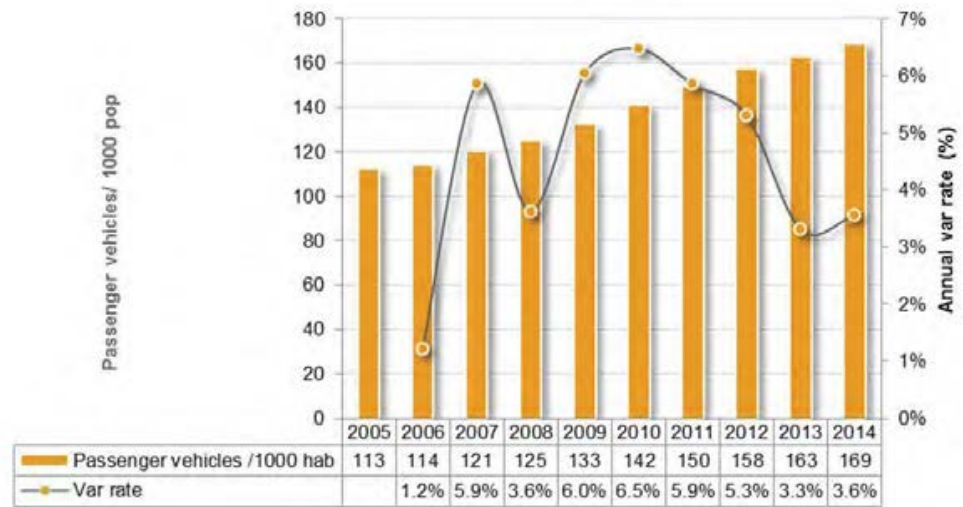
Figure 2.12. Compound annual growth of population of the influence area (2025-2011)



Motorisation

- 2.21. Costa Rica, with only 169 passenger vehicles per 1000 inhabitants in 2014, has a motorisation rate significantly lower than other countries in Latin-American as Mexico, Colombia or Brazil.
- 2.22. Following the same trend, it is expected that the motorisation rate will increase in future years, getting closer to the rates of other countries in the area.

Figure 2.13. Motorisation rate



Tourism

- 2.23. Costa Rica's geographic position as a bridge between North and South America allows it to possess coasts in the Atlantic & Pacific Oceans, variable topography, diverse soil combinations, and climatic variations. Therefore, Costa Rica is a very attractive country for eco-tourism. Over 25% of Costa Rica's national territory is dedicated to conservation with over 20 national parks, 8 biological reserves, animal refuges, and several protected areas.
- 2.24. The Costa Rican Tourism Institute (ICT) announced that 2.6 million tourists visited the country in 2015, 5.5% more than in the previous year.

Figure 2.14. International arrival to Costa Rica by mode

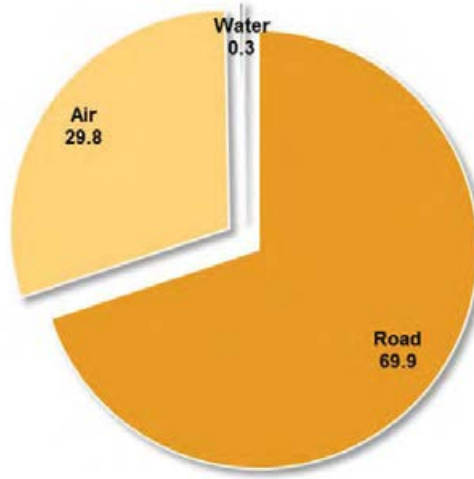
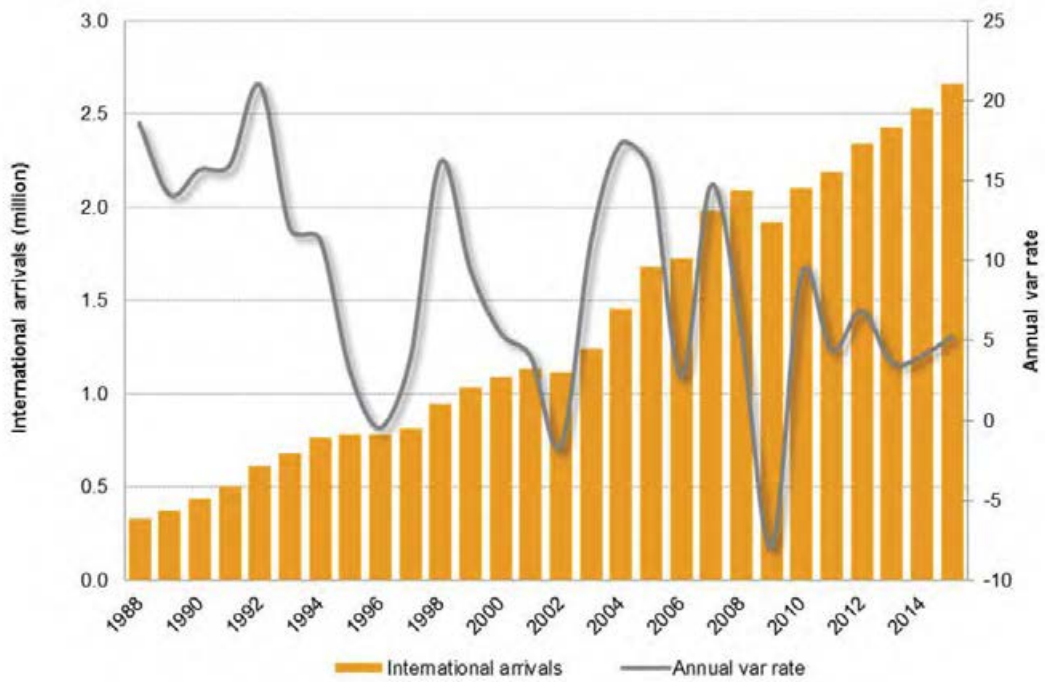


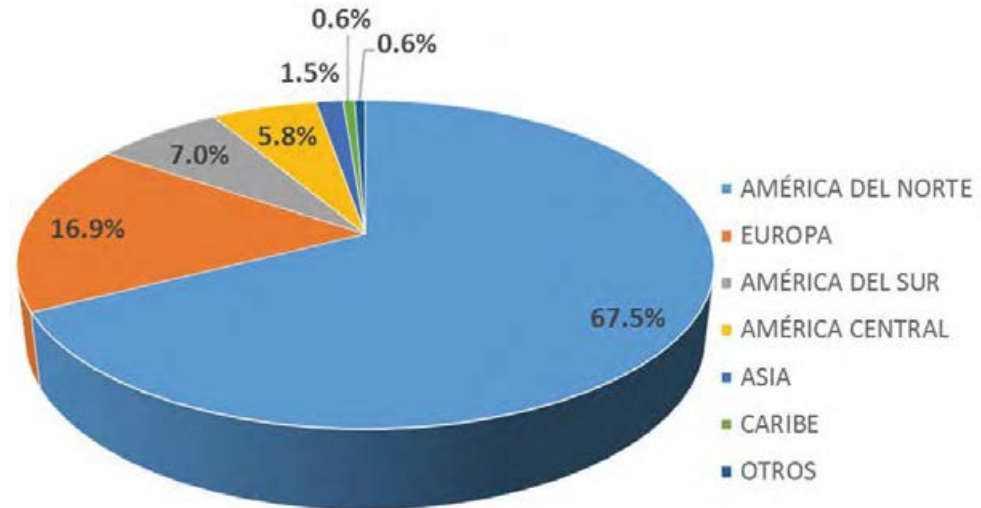
Figure 2.15. Historical international arrivals to Costa Rica



Source: Instituto de Turismo Costarricense

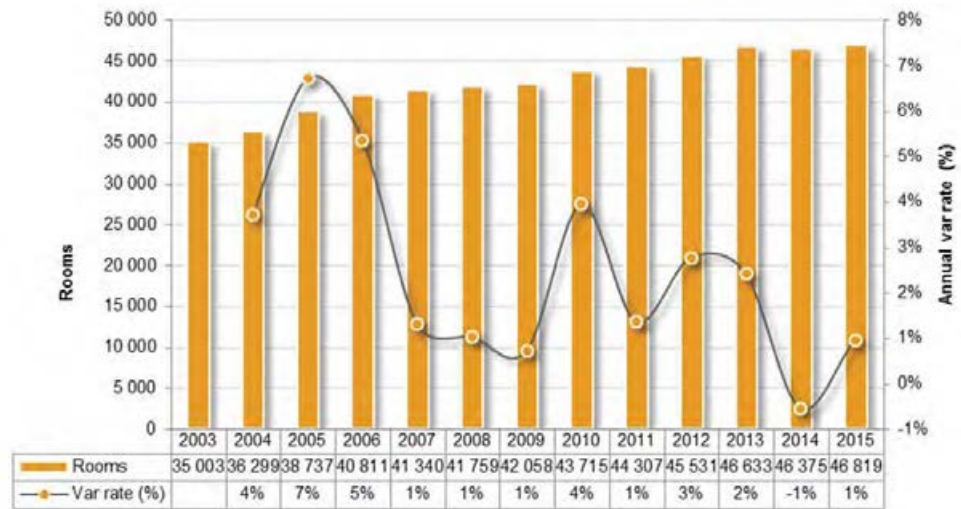
2.25. The vast majority of people arriving to Costa Rica come from Central America.

Figure 2.16. International arrivals to Costa Rica by plane and area (2015)



Source: Instituto de Turismo Costarricense

Figure 2.17. Tourist offer. Number of rooms



2.26. According to World Travel and Tourism Council:

- The direct contribution of travel and tourism to GDP was CRC 1282.4 bn (4.8% of total GDP) in 2014, and it is forecast to rise by 4.7% pa, from 2015-2025.
- In 2014, travel and tourism directly supported 98.500 jobs (4.8% of total employment). It is expected to rise by 3% pa to 136.000 jobs (5.3% of total employment) in 2025.

- Components of travel & tourism:
 - Leisure travel spending (inbound and domestic) generated 81.2% of direct Travel & Tourism GDP in 2014 (CRC 1954.2 bn) compared with 18.8% for business travel spending (CRC 451.0 bn).
 - Leisure travel spending is expected to grow by 4.9% pa to CRC 3218.9 bn in 2025. Business travel spending is expected to grow by 4% pa to CRC 712.3 bn in that year.
 - Domestic travel spending generated 38.2% of direct Travel & Tourism GDP in 2014 compared with 61.8% for visitors exports. These are expected to grow by 4.1% and 5.1%, respectively in 2025.

Puerto Caldera

- 2.27. Puerto Caldera is the biggest and most important commercial seaport in the Costa Rican Pacific coast.
- 2.28. It is located in the district of Caldera of the Esparza canton, in the province of Puntarenas. Its location covers the bay of the same name, at the entrance of Nicoya's Golf.
- 2.29. Terminal Puerto Caldera began operations as port under State Administration in the year 1981 by the Costa Rican Institute of Pacific Ports, INCOP, becoming since its establishment one of the key players in the development of the country; it represents the main import/export point in the Pacific coast of the Costa Rica Republic.
- 2.30. In the year 2001 the Costa Rican Government started a modernization process of Costa Rica's port management, promoting private sector participation.
- 2.31. According to the information published by the port society, the main cargo transported is: Containers, Solid bulk, Iron, Fruits, Vehicles and, in a smaller quantity, general merchandise and tuna.
- 2.32. The Ports' area of influence for international shipping is oriented towards countries such as: United States and Asia among others. Within Costa Rica, the area of influence covers from Puerto Caldera up to the Grand Metropolitan Area, which includes the provinces of Cartago, Heredia, Alajuela and San José, this last one located approximately at 90 km.
- 2.33. The Port is connected by road to the main productive, industrial and agricultural centers located near the free zone in Barranca de Puntarenas and in the provinces of Alajuela, Heredia, San José and Cartago.
- 2.34. As for the physical capacity of the Port, its characteristics are:
 - Dock: 4 slots (210 meters, 150 meters, 190 meters and 220 meters)

- Container terminals, with more than 120.000 m² available to store general merchandising and containers
- 2 warehouses with a capacity of 7.200 m² and 5.400 m². Cargo and transit merchandise is handled.

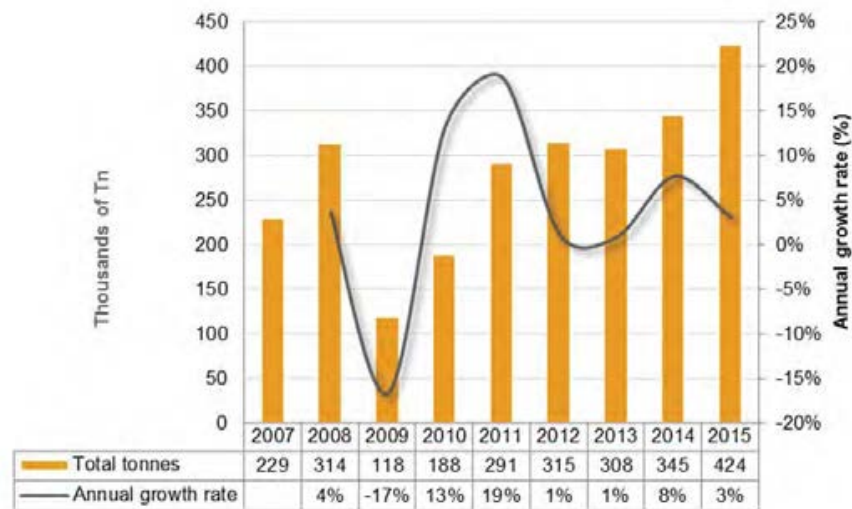
Figure 2.18. Plano del puerto



Fuente: www.spcaldera.com

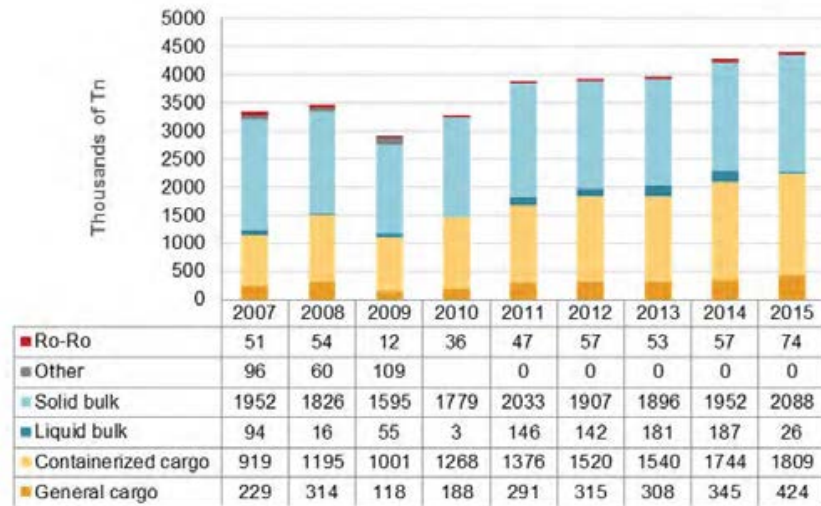
2.35. The next figures show the annual evolution of the cargo using Puerto Caldera.

Figure 2.19. Puerto Caldera: Annual evolution of cargo



2.36. With the exception of 2009, freight activity has followed an upward path. Especially important was the growth in 2010 and 2011, with annual growth rates of 13% and 19%, respectively.

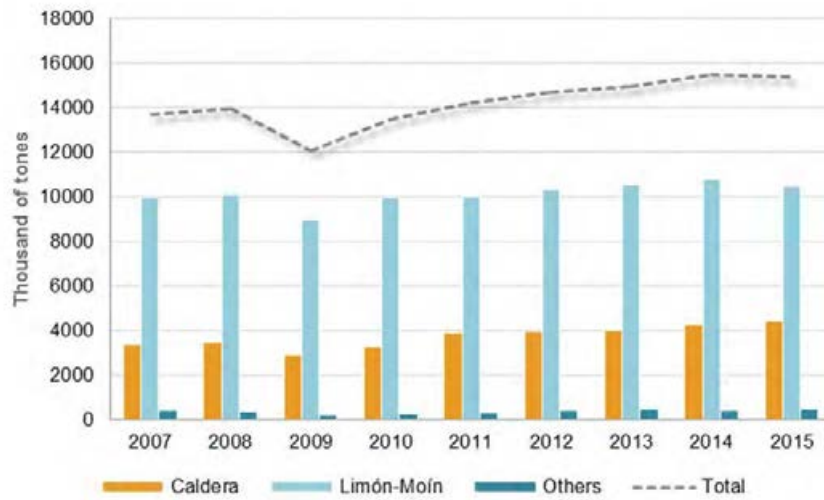
Figure 2.20. Puerto Caldera: type of cargo



2.37. Solid bulk and containerized cargo are the main types of cargo of the port. Since 2007, the relevance of solid bulk has decreased: in that year, solid bulk meant the 58% of the total cargo whilst that percentage was only 47% in 2015. On the contrary, containerized cargo has increased from 28% to 41% in that period.

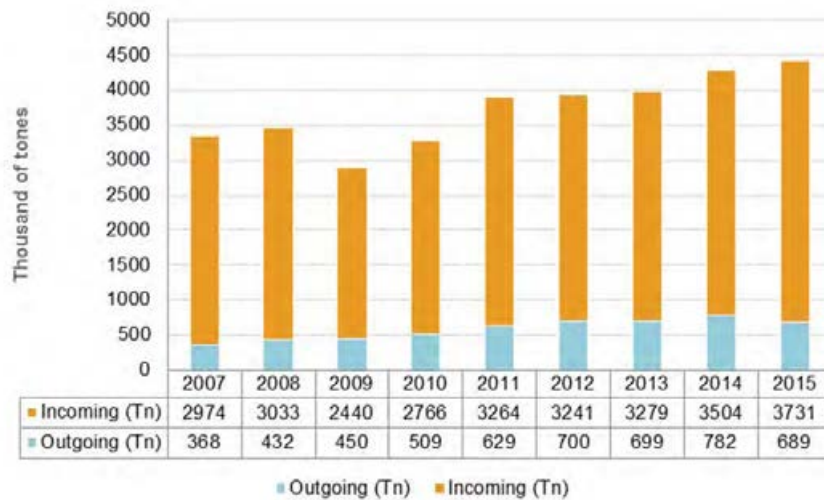
2.38. Although Puerto Limon is the most important freight port in Costa Rica, Puerto Caldera ranks first on the Pacific Coast. These two ports account for the 97% of the tones maritime tonnages of the country, being the 68% Puerto Limon and 29% Puerto Caldera.

Figure 2.21. Total tonnage Costa Rica ports



2.39. The next figure illustrates that the port is mainly used for outgoing movements rather than incoming ones (84% of total tonnes in 2015)

Figure 2.22. Incoming and outgoing tonnes



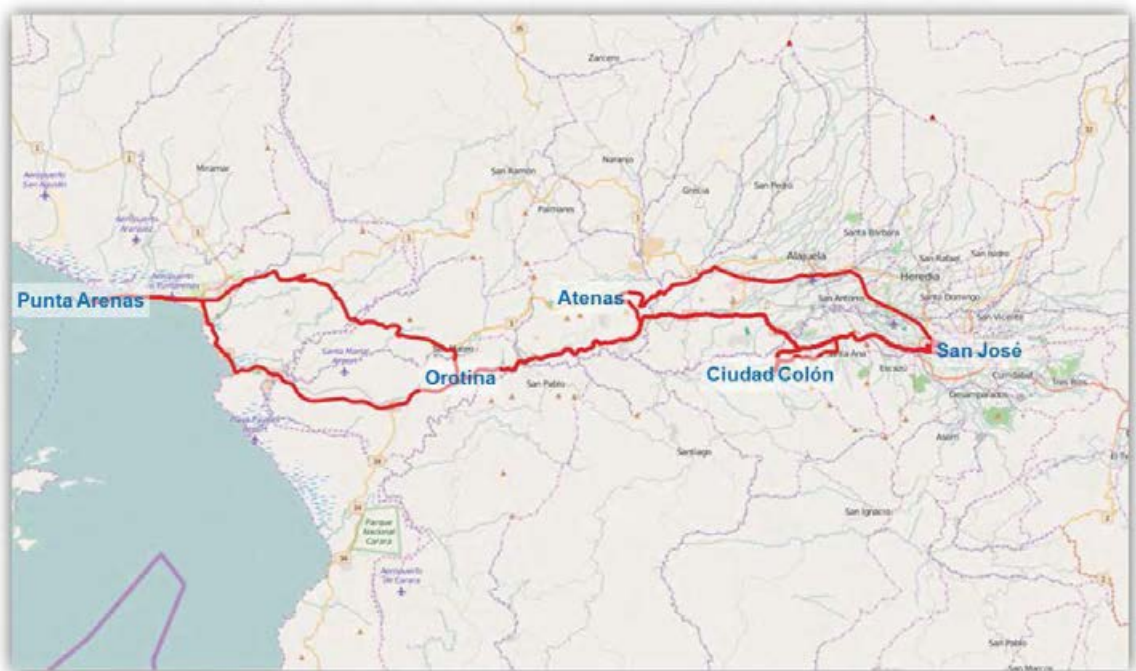
2.40. Puerto Caldera’s activity is reflected in the number of heavy vehicles present along section III of the highway. Main destinations of the port’s cargo are Metropolitan area of San José and, especially, the industrial zone located by the airport.

3. FIELDWORK

Area and objectives of fieldwork

- 3.1. The fieldwork consisted in a visit and GPS data collection including floating vehicle data gathering along the concession as well as the competing routes.
- 3.2. The area visited covered from San José to Ciudad Colón, Atenas, Orotina and all the way to the West Coast up to Punta Arenas.

Figure 3.1. Fieldwork area



Source: Diadro on Open Street Map cartographic base.

- 3.3. The visit to the area was organized in order to gather *in situ* data from 24th to 28th of June.
- 3.4. The main objectives of this visit were:
 - To check the state of the road, number of lanes, pavement, etc...
 - To observe toll plazas and to have a hint of its vehicle capacity and flow.
 - To obtain basic GPS data, such as speed, tracks, distances and time.
 - To keep visual track of all the above for any future check of any part of the road and the alternatives.

Technical equipment

- 3.5. The main part of the fieldwork took place on the 25th and 26th of June. It consisted in driving along several roads of the area collecting data with GPS, recording with a video camera and taking photographs.

Figure 3.2. Photograph taken along the road



Source: Diadro.

- 3.6. This was accomplished using a Garmin GPSmap 64 and a GoPro Hero4.Silver camera

Figure 3.3. Tools used in fieldwork



- 3.7. The two sources of GPS and video, processed altogether return valuable information: visual and alphanumeric data.
- 3.8. The camera captures video and photo while driving and then it can be synchronized with the GPS with a specific program VIRB Edit, developed by Garmin. The VIRB Edit desktop app combines video footage from the action camera with GPS data from the compatible Garmin device.

- 3.9. In that way the program allows video editing and GPS data display: it creates an overlay that indicates speed, elevation, duration of track, date and time, etc...
- 3.10. The following image shows an example of the outcome (right side) where speed and time is overlay on the left side over the video and altitude and track are overlay on the right side over the video window. All data is synchronized with GPS map as shown in the left.

Figure 3.4. Example of Virb Edit output



Source: Diadro with VIRB Edit program.

Outcome

- 3.11. The results of the video recording, with the overlay containing the GPS data, have been recorded in a DVD.
- 3.12. The video cuts, due to their weight, are organized as follow:

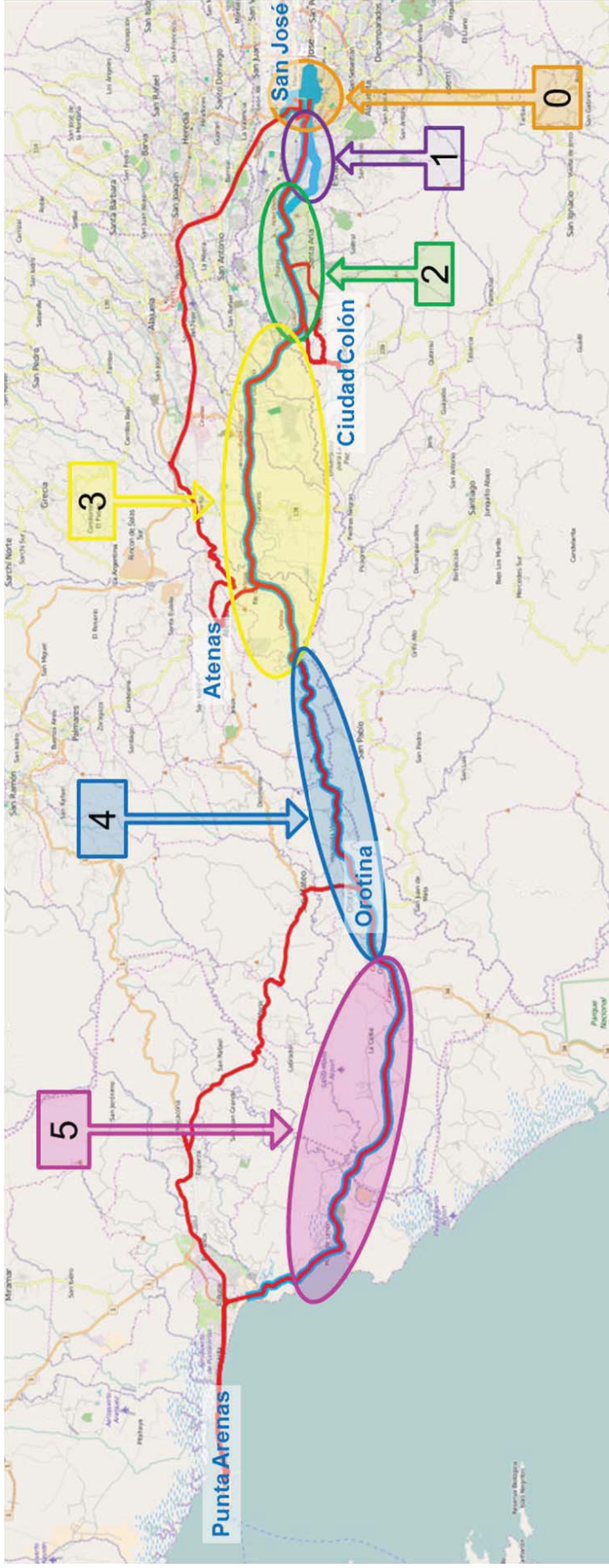
Table 3.1. Video structure

Name	Date	Hour start	Hour end	idGPS start	idGPS end	Size KB	Original video	Duration
Costa Rica 0	25/06/2016	9:30	9:48	118	280	450 406	GOPR0004	17:43
Costa Rica 1	25/06/2016	9:48	10:06	280	503	351 043	GP010004	17:43
Costa Rica 2	25/06/2016	10:06	10:24	503	717	382 271	GP020004	17:42
Costa Rica 3	25/06/2016	10:24	10:41	717	1018	289 259	GP030004	17:42
Costa Rica 4	25/06/2016	10:41	10:59	1019	1298	348 697	GP040004	17:40
Costa Rica 5	25/06/2016	10:59	11:17	1299	1506	418 594	GP050004	17:43
Costa Rica 6	26/06/2016	7:37	7:48	1	187	370 988	GOPR0012	11:49
Costa Rica 7	26/06/2016	7:48	8:00	187	354	305 806	GP010012	11:49
Costa Rica 8	26/06/2016	8:00	8:12	354	584	382 185	GP020012	11:49
Costa Rica 9	26/06/2016	8:12	8:24	584	797	279 427	GP030012	11:49
Costa Rica 10	26/06/2016	8:21	8:27	797	828	122 501	GP040012	6:14
Costa Rica 11	26/06/2016	8:45	8:57	1086	1288	355 369	GOPR0013	11:49
Costa Rica 12	26/06/2016	8:57	9:09	1288	1660	401 619	GP010013	11:49
Costa Rica 13	26/06/2016	9:09	9:21	1660	1832	256 661	GP020013	11:49
Costa Rica 14	26/06/2016	9:21	9:33	1832	2000	227 018	GP030013	11:49
Costa Rica 15	26/06/2016	12:03	12:14	3447	3597	292 858	GOPR0017	11:49
Costa Rica 16	26/06/2016	12:14	12:26	3597	3732	288 805	GP010017	11:49
Costa Rica 17	26/06/2016	12:26	12:34	3732	4001	250 722	GP020017	7:42

- 3.13. Each video piece corresponds to a track as seen in the following maps.
- 3.14. Day 1 focused on recording Ruta 27 mainly from San José to the West coast, in Caldera.
- 3.15. Video recordings of Day 2 focused on collecting observations of alternative routes, such as San José – Atenas, and Punta Arenas – Orotina, on the North of the concession and San José – Ciudad Colón on the South of Ruta 27.

3.16. Note the blue line is from 25th, red line from 26th of June.

Figure 3.5. Tracks covered by video. Day 1



Source: Diadro over Open Street Map cartographic base.

3.17. The next photographs were obtained from the video frames. Attach is the map with its exact location.

3.18. The first set of 6 figures correspond to Ruta 27 road:

Figure 3.6. Photograph of video 3. Ruta 27, close to Guácima



Figure 3.7. Photograph of video 3. Ruta 27, Turrúcares intersection.



Figure 3.8. Photograph of video 4. Ruta 27, close to Escobal



Figure 3.9. Photograph of video 4. Ruta 27, Orotina intersection

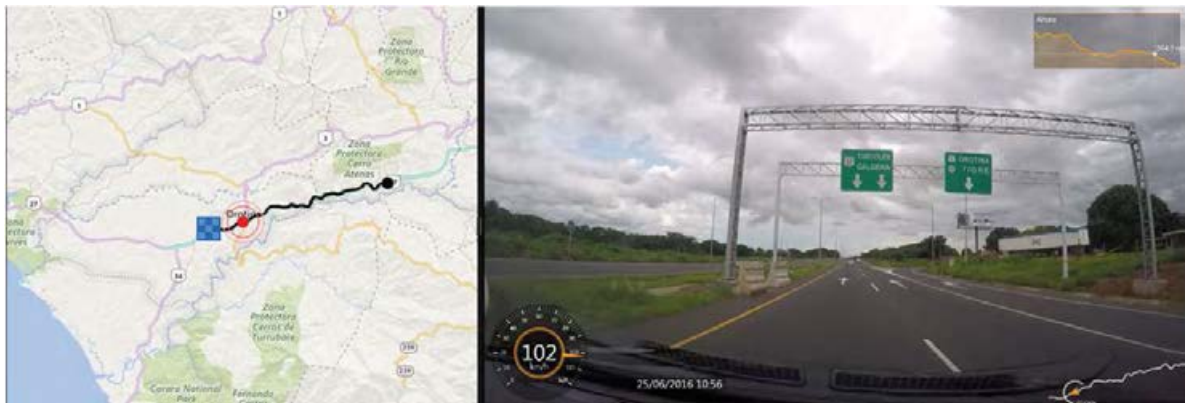


Figure 3.10. Photograph of video 5. Ruta 27, third section

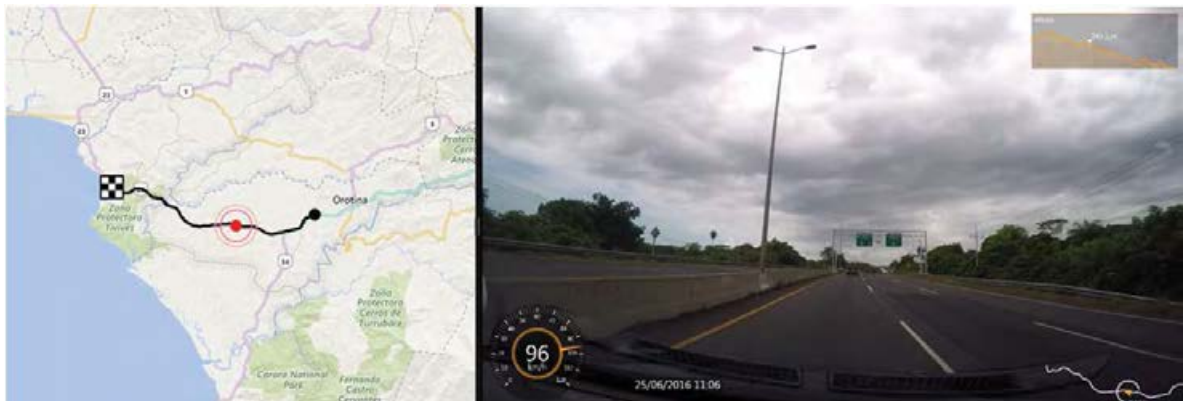
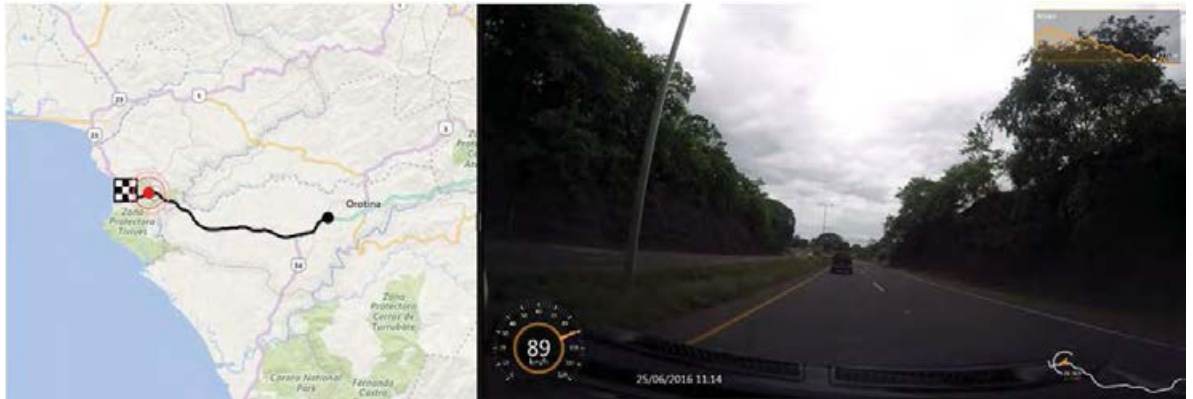


Figure 3.11. Photograph of video 5. Ruta 27, close to Caldera



3.19. The following 4 figures give a view of alternative roads to Rute 27 on the South, in order to reach the area of Santa Ana or Ciudad Colón:

Figure 3.12. Photograph of video 1. Road 167



Figure 3.13. Photograph of video 1. Road 105



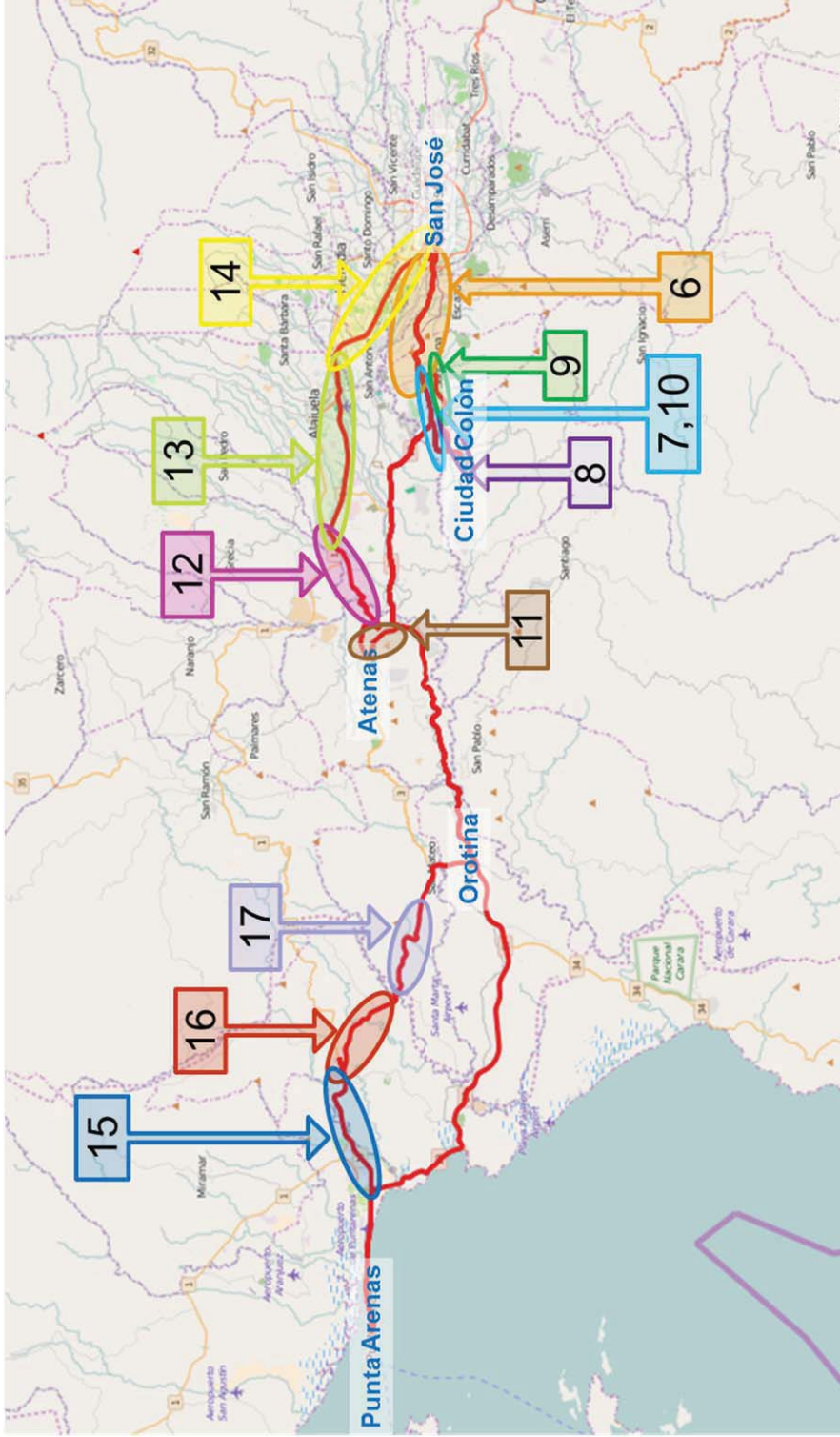
Figure 3.14. Photograph of video 2. Road 310



Figure 3.15. Photograph of video 2. Road 121



Figure 3.16. Tracks covered by video. Day 2



3.20. The next set of figures show still images of the video recordings from the North alternative to Ruta 27:

Figure 3.17. Photograph of video 14. Autopista General Cañas next to San José

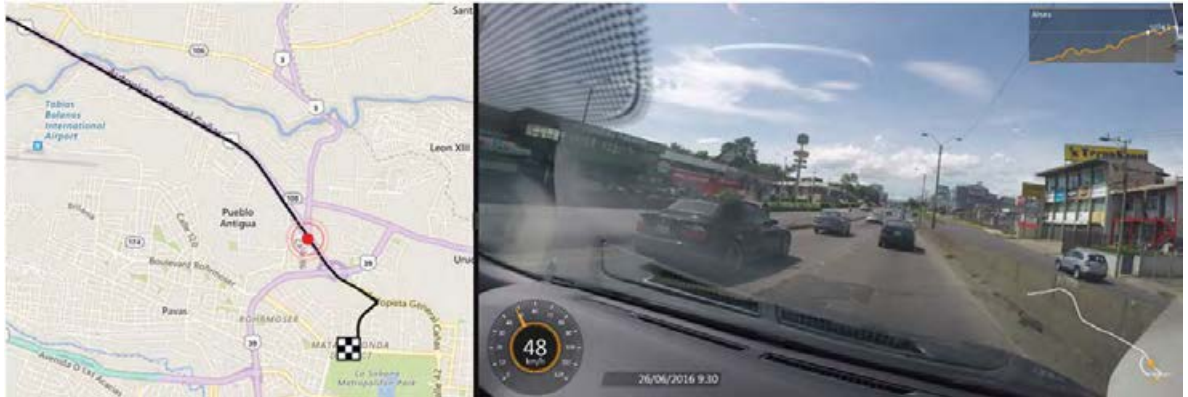


Figure 3.18. Photograph of video 14. Autopista Gral Cañas next to Santamaría Int. Airport



Figure 3.19. Photograph of video 13. Autopista Gral Cañas close to Atenas



Figure 3.20. Photograph of video 13. Autopista Gral Cañas past Santamaría Int. Airport

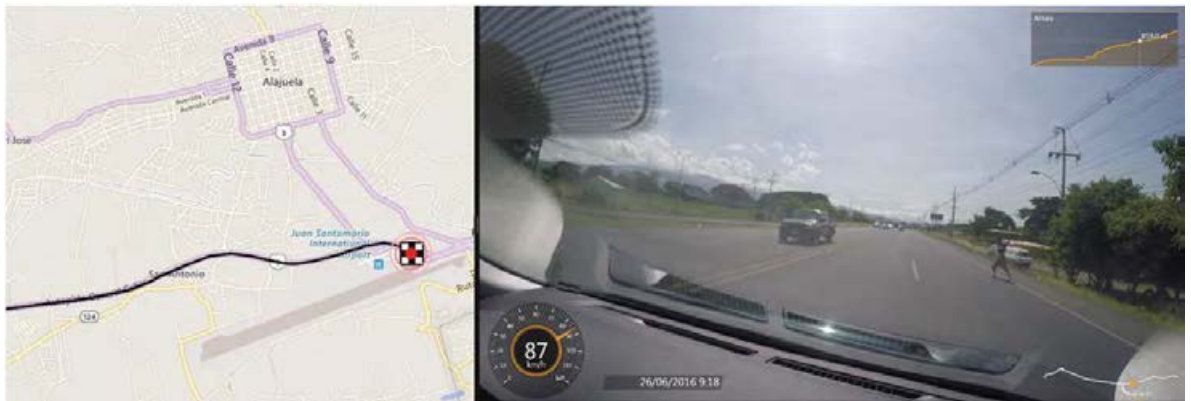


Figure 3.21. Photograph of video 12. Autopista Gral Cañas close to Atenas

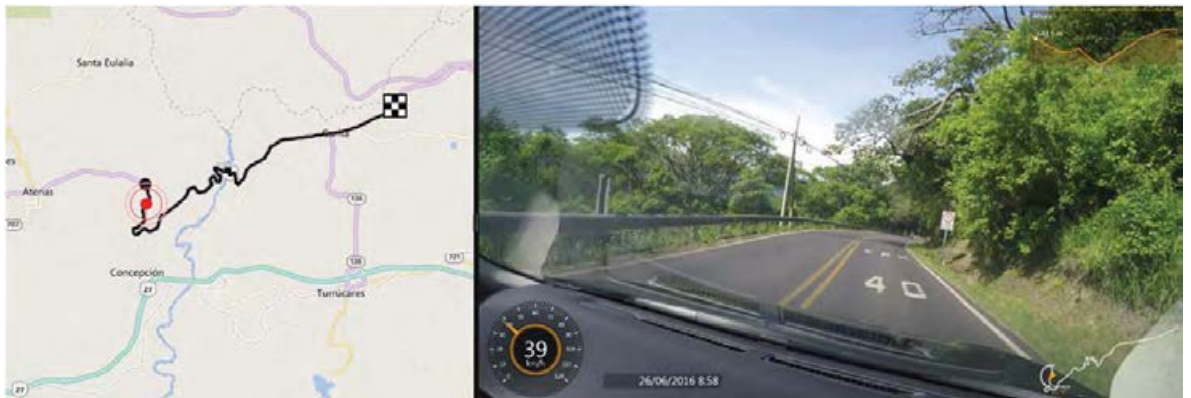


Figure 3.22. Photograph of video 12. Autopista Gral Cañas after intersection road 136



Figure 3.23. Photograph of video 17. Alternative route, 3rd section Road 131 by San Mateo



Figure 3.24. Photograph of video 17. Alternative route, 3rd section. Road 131 by San Rafael

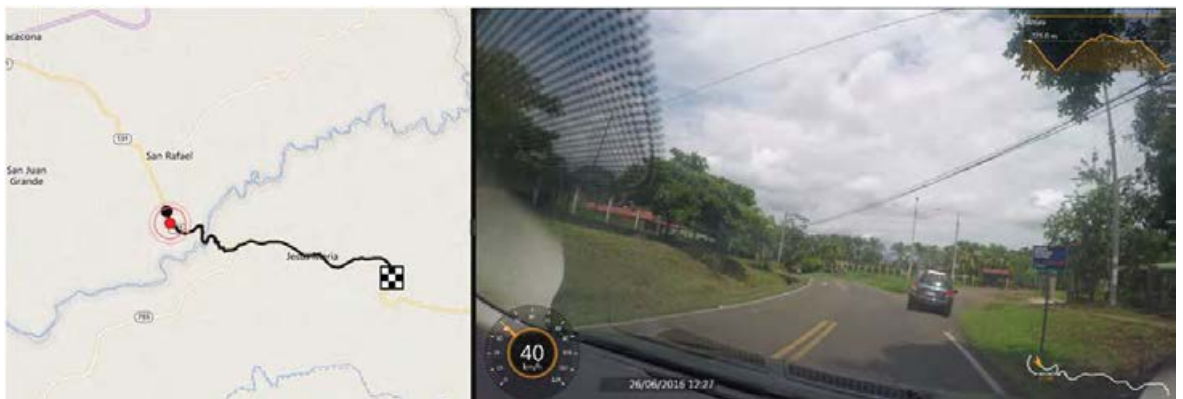


Figure 3.25. Photograph of video 16. Alternative route, 3rd section. Road 131 by Espiritu Santo



Figure 3.26. Photograph of video 16. Route 1, Interamerican Highway

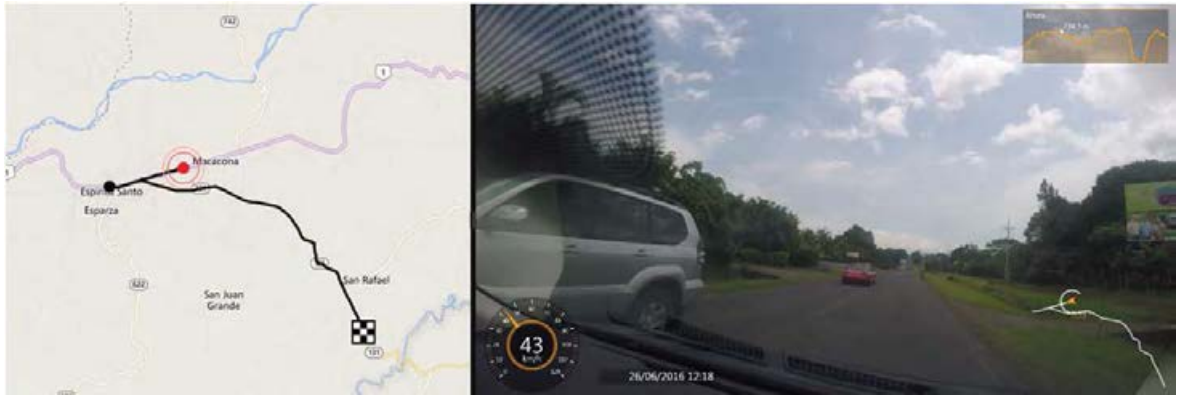


Figure 3.27. Photograph of video 15. Alternative route, 3rd section. Road 17 close to El Roble

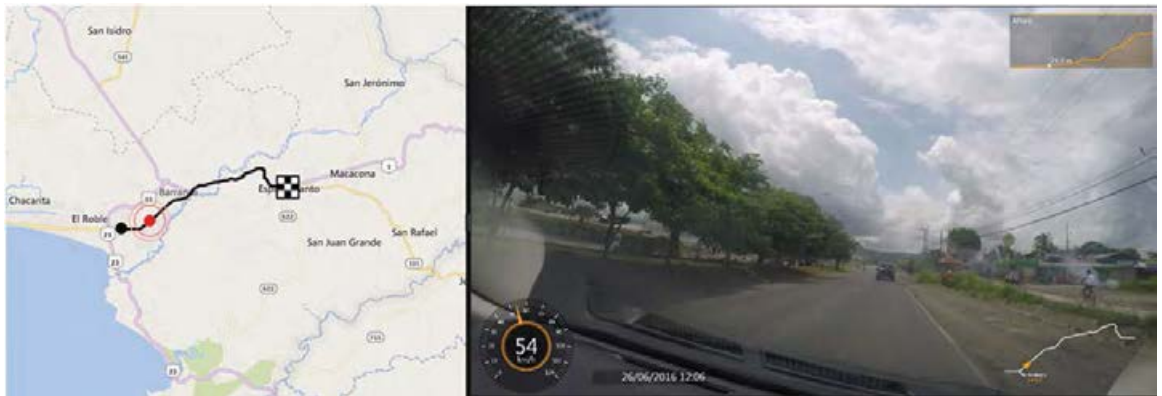


Figure 3.28. Photograph of video 15. Alternative route, 3rd section. Route 1, Interamerican Highway



- 3.21. Other details about each road observed can be obtained from the videos. For instance the next photograph shows the moment of accessing a toll plaza in Ruta 27, close to Guácima. It can be viewed in video recording number 3.

Figure 3.29. Accessing a Toll plaza in Ruta 27 seen through video camera



Source: Diadro with VIRB Edit program.

Figure 3.30. Image taken with photograph camera



Source: Diadro.

- 3.22. Traffic and vehicle parameter data was also obtained with the Floating Car method based on information collected with GPS. Several trips were done at several times of the day during two days in order to obtain different results and routes, the concession and the alternatives.
- 3.23. The concession offers journey time benefits of around 35 minutes to cover from San José to Punta Arenas. The road conditions in the alternative route currently are not competitive since the difference in the distance travelled is only 8 kilometres.
- 3.24. The following table shows the distance and the travel time by sections in the concession and alternative.

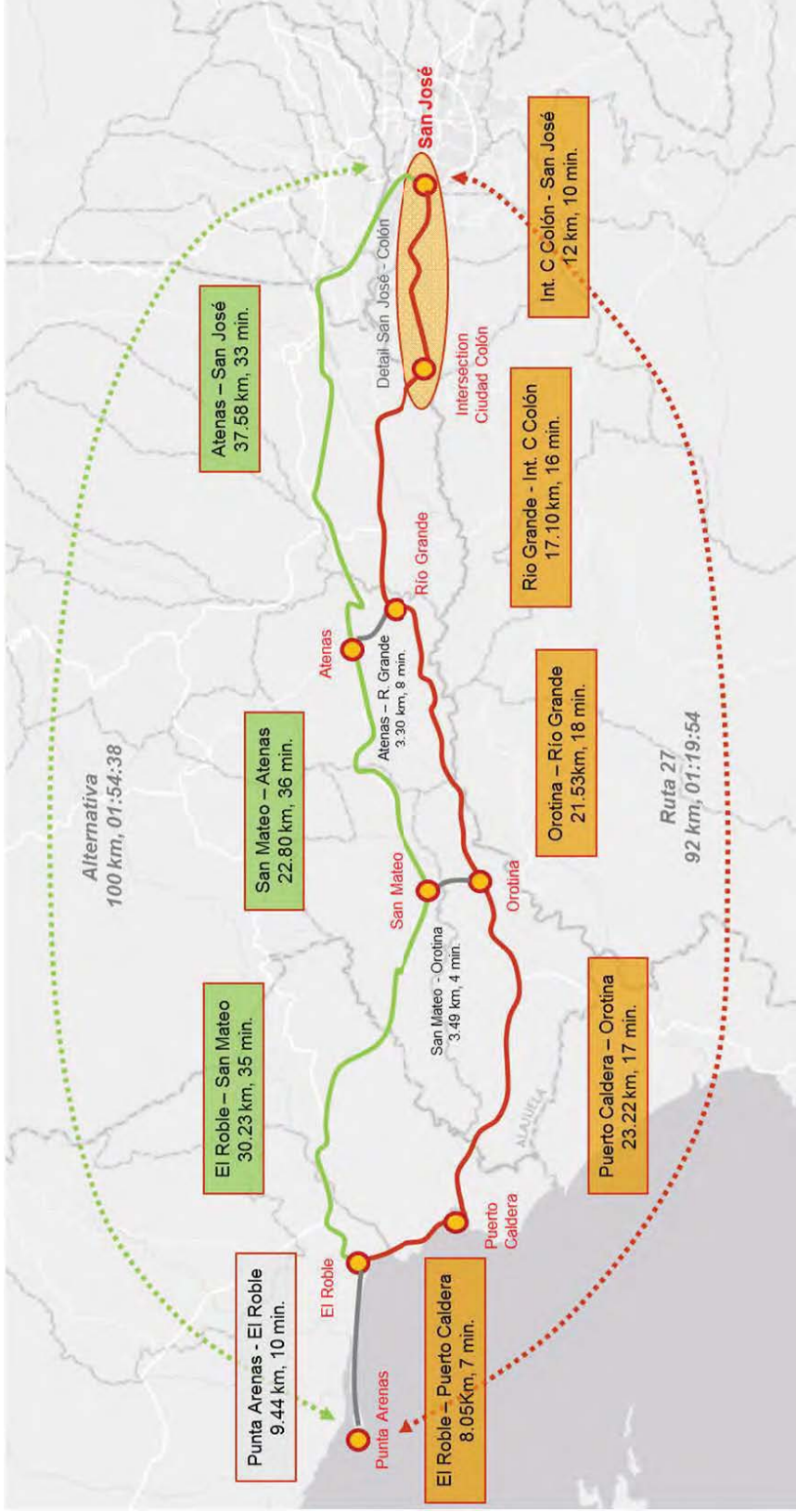
Table 3.2. Travel time results floating vehicle data

Route	Origin	Destination	Length (km)	Speed (kmh)	Time	Cum Length (km)	Cum Time
Ruta 27	San José (cross 2ª República)	Intersection Vía 310	5.40	68	0:04:46	5	0:04:46
Ruta 27	Intersection Vía 310	Intersection Santa Ana	3.67	64	0:03:27	9	0:08:12
Ruta 27	Intersection Santa Ana	Intersection Ciudad Colón	3.35	84	0:02:24	12	0:10:36
Ruta 27	Intersection Ciudad Colón	Río Grande	17.10	64	0:16:02	30	0:26:38
Ruta 27	Río Grande	Orotina	21.53	71	0:18:12	51	0:44:49
Ruta 27	Orotina	Puerto Caldera	23.22	82	0:16:59	74	1:01:49
Ruta 27	Puerto Caldera	El Roble	8.05	62	0:07:47	82	1:09:36
Ruta 27	El Roble	Punta Arenas	9.44	55	0:10:18	92	1:19:54
Alt. norte	San José (cross 2ª República)	Atenas	37.58	68	0:33:11	38	0:33:11
Alt. norte	Atenas	San Mateo	22.8	38	0:36:00	60	1:09:11
Alt. norte	San Mateo	El Roble	30.23	52	0:35:09	91	1:44:20
Ruta 27	El Roble	Punta Arenas	9.44	55.00	0:10:18	100	1:54:38

Source: Diadro

- 3.25. The location of the sections with the results of the travel times obtained with GPS and completed and contrasted with real time traffic information from the Google website are shown in the following figure:

Figure 3.31. Floating vehicle data results



Source: Diadro. Base map from Bing maps

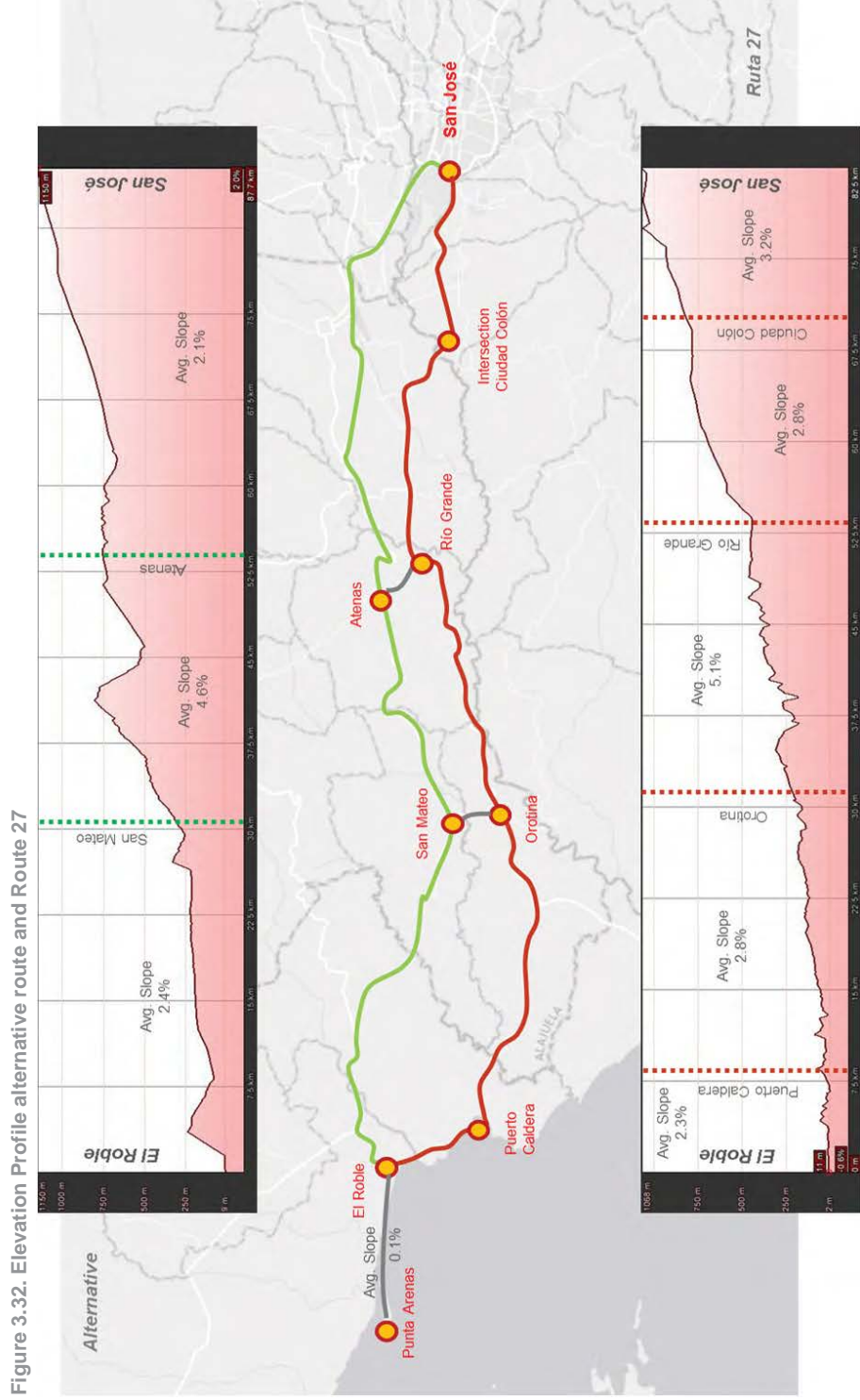
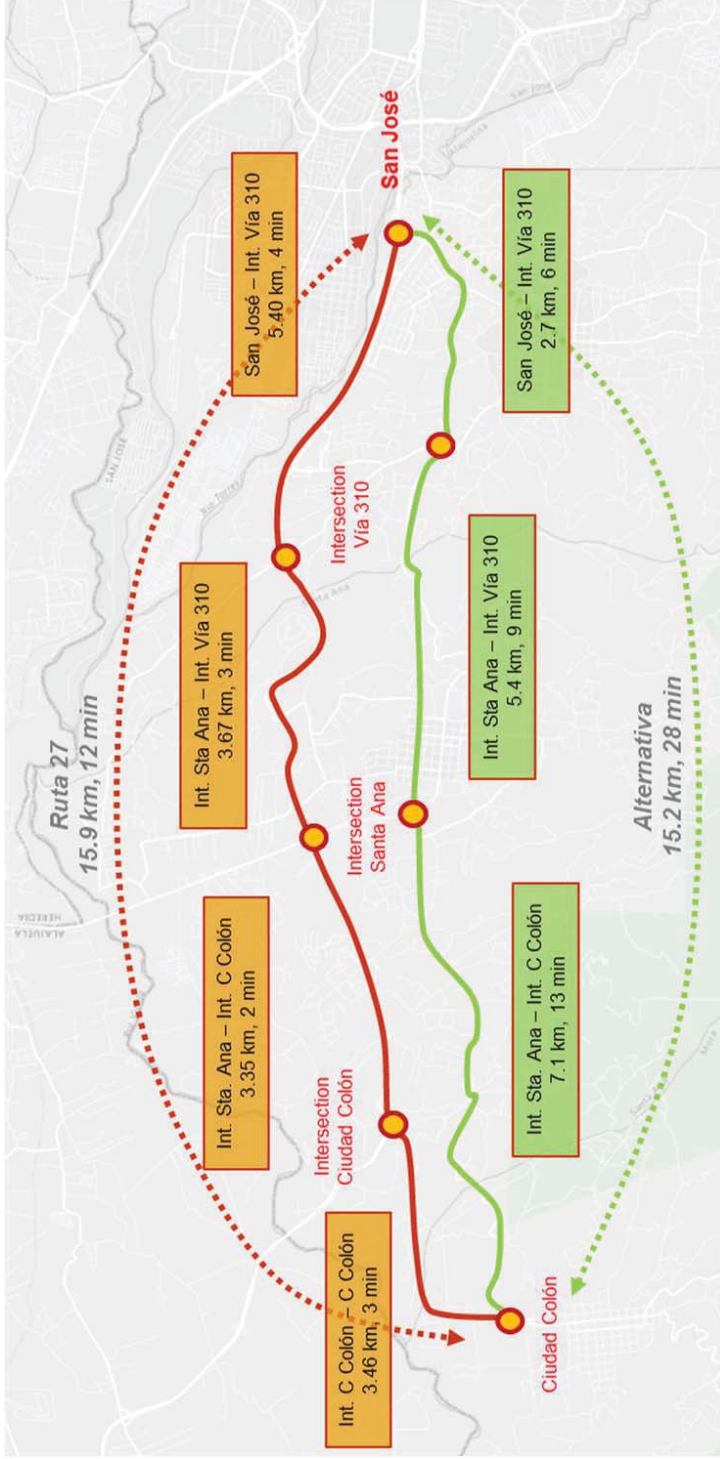


Figure 3.32. Elevation Profile alternative route and Route 27

Source: Diadro. Base map from Bing maps

Figure 3.33. Detail San José – Colón



Source: Diadro. Base map from Bing maps

- 3.26. These results have been used to calibrate the demand model developed in EMME, and to verify the time obtained in the model with the real data. It is important to notice than the results above correspond to off peak time and that the difference in travel times in the concession and the alternatives are larger during peak hours.
- 3.27. Travel times to cover the distance from San José to Punta Arenas varies as follows:

Table 3.3. Travel time ranges

	Distance (km)	Travel time off peak	Travel time peak	Time Diff
Ruta 27	92	1:19:54	2:05:00	0:45:06
Alternative Norte	100	1:54:38	3:05:00	1:10:22

4. HISTORICAL TRAFFIC ANALYSIS

Introduction

- 4.1. An important source of information is the existing and historical traffic and revenues for all toll plazas. For this task, the concessionaire has provided Diadro with detail traffic data for Autopista del Sol, from 2010 up to April 2016. This data shows traffic by vehicle type for each toll plaza.
- 4.2. This information will be the bases for adjusting the demand model and the traffic and revenue forecast. The analysis includes:
- Traffic composition
 - Time distribution
 - Year historic evolution
 - Monthly traffic profiles
 - Weekly traffic profiles
 - Hourly traffic profiles
 - And analysis of traffic patterns by toll plaza location
- 4.3. There are 5 vehicle types, which except for the first one (light and motorcycles) the rest are considered Heavy vehicles:

Table 4.1. Vehicle type

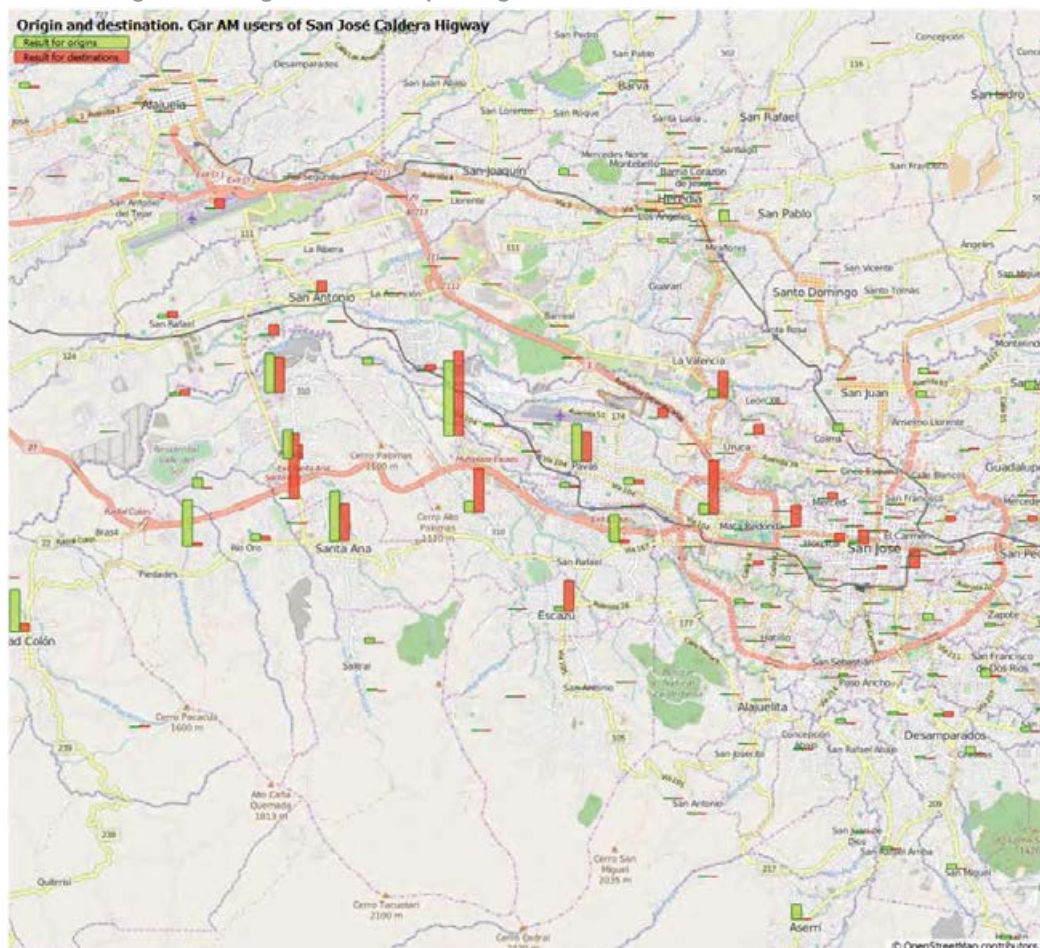
Cat	Class	Type
1	Motorcycles & Light	LIGHT
2	Buses	
3	Heavy 2&3 axles	HEAVY
4	Heavy 4 axles	
5	Heavy 5 axles	

- 4.4. The volume of class 4 vehicles is rather small (as it is shown later on in this report), so for analytical purposes it has been combined with class 5 vehicles.
- 4.5. Year 2016 is not included in the historical analysis since only data for the 1st trimester is available.

Actual origin and destination relations using the concession

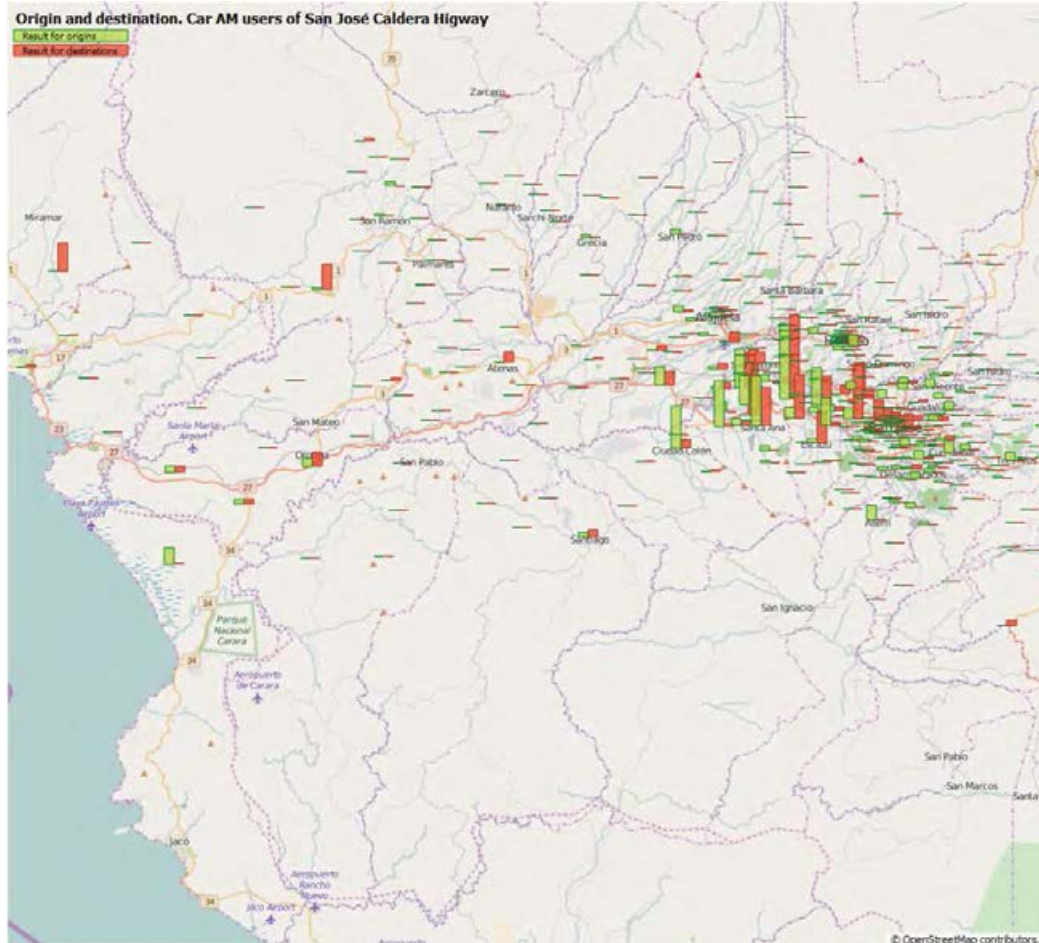
- 4.6. In order to understand the role of the highway in the mobility of Costa Rica, it is useful to have an image of the origin and destination areas of the concession's users. The following maps were created from the origin and destination matrices of users that cross at least one toll barrier of Ruta 27. The first image shows the origin (in green) and destination (in red) zones of the cars that use the concession near the metropolitan area of San José for the AM peak. Main destinations are the city north area and centre, Escazú, Santa Ana, the airport industrial area, etc. It is interesting to note that the destinations do not only cover the city centre, but also part of the metropolitan area.

Figure 4.1. Origin-Destination pairs light vehicles. Detail



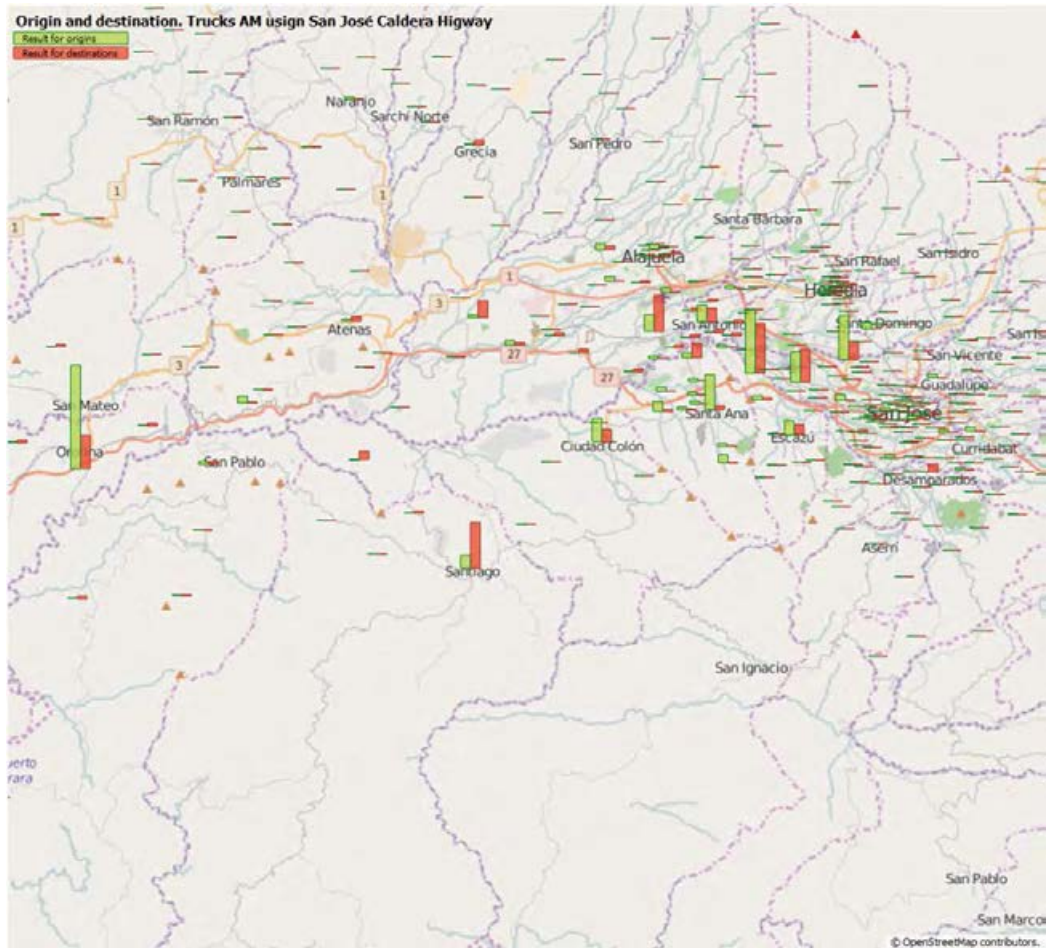
- 4.7. The following image shows a bigger area of the same information, with the concentration of destination in the metropolitan region and with destinations in Atenas, Orotina, etc.

Figure 4.2. Origin-destinations pairs light vehicles. Overview



- 4.8. The pattern of trucks than use the toll route is different, and the main destinations are the industrial area near the airport, Escazú, San Antonio, Santiago and other destinations outside San José’s inner ring.

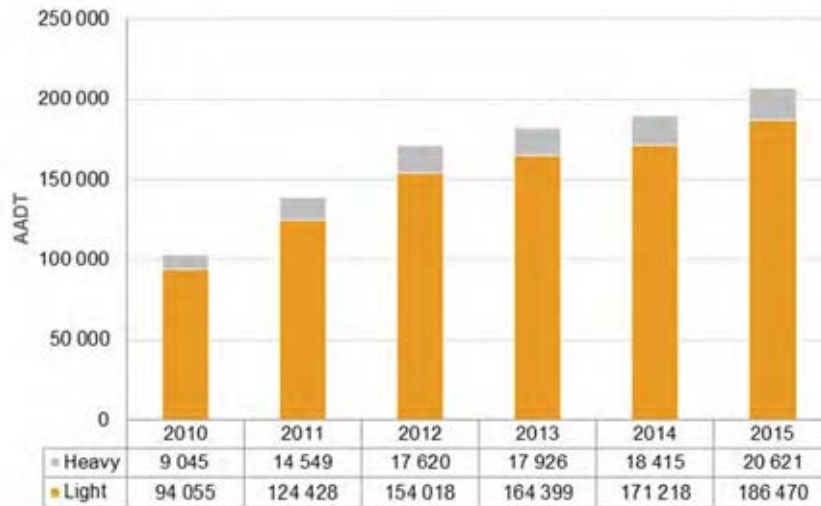
Figure 4.3. Origin-destination pairs heavy vehicles



Historical traffic analysis along the concession

- 4.9. The following figure shows the traffic per day for the concession (the sum of vehicles crossing all toll plazas in a year divided by the numbers of days of that year). Not all the toll plazas opened in 2010 (the last one to open was Ciudad Colon in 2012), so full annual data is only available for period 2013-2015.

Figure 4.4. Total Average Daily Traffic (light and heavy vehicles)



- 4.10. Traffic increased rapidly, especially during the first years of the concession when a significant ramp up effect occurred (and plazas were opened gradually).
- 4.11. The Compound Annual Growth Rate is calculated for the period 2010-2015: CAGR 2010-2015 shows a higher growth of heavy vehicles than light vehicles (17.9% vs. 14.7%).

Table 4.2. Annual growth rate

	2011	2012	2013	2014	2015	CAGR 2010-2015
Light	32.3%	23.8%	6.7%	4.1%	8.9%	14.7%
Heavy	60.8%	21.1%	1.7%	2.7%	12.0%	17.9%
Total	34.8%	23.5%	6.2%	4.0%	9.2%	15.0%

Toll plazas detail

- 4.12. As far as concerns the toll plazas, Escazu with almost 100.000 vehicles /day is the one with the highest level of traffic, followed at a very big distance by San Rafael (33.000 veh/day aprox.).

- 4.13. For mainline tolls, as the distance from San José grows, their traffic volume decreases.
- 4.14. Ramp plazas record a much lower level of traffic, being the lowest one at Guacima (1897 veh/ day in 2015) and Rampa Pozón (3543 veh/day).
- 4.15. In general, all the toll plazas have experienced significant traffic increments during the period of analysis:
- Besides the ramp up effect, traffic growth has been very significant.
 - 2013 and 2014 had the lowest annual growth rates of the period.
 - In 2015, all the toll plazas registered an increase of the traffic growth.
 - Although their volume of traffic is low, some ramp plazas, as Siquiaries or Guacima, show extremely high annual traffic growth rates for certain years.

Table 4.3. Summary of Average Annual Daily Traffic per plaza and veh. type

Toll plaza	Vehicle type	2010	2011	2012	2013	2014	2015
Escazú	Light	65 595	76 487	82 141	85 197	87 978	93 996
	Heavy	4 200	5 292	5 685	5 456	5 388	5 959
Total Escazú		69 795	81 778	87 825	90 653	93 366	99 955
Ciudad Colón	Light			17 247	18 087	18 629	19 750
	Heavy			1 631	1 590	1 547	1 681
Total Ciudad Colón				18 878	19 677	20 175	21 431
San Rafael	Light	13 482	18 516	22 360	25 074	26 037	29 677
	Heavy	1 732	2 391	2 857	2 758	2 766	3 244
Total San Rafael		15 213	20 907	25 217	27 832	28 803	32 921
Guácima	Light		226	370	493	1 017	1 594
	Heavy		53	72	92	207	302
Total Guácima			280	442	585	1 224	1 897
Siquiaries	Light	771	831	1 338	2 704	3 287	3 874
	Heavy	206	234	454	911	1 127	1 297
Total Siquiaries		976	1 065	1 792	3 615	4 413	5 171
Rampa Atenas	Light	2 272	2 568	2 541	2 917	3 341	3 787
	Heavy	201	243	233	268	292	322
Total Rampa Atenas		2 473	2 811	2 774	3 185	3 633	4 109
Atenas	Light		11 871	13 259	14 280	14 787	16 273
	Heavy		2 864	3 034	3 227	3 403	3 725
Total Atenas			14 735	16 293	17 506	18 190	19 998
Pozón	Light	9 999	11 831	12 444	13 220	13 636	14 711
	Heavy	2 013	2 780	2 923	2 944	2 993	3 355
Total Pozón		12 012	14 611	15 367	16 164	16 629	18 067
Rampa Pozón	Light	1 937	2 098	2 318	2 428	2 507	2 806
	Heavy	694	692	731	680	693	737
Total Rampa Pozón		2 631	2 790	3 049	3 107	3 200	3 543

Escazú

Figure 4.5. Total Average Daily Traffic. Escazú

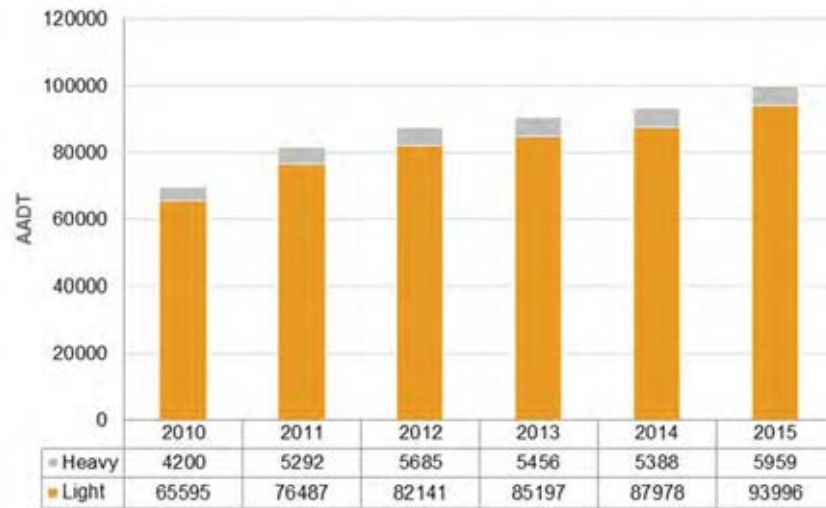


Table 4.4. Annual growth rate. Escazú

Vehicle type	2011	2012	2013	2014	2015	CAGR 2010-2015
Light	16.6%	7.4%	3.7%	3.3%	6.8%	7.5%
Heavy	26.0%	7.4%	-4.0%	-1.2%	10.6%	7.2%
Total	17.2%	7.4%	3.2%	3.0%	7.1%	7.4%

Ciudad Colon

Figure 4.6. Total Average Daily Traffic. Ciudad Colón

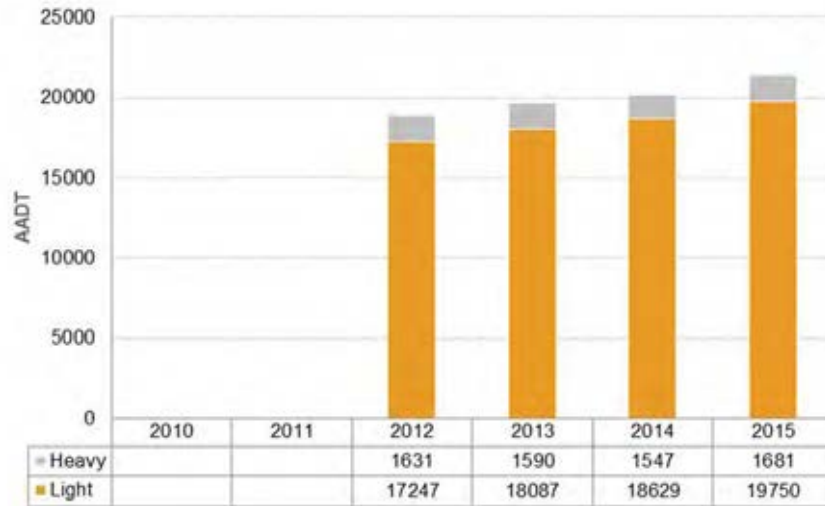


Table 4.5. Annual growth rate. Ciudad Colón

Vehicle type	2011	2012	2013	2014	2015	CAGR 2010-2015
Light			4.9%	3.0%	6.0%	4.6%
Heavy			-2.5%	-2.8%	8.7%	1.0%
Total			4.2%	2.5%	6.2%	4.3%

San Rafael

Figure 4.7. Total Average Daily Traffic. San Rafael

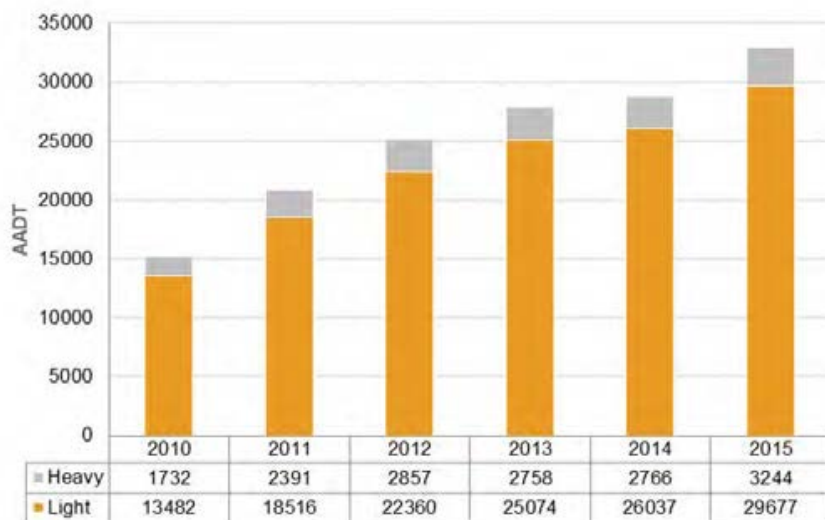


Table 4.6. Annual growth rate. San Rafael

Vehicle type	2011	2012	2013	2014	2015	CAGR 2010-2015
Light	37.3%	20.8%	12.1%	3.8%	14.0%	17.1%
Heavy	38.1%	19.5%	-3.5%	0.3%	17.3%	13.4%
Total	37.4%	20.6%	10.4%	3.5%	14.3%	16.7%

Guácima

Figure 4.8. Total Average Daily Traffic. Guácima

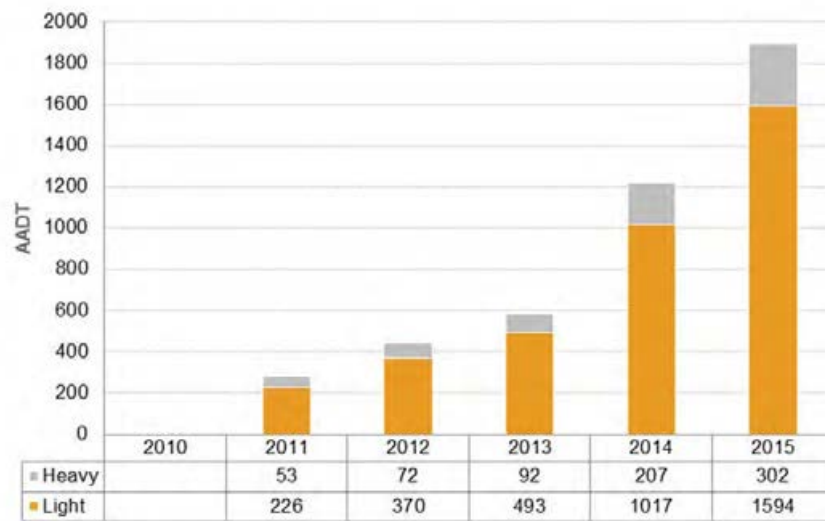


Table 4.7. Annual growth rate. Guácima

Vehicle type	2011	2012	2013	2014	2015	CAGR 2010-2015
Light		63.4%	33.3%	106.2%	56.8%	62.9%
Heavy		34.6%	28.6%	124.3%	45.9%	54.3%
Total		57.9%	32.5%	109.1%	55.0%	61.4%

Siquiares

Figure 4.9. Total Average Daily Traffic. Siquiares

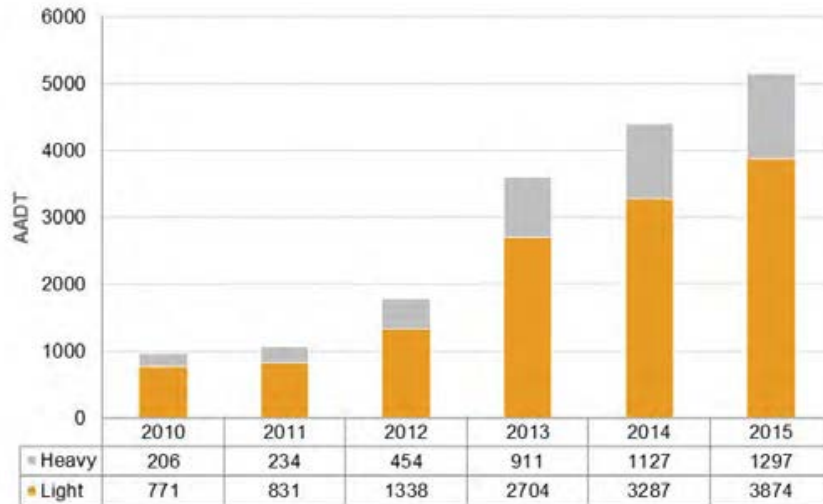


Table 4.8. Annual growth rate. Siquiares

Vehicle type	2011	2012	2013	2014	2015	CAGR 2010-2015
Light	7.9%	60.9%	102.1%	21.5%	17.9%	38.1%
Heavy	13.7%	94.4%	100.5%	23.7%	15.1%	44.5%
Total	9.1%	68.3%	101.7%	22.1%	17.2%	39.6%

Rampa Atenas

Figure 4.10. Total Average Daily Traffic. Rampa Atenas

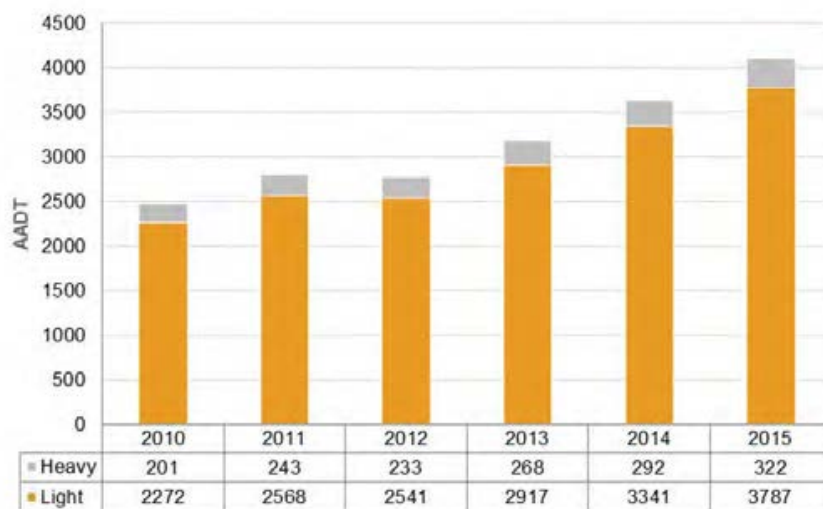


Table 4.9. Annual growth rate. Rampa Atenas

Vehicle type	2011	2012	2013	2014	2015	CAGR 2010-2015
Light	13.0%	-1.1%	14.8%	14.5%	13.4%	10.8%
Heavy	21.0%	-4.0%	14.8%	9.0%	10.3%	9.9%
Total	13.7%	-1.3%	14.8%	14.1%	13.1%	10.7%

Atenas

Figure 4.11. Total Average Daily Traffic. Atenas

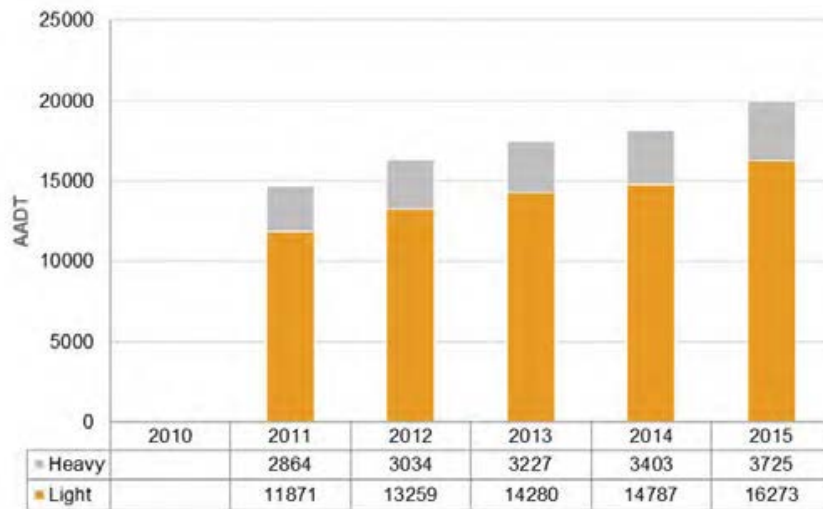


Table 4.10. Annual growth rate. Atenas

Vehicle type	2011	2012	2013	2014	2015	CAGR 2010-2015
Light		11.7%	7.7%	3.6%	10.0%	8.2%
Heavy		5.9%	6.4%	5.5%	9.5%	6.8%
Total		10.6%	7.4%	3.9%	9.9%	7.9%

Pozón

Figure 4.12. Total Average Daily Traffic. Pozón

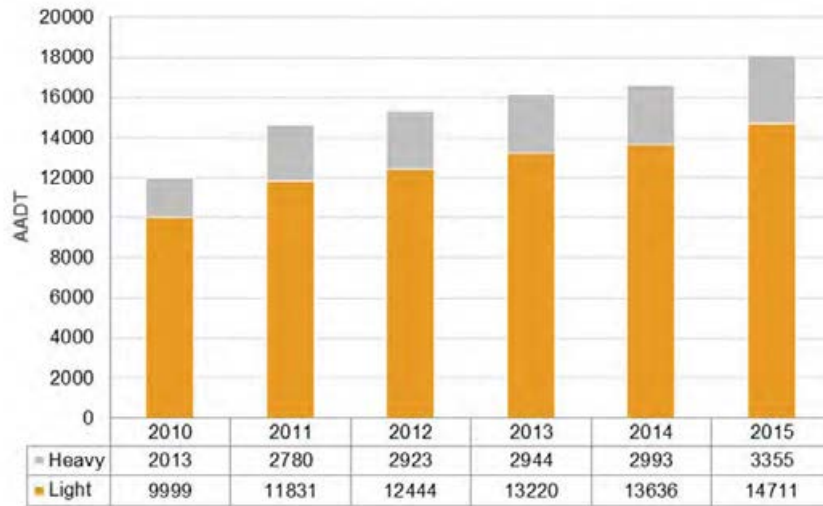


Table 4.11. Annual growth rate. Pozón

Vehicle type	2011	2012	2013	2014	2015	CAGR 2010-2015
Light	18.3%	5.2%	6.2%	3.1%	7.9%	8.0%
Heavy	38.1%	5.1%	0.7%	1.6%	12.1%	10.8%
Total	21.6%	5.2%	5.2%	2.9%	8.6%	8.5%

Rampa Pozón

Figure 4.13. Total Average Daily Traffic. Rampa Pozón

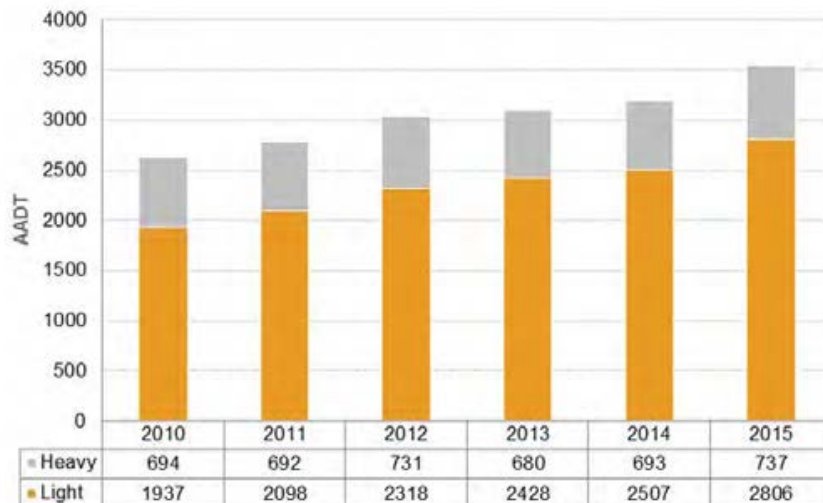


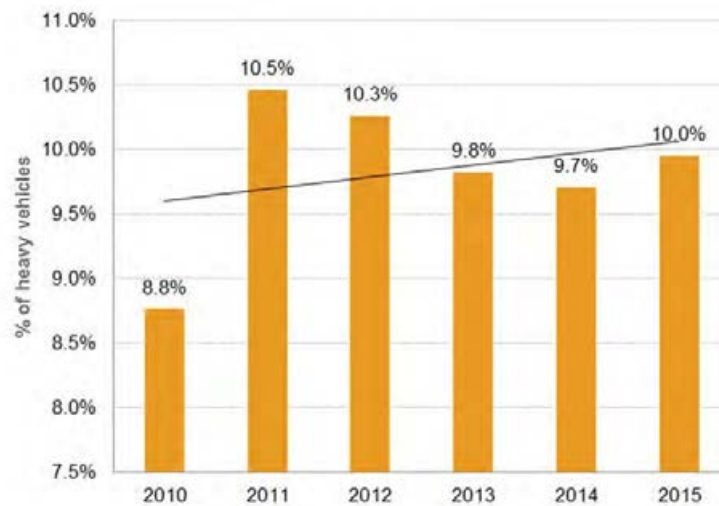
Table 4.12. Annual growth rate. Rampa Pozón

Vehicle type	2011	2012	2013	2014	2015	CAGR 2010-2015
Light	8.3%	10.5%	4.7%	3.3%	11.9%	7.7%
Heavy	-0.3%	5.6%	-7.0%	2.0%	6.3%	1.2%
Total	6.1%	9.3%	1.9%	3.0%	10.7%	6.1%

Composition of traffic

4.16. Light vehicles are the main users of the toll road (90% in 2015). After an increase in 2011, the share of heavy vehicles has been around 10% during the whole period.

Figure 4.14. Heavy vehicles share



4.17. In general terms, the participation of heavy vehicles in total traffic has been quite stable in all toll plazas too.

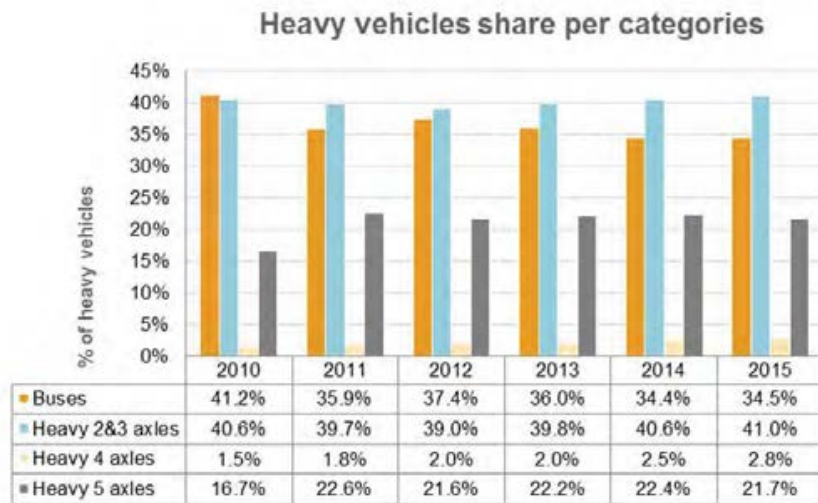
4.18. Atenas and Pozón are the mainlines tolls with the highest participation of heavy vehicles in traffic (around 19% in 2015). With respect to ramp plazas, the share of heavy traffic is very relevant in Siquiara (25%) and Rampa Pozón (21%).

4.19. As far as concerns, the distribution of heavy vehicles per categories:

- Heavy vehicles composition remains very similar along the years.
- Heavy vehicles with 2 or 3 axles is the category with more traffic, followed by buses (an average of 40% and 37% respectively for all the period considered).
- Heavy 4 axles is the category with a lower share, 2.8% the higher in 2015.

- For analytical purposes Heavy 4 and 5 axles are considered one category altogether in the next graphs.
- 4.20. The participation of buses with respect to heavy traffic is around 50% in toll plazas such as Escazu and Ciudad Colon, unlike the 13% observed in San Rafael.
- 4.21. In contrast to toll plazas close to San José, the relevance of heavy vehicles with 4 -5 axles are more important for Atenas and Pozon mainlines (around 40%). It is also relevant for Siquiaries and Guacima (similar percentage).

Figure 4.15. Heavy vehicles share per categories



- 4.22. Regarding heavy vehicles categories, the highest rates are reached by heavy 4-5 axles, especially at the beginning of the period.

Figure 4.16. Annual growth rate along the concession (%) per category

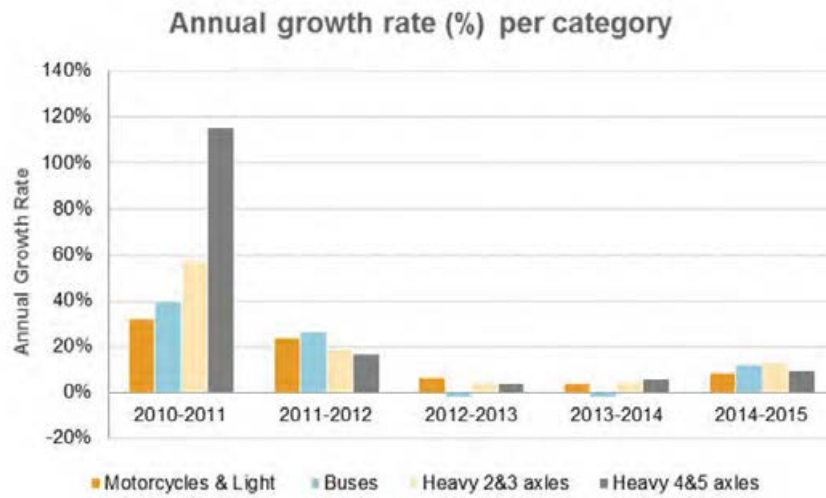


Table 4.13. Annual growth rate per category

Vehicle type	2011	2012	2013	2014	2015	CAGR 2010-2015
Motorcycles & Light	32.3%	23.8%	6.7%	4.1%	8.9%	14.7%
Buses	40.0%	26.4%	-2.0%	-1.9%	12.1%	13.8%
Heavy 2&3 axles	57.4%	18.8%	3.8%	4.8%	13.2%	18.2%
Heavy 4&5 axles	115.6%	17.0%	4.2%	6.2%	9.8%	25.1%
Total	34.8%	23.5%	6.2%	4.0%	9.2%	15.0%

Toll plaza detail

Escazú

Figure 4.17. Composition of traffic. Light/ heavy vehicles. Escazú

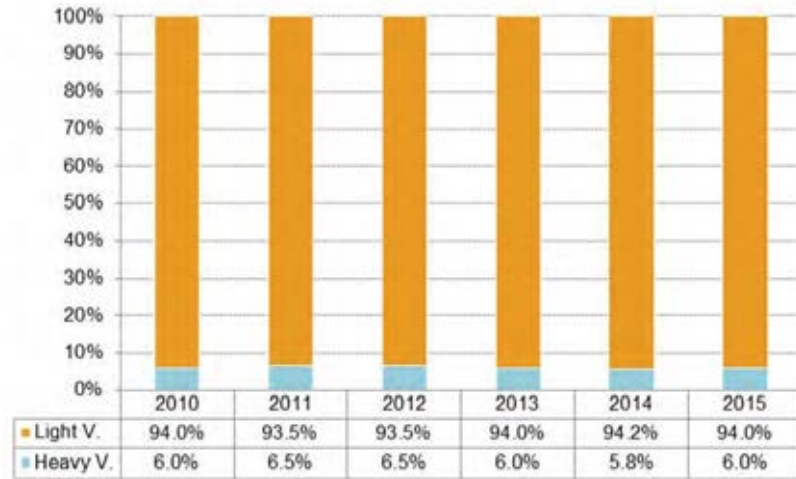
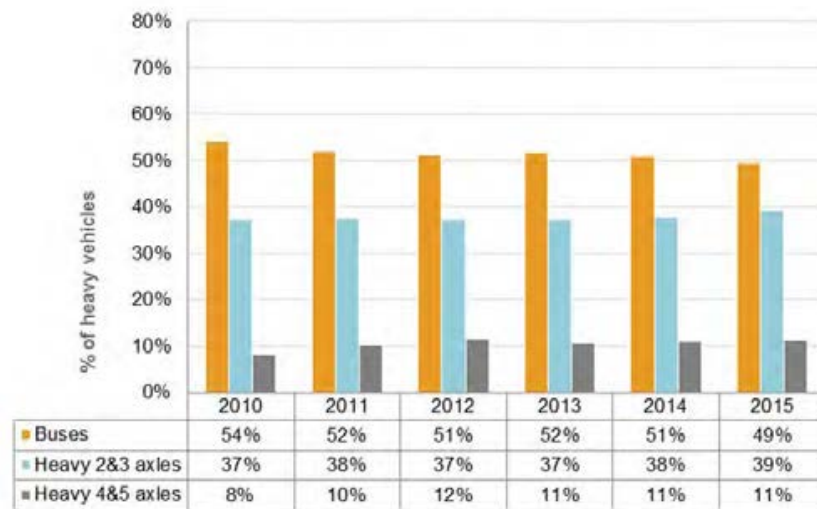


Figure 4.18. Heavy vehicles share per categories. Escazú



Ciudad Colón

Figure 4.19. Composition of traffic. Light/ heavy vehicles. Ciudad Colón

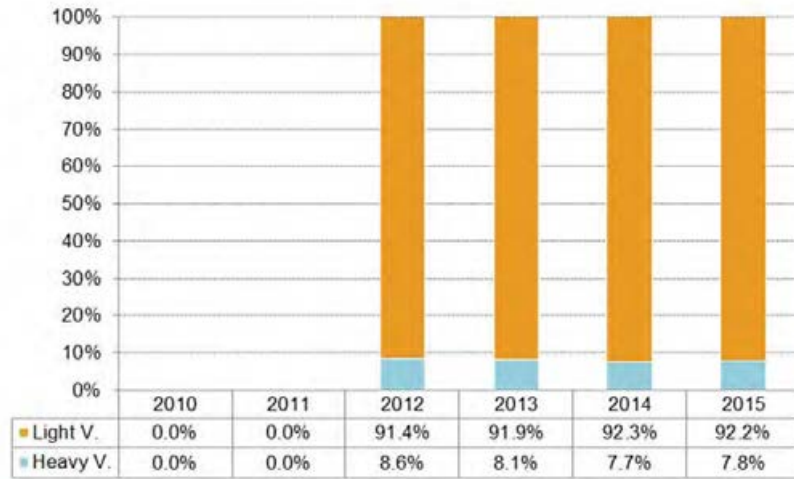
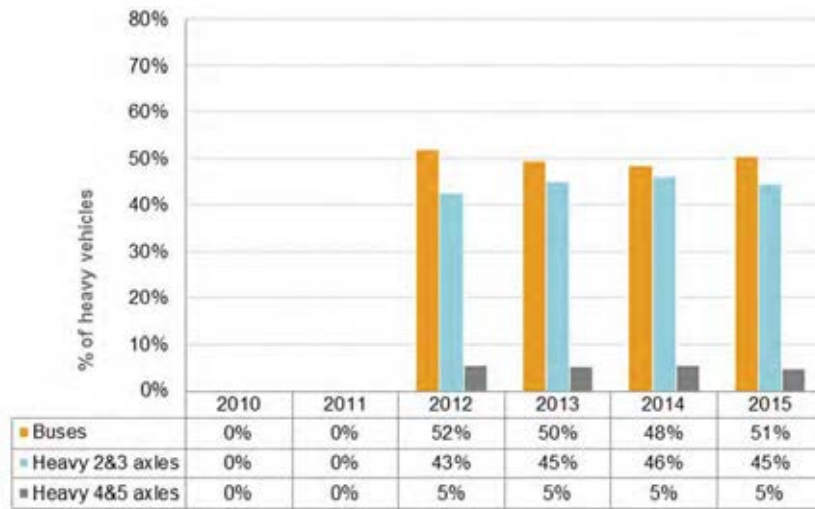


Figure 4.20. Heavy vehicles share per categories. Ciudad Colón



San Rafael

Figure 4.21. Composition of traffic. Light/ heavy vehicles. San Rafael

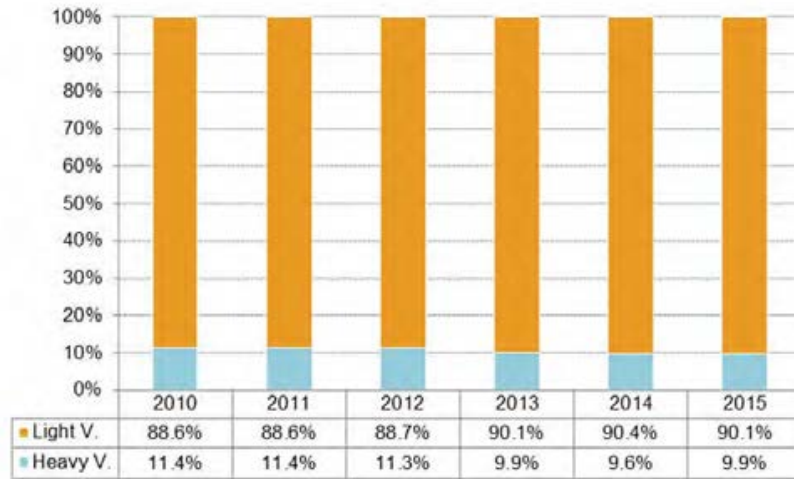
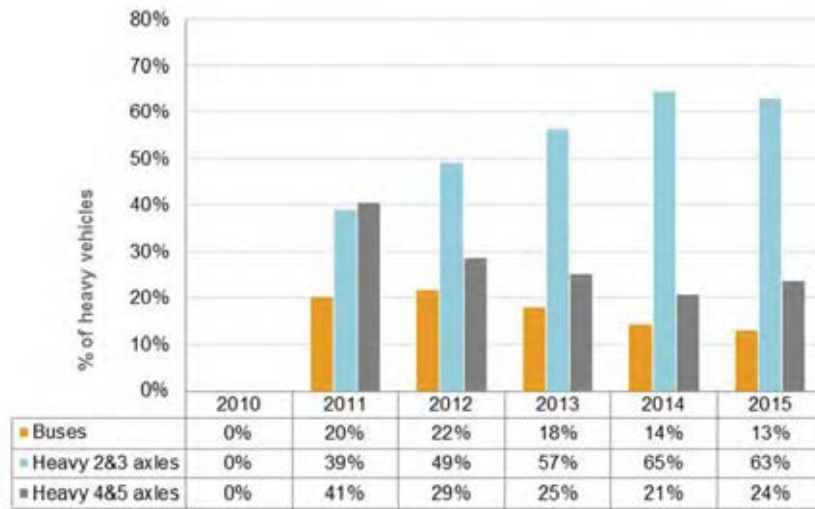


Figure 4.22. Heavy vehicles share per categories. San Rafael



Guácima

Figure 4.23. Composition of traffic. Light/ heavy vehicles. Guácima

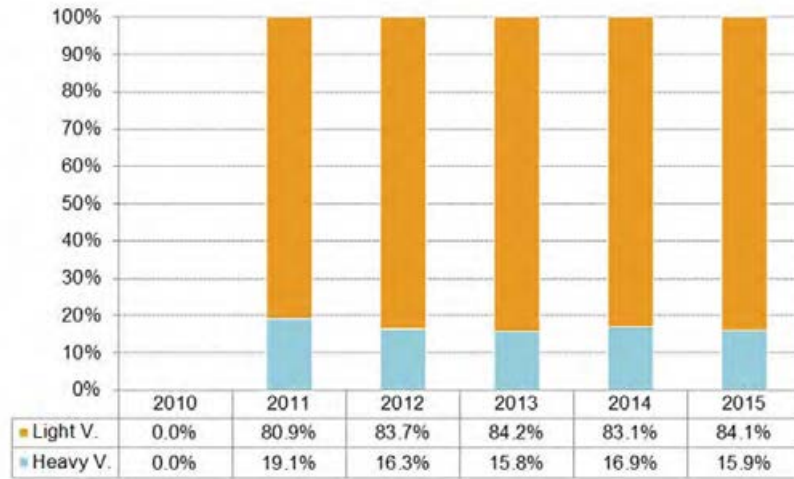
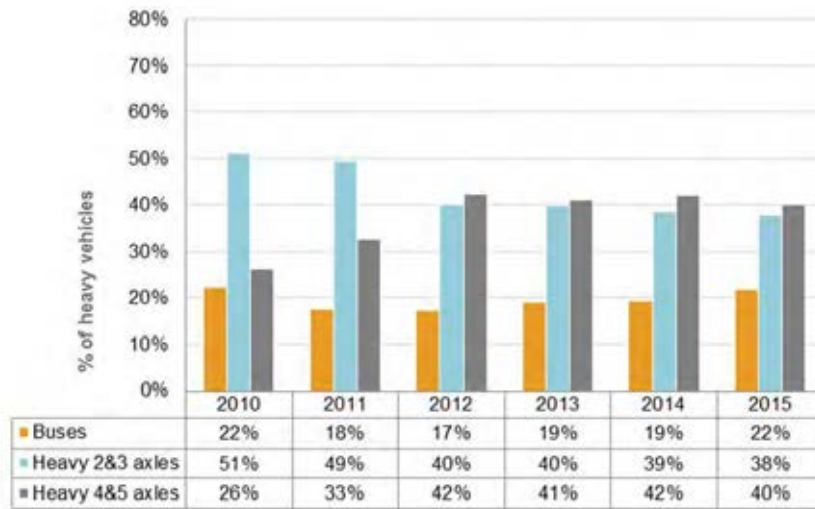


Figure 4.24. Heavy vehicles share per categories. Guácima



Siquiares

Figure 4.25. Composition of traffic. Light/ heavy vehicles. Siquiares

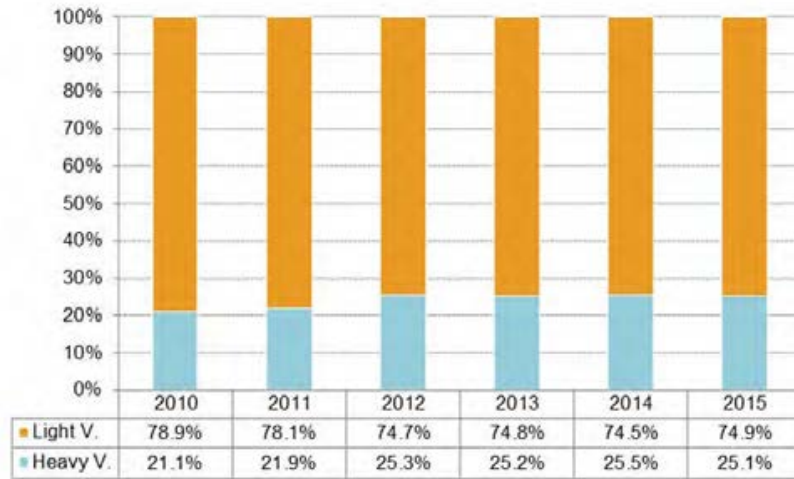
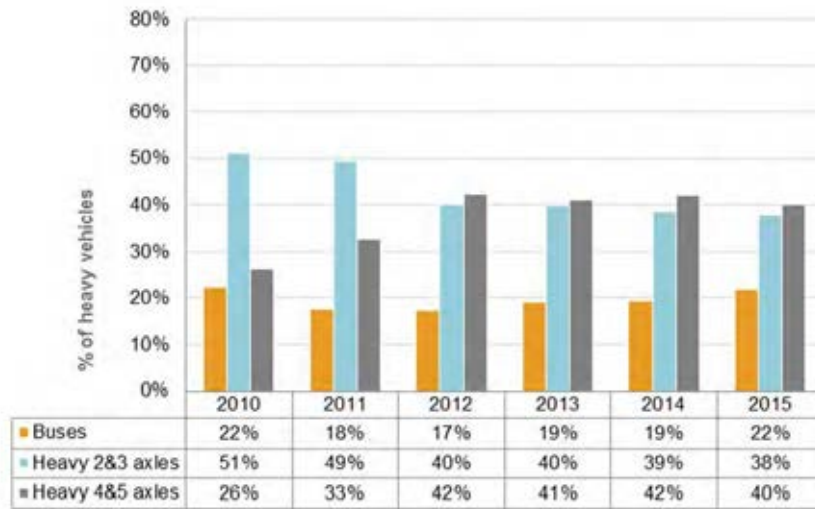


Figure 4.26. Heavy vehicles share per categories. Siquiares



Rampa Atenas

Figure 4.27. Composition of traffic. Light/ heavy vehicles. Rampa Atenas

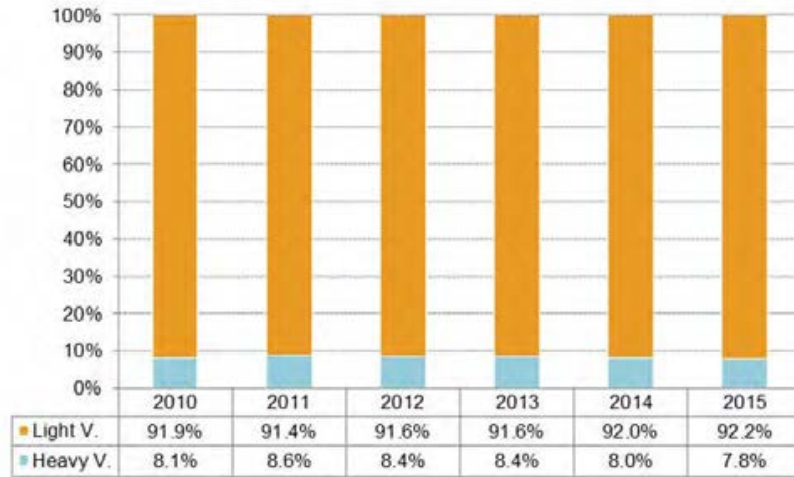
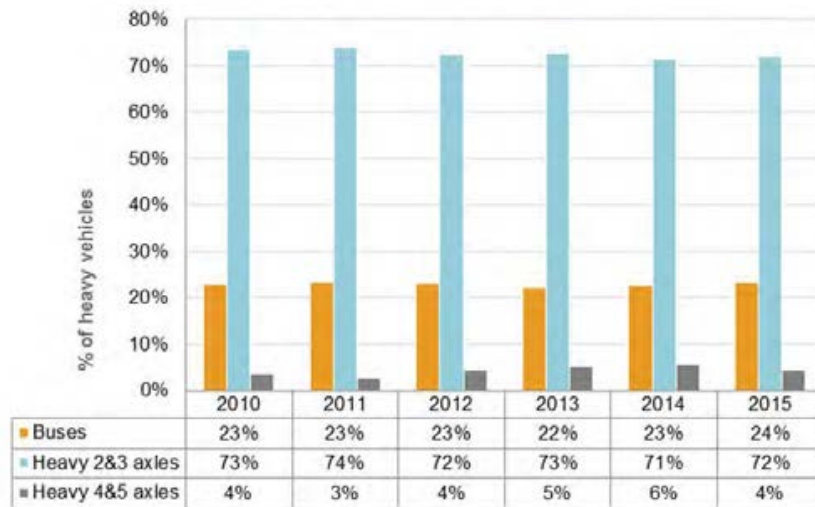


Figure 4.28. Heavy vehicles share per categories. Rampa Atenas



Atenas

Figure 4.29. Composition of traffic. Light/ heavy vehicles. Atenas

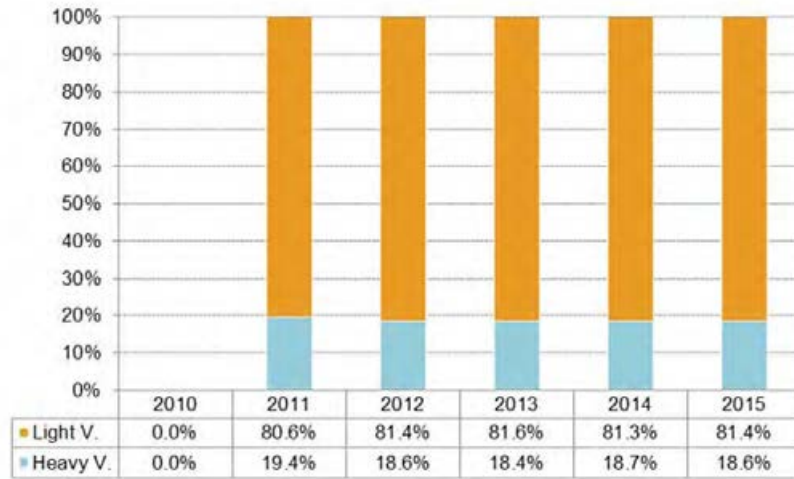
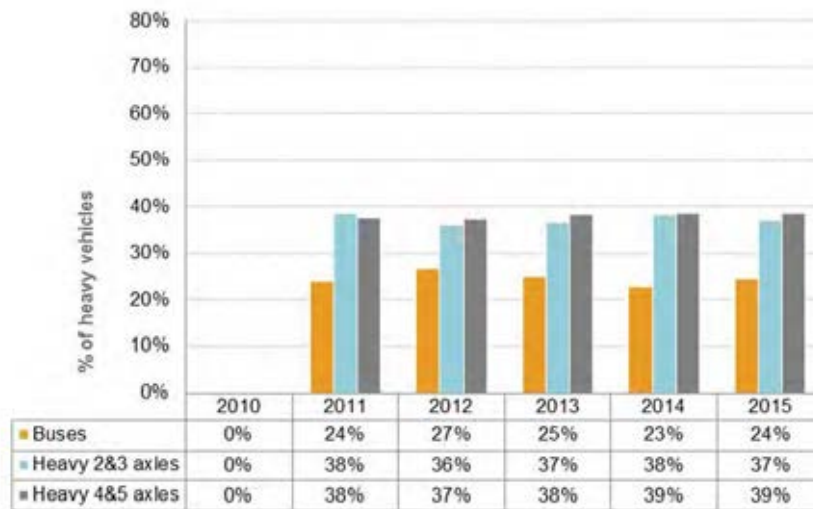


Figure 4.30. Heavy vehicles share per categories. Atenas



Pozón

Figure 4.31. Composition of traffic. Light/ heavy vehicles. Pozón

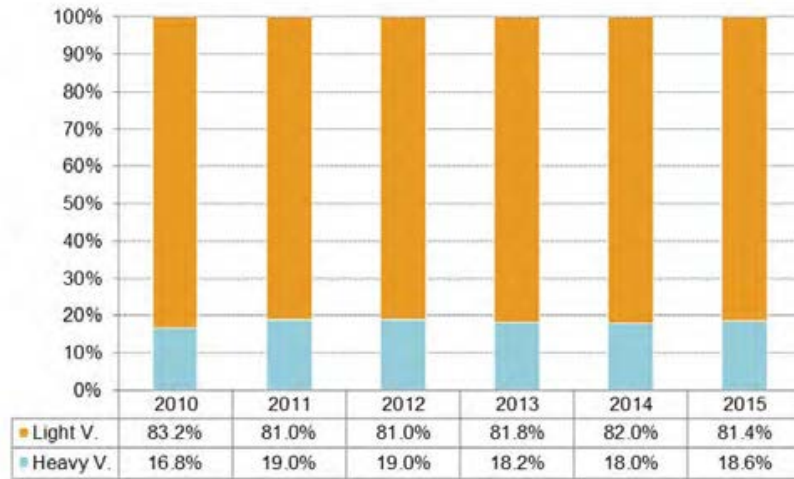
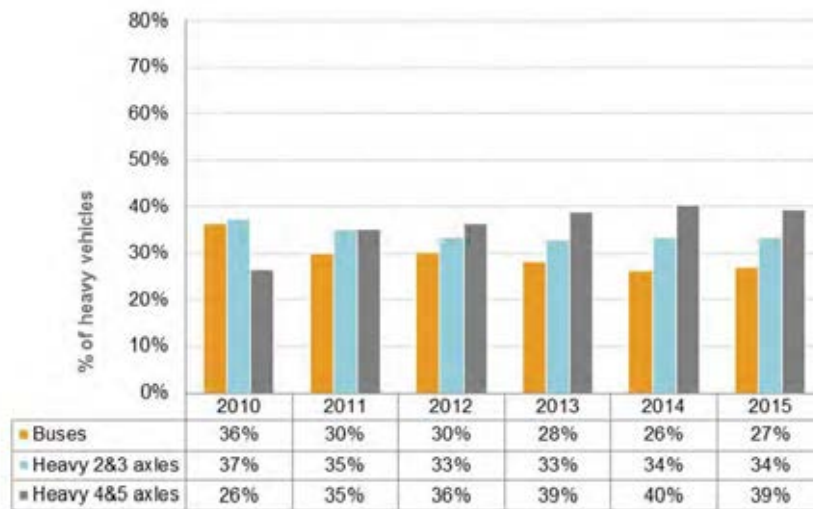


Figure 4.32. Heavy vehicles share per categories. Pozón



Rampa Pozón

Figure 4.33. Composition of traffic. Light/ heavy vehicles. Rampa Pozón

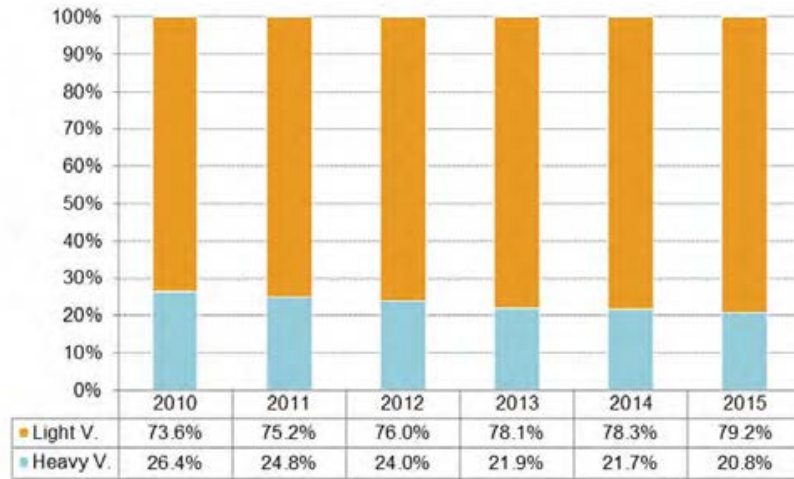
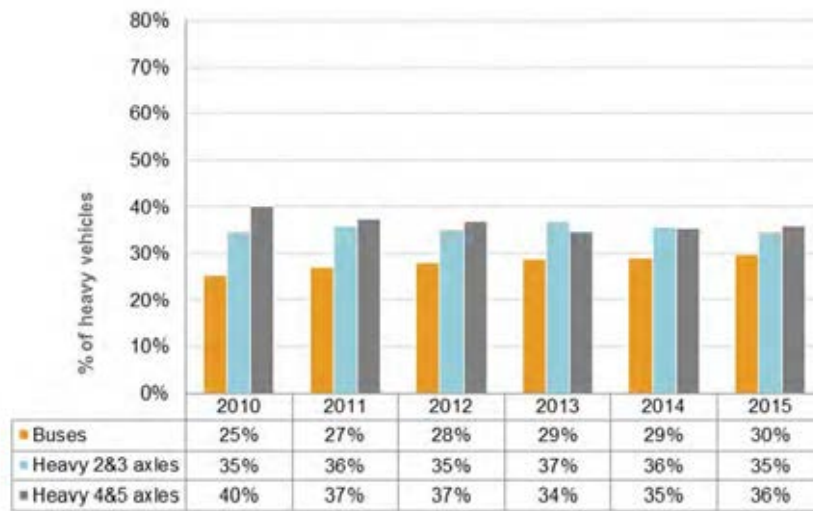


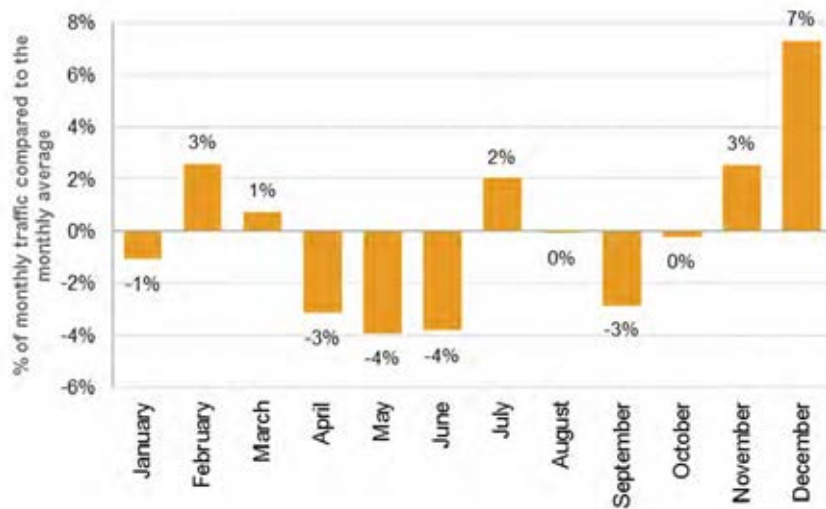
Figure 4.34. Heavy vehicles share per categories. Rampa Pozón



Monthly Distribution

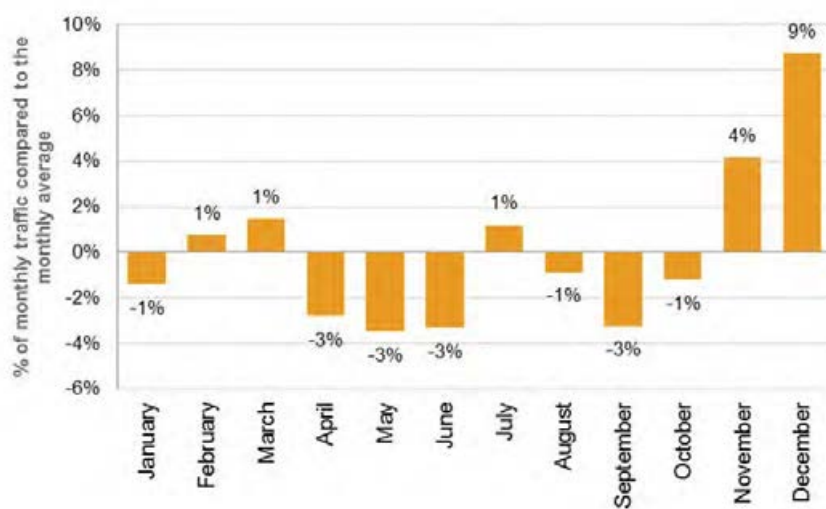
- 4.23. The total monthly distribution of total traffic along 2015 shows that:
- Last month of the year, carries more traffic than the average daily traffic of the year (7% above average).
 - May and June are the months with less traffic (-4% of the average)

Figure 4.35. Total monthly traffic profile. 2015



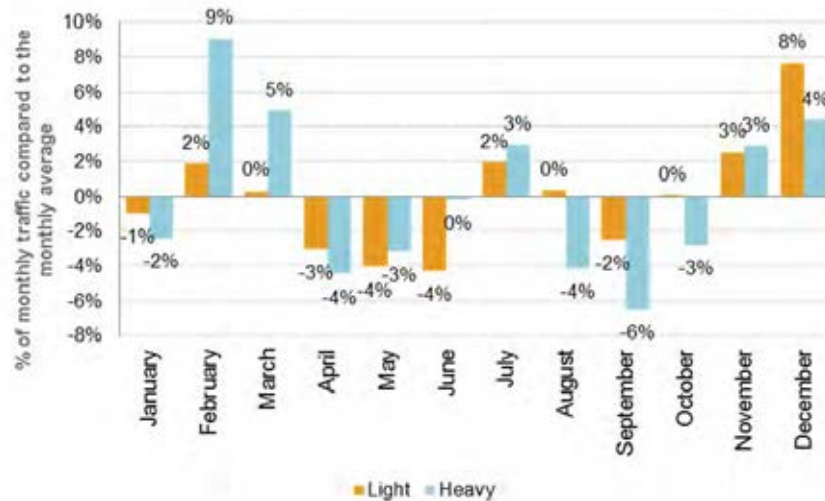
- 4.24. With respect to the average 2012-2015 monthly distribution of total traffic, the pattern is similar to the one observed in 2015. It can be seen that November and December traffic was far above average in the period 2012-2015.

Figure 4.36. Total monthly traffic profile. Average 2012-2015



- 4.25. As far as concerns the monthly distribution per category in year 2015:
- Light vehicles show a similar season pattern than total vehicles: low traffic in May and June (-4% from average) and an increase of traffic on the last two months of the year (3% in November and 8% in December, above average of 2015).
 - Heavy vehicles evidence a particular season pattern, where the highest month is February followed by March (9% and 5% above average) and the lowest month is September (-6%).

Figure 4.37. Monthly distribution per category (2015)



Toll plaza detail

- 4.26. In general, for the period 2012-2015, mainline tolls next to San José show a more stable monthly pattern than those farther away. For instance, in Escazú, the average daily traffic of the month with the highest level of traffic (November) was only 1.06 times the average annual daily traffic. That proportion was of 0.95 for the month with the lowest traffic (April).
- 4.27. On the contrary, Siquiara is the toll plaza with the highest difference between the traffic in December and the AADT (average 2012-2015 is 1.31) and Guacima is the one where the level of traffic in January is the lowest with respect to the AADT (average 2012-2015: 0.8). Nevertheless, it is important to remark that those are two of the toll plazas with the lowest level of traffic.

Escazú

Figure 4.38. Monthly distribution. Average 2012-2015. Escazú

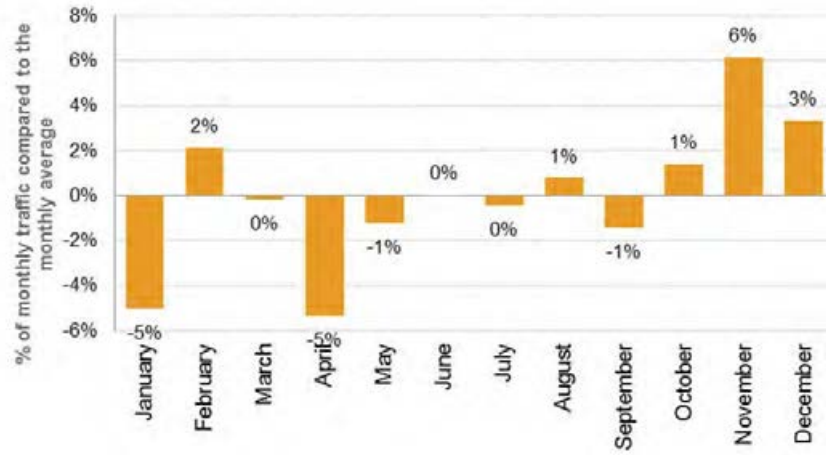


Figure 4.39. Monthly distribution. 2015. Escazú

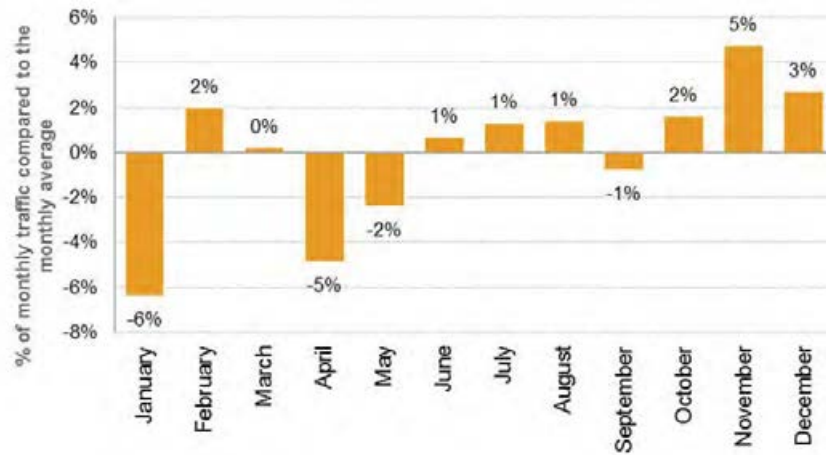
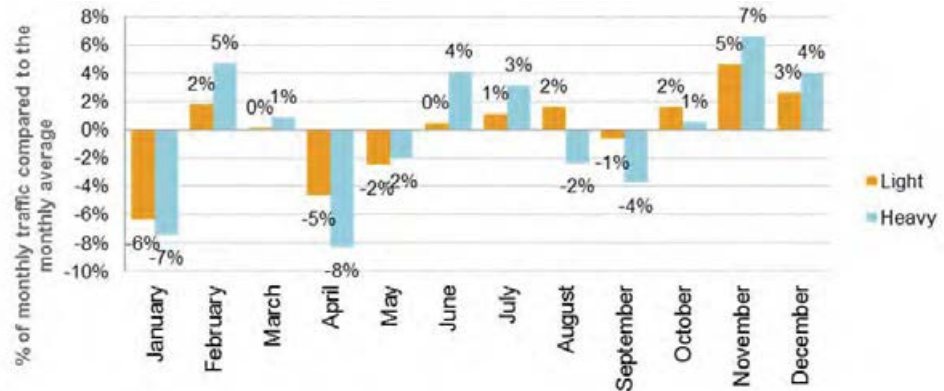


Figure 4.40. Monthly distribution per category (2015). Escazú



Ciudad Colón

Figure 4.41. Monthly distribution. Average 2012-2015. Ciudad Colón

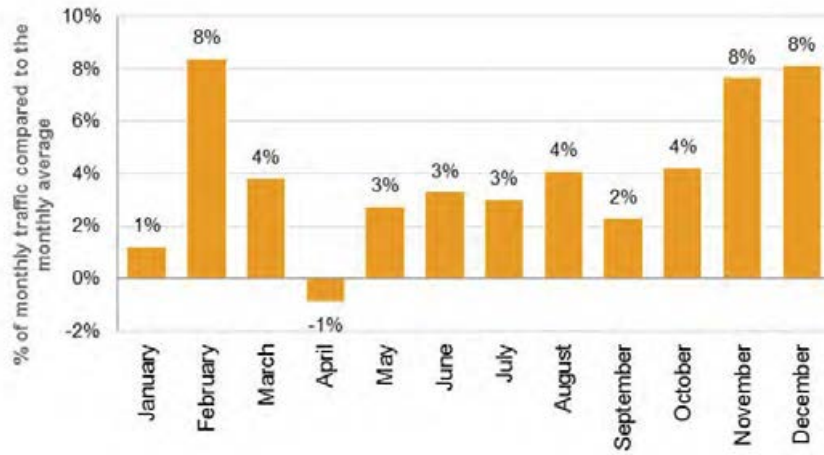


Figure 4.42. Monthly distribution. 2015. Ciudad Colón

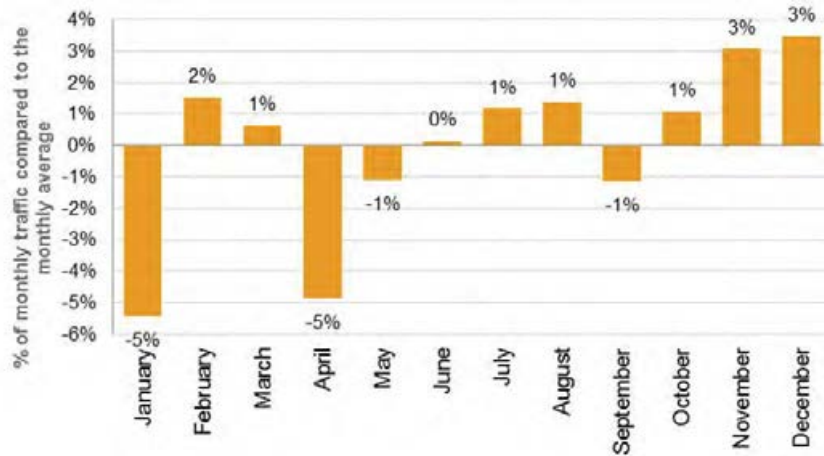
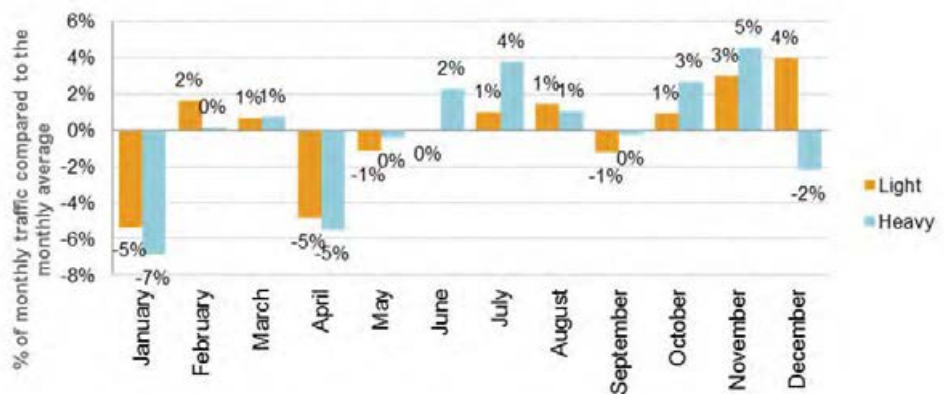


Figure 4.43. Monthly distribution per category (2015). Ciudad Colón



San Rafael

Figure 4.44. Monthly distribution. Average 2012-2015. San Rafael

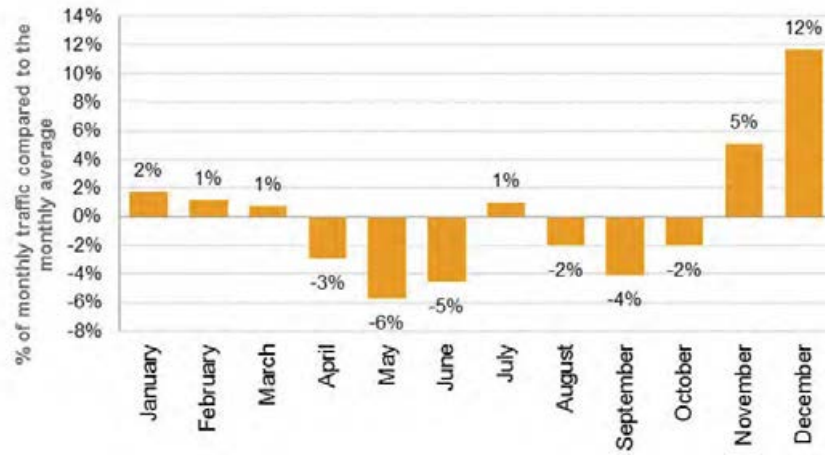


Figure 4.45. Monthly distribution. 2015. San Rafael

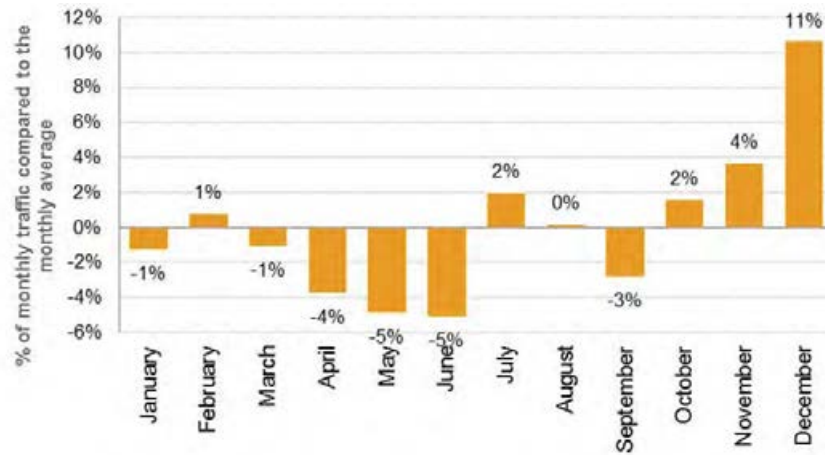
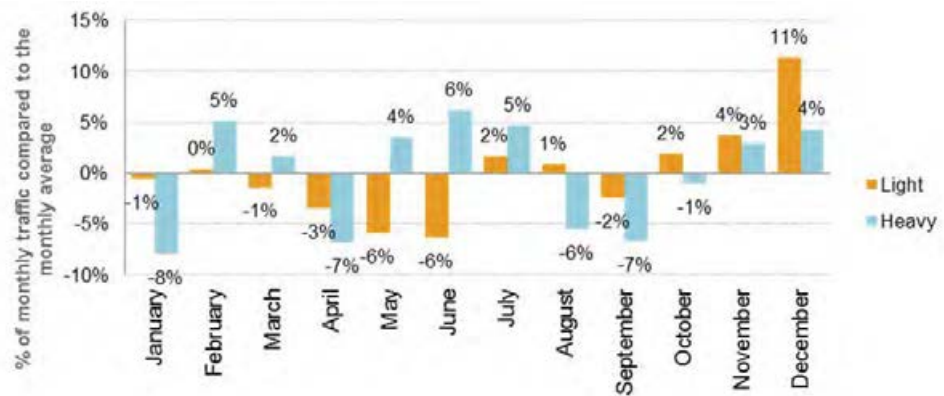


Figure 4.46. Monthly distribution per category (2015). San Rafael



Guácima

Figure 4.47. Monthly distribution. Average 2012-2015. Guácima

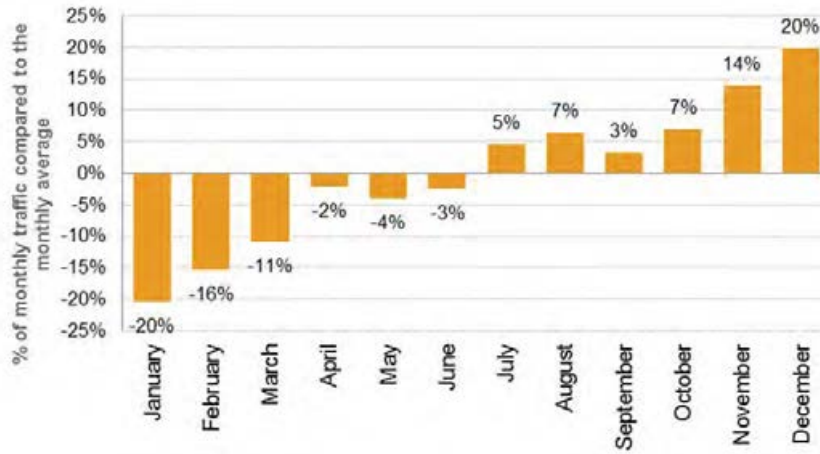


Figure 4.48. Monthly distribution. 2015. Guácima

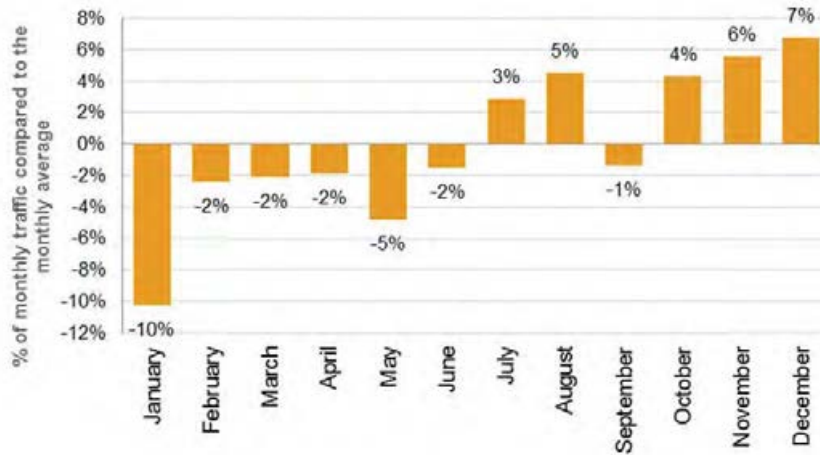
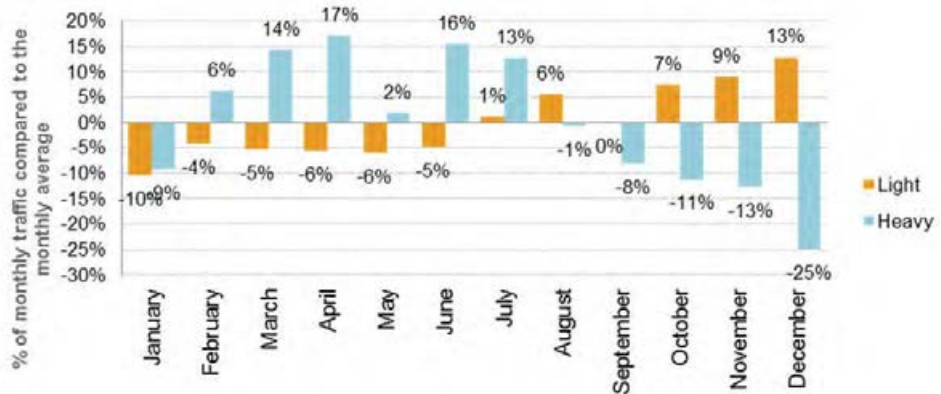


Figure 4.49. Monthly distribution per category (2015). Guácima



Siquiares

Figure 4.50. Monthly distribution. Average 2012-2015. Siquiares

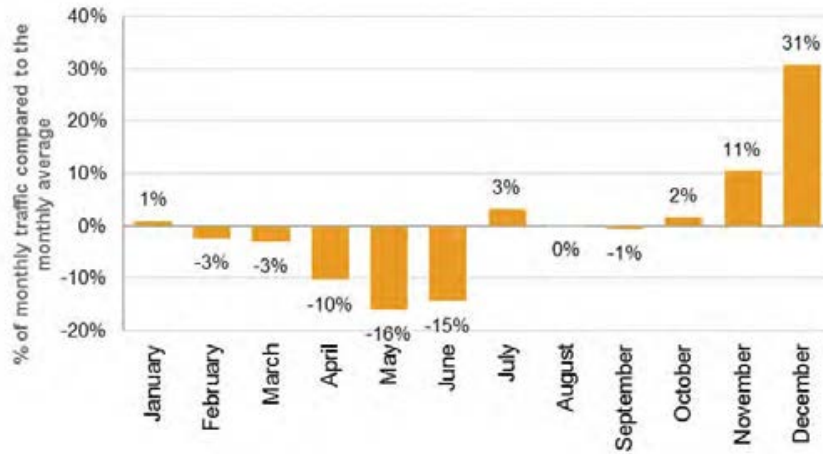


Figure 4.51. Monthly distribution. 2015. Siquiares

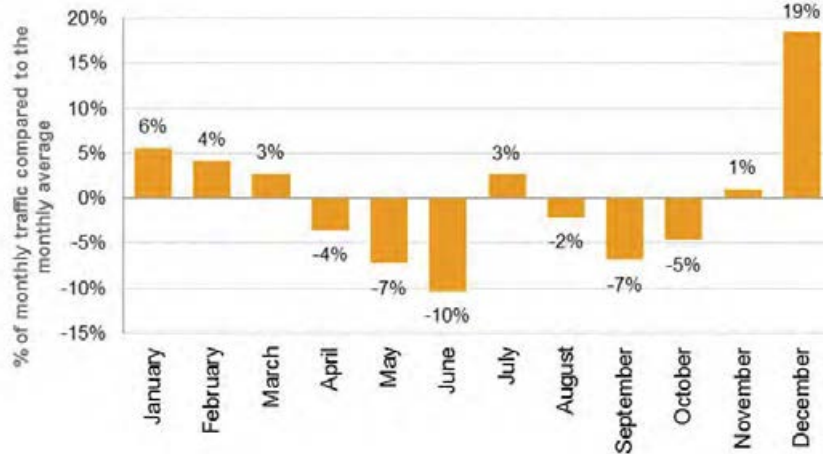
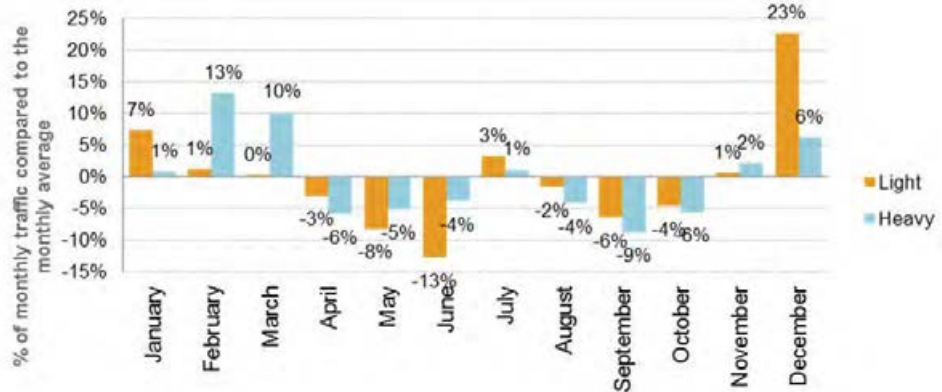


Figure 4.52. Monthly distribution per category (2015). Siquiares



Rampa Atenas

Figure 4.53. Monthly distribution. Average 2012-2015. Rampa Atenas

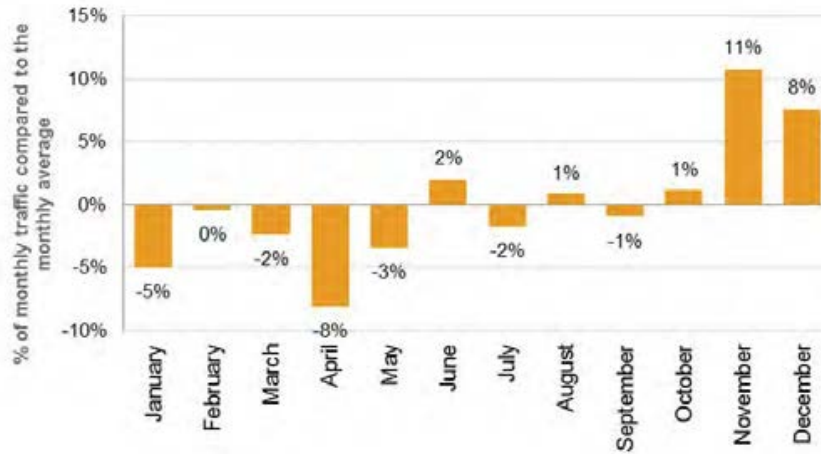


Figure 4.54. Monthly distribution. 2015. Rampa Atenas

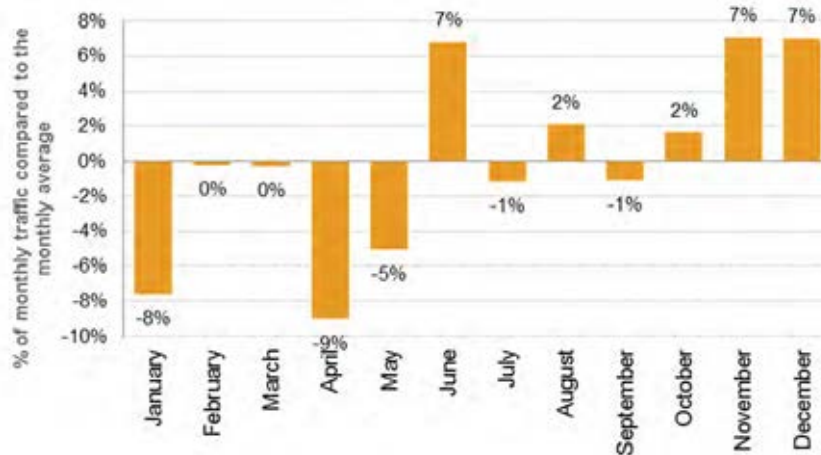


Figure 4.55. Monthly distribution per category (2015). Rampa Atenas



Atenas

Figure 4.56. Monthly distribution. Average 2012-2015. Atenas

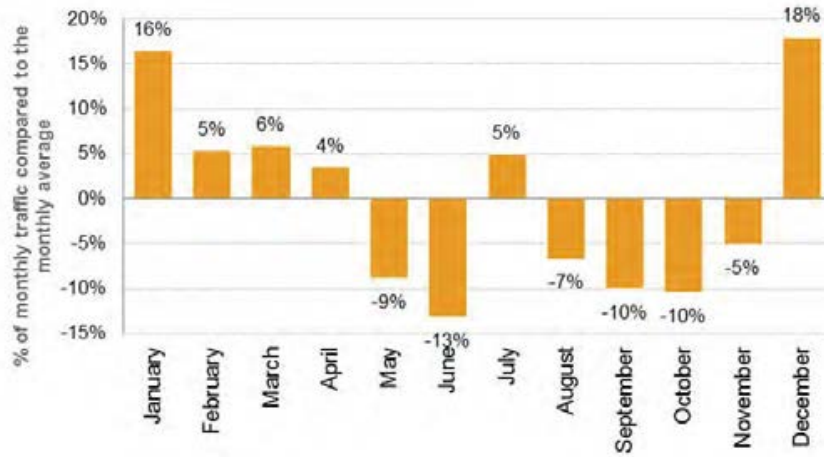


Figure 4.57. Monthly distribution. 2015. Atenas

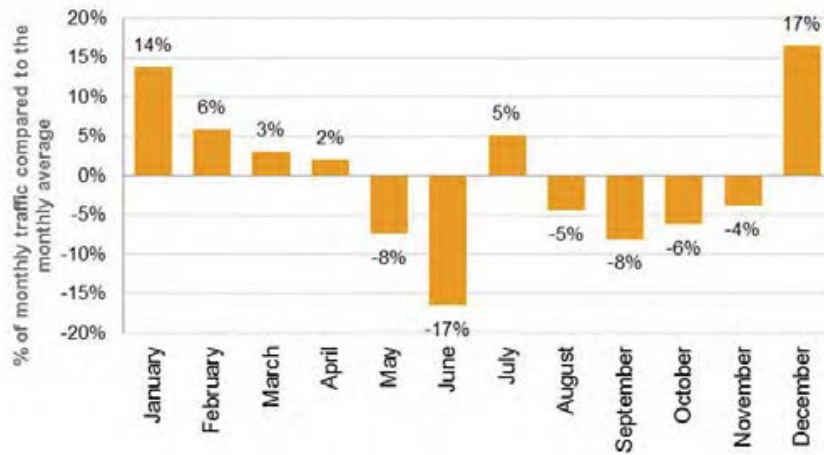
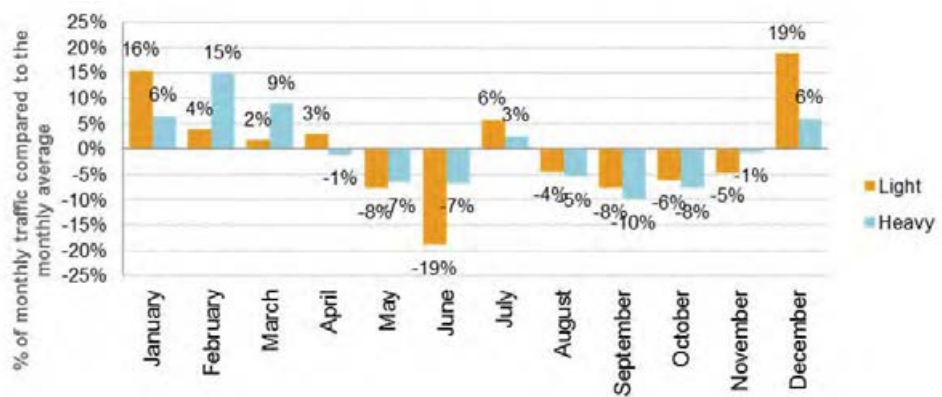


Figure 4.58. Monthly distribution per category (2015). Atenas



Pozón

Figure 4.59. Monthly distribution. Average 2012-2015. Pozón

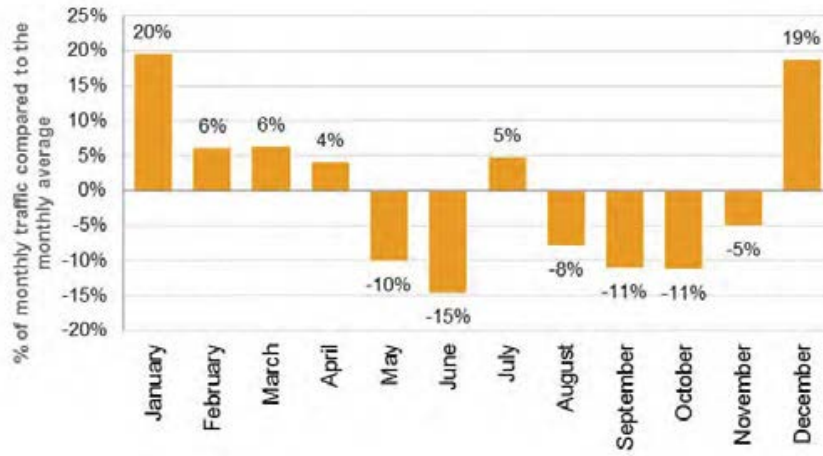


Figure 4.60. Monthly distribution. 2015. Pozón

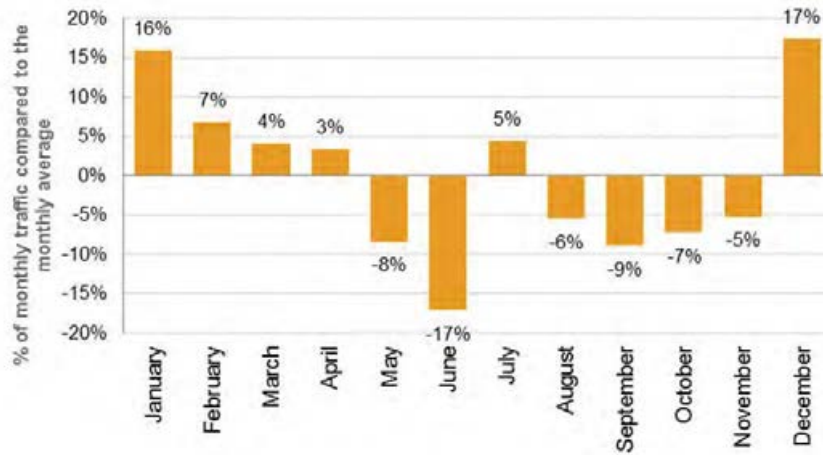
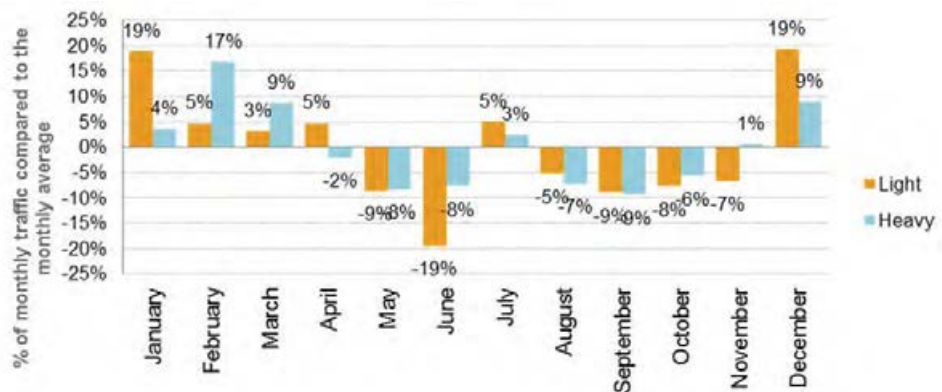


Figure 4.61. Monthly distribution per category (2015). Pozón



Rampa Pozón

Figure 4.62. Monthly distribution. Average 2012-2015. Rampa Pozón

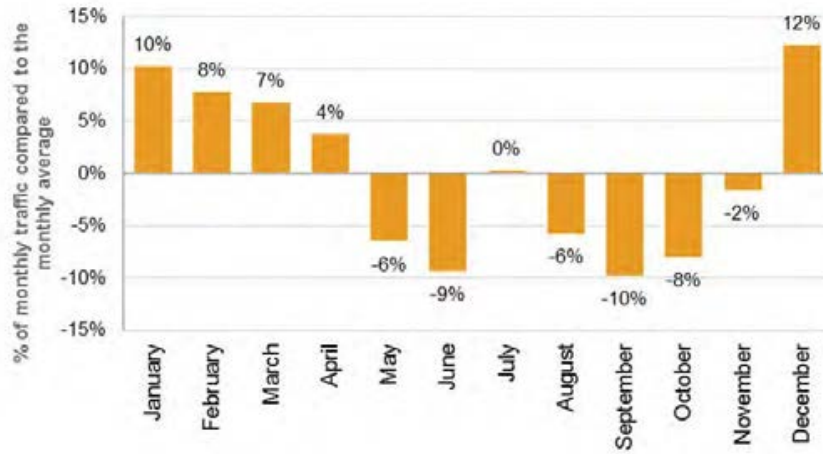


Figure 4.63. Monthly distribution. 2015. Rampa Pozón

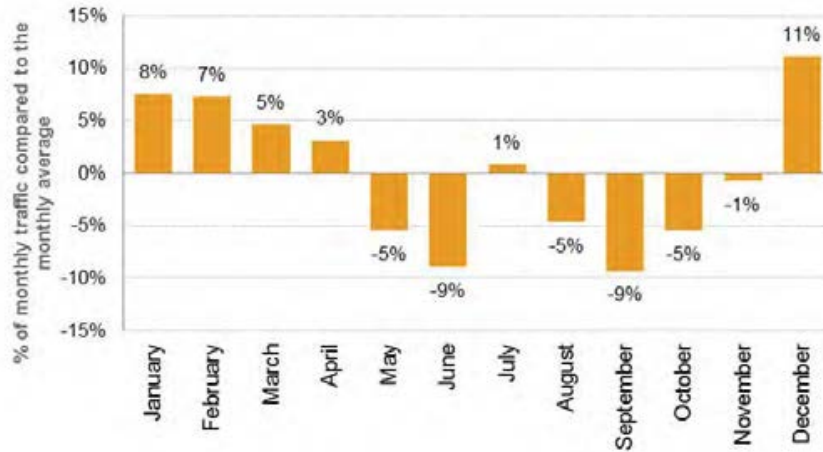
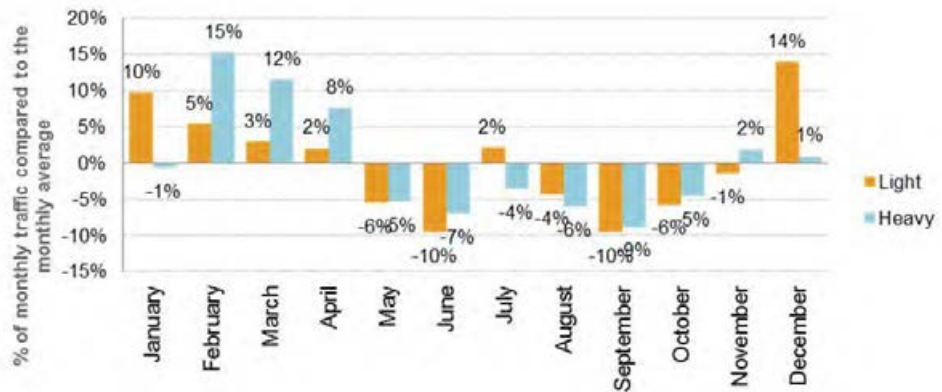


Figure 4.64. Monthly distribution per category (2015). Rampa Pozón



4.28. There is a significant difference in the seasons profile of the closer to the Metropolitan area toll plazas (Escazú, Ciudad Colón and San Rafael), which responds, mainly, to commuters traffic; and the further toll plazas (Atenas and Pozón) are more related to vacation traffic. December and January are the months with more traffic on Pozón and Atenas toll plazas, while in Escazú toll plaza, January has 6% less traffic than the annual average (year 2015), Ciudad Colón 5% less and San Rafael 1% less.

Weekly traffic profile

4.29. Traffic data for all toll plazas of 2015 was analyzed to identify the day of week traffic pattern. The results here given consider the days of the week as they are (Monday, Tuesday, etc.) regardless of being a Holiday or not.

4.30. All toll plazas show similar characteristics in terms of weekly profiles. The distribution Monday to Thursday is fairly similar and constant for all plazas but with a small increase in trips as the week progresses. Friday presents the peak of the week registering the highest traffic on all toll plazas with the exception of Pozón when the highest traffic registers on Sunday.

4.31. This profile reflects the double character of the highway: most traffic corresponds to commuters with origins or destinations in San José' Metropolitan area during the week, and therefore, the closest toll plazas to San José evidence the highest volumes during working days. In Pozón and Atenas toll plazas, maximum traffic is reached during weekends, and this is related to the trips the Metropolitan area residents take to the beaches.

Figure 4.65. Weekly profile Escazú

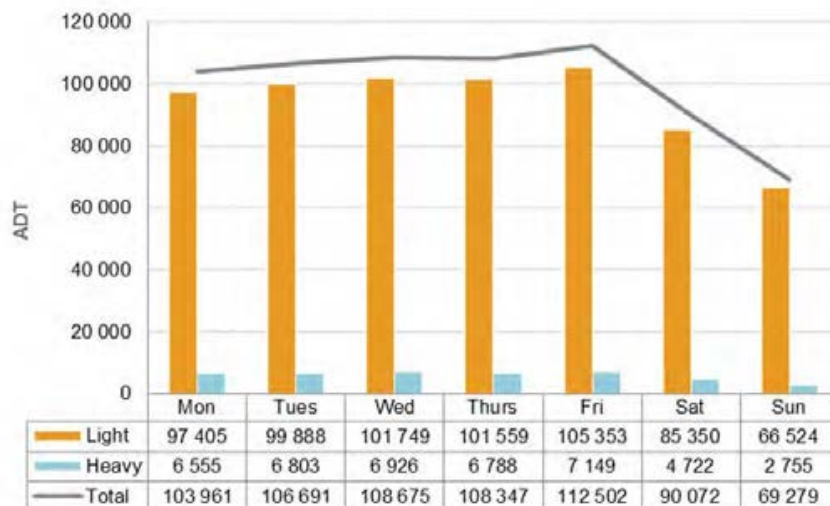


Figure 4.66. Weekly profile Ciudad Colón

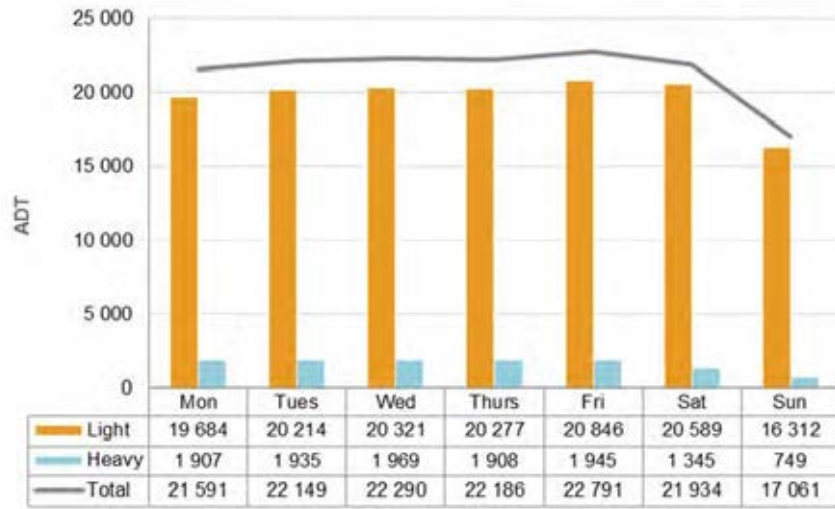


Figure 4.67. Weekly profile San Rafael

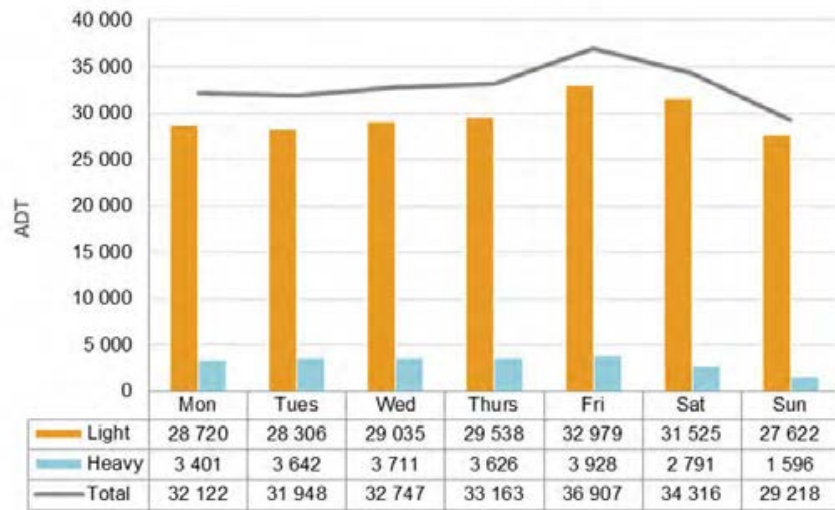


Figure 4.68. Weekly profile Guácima

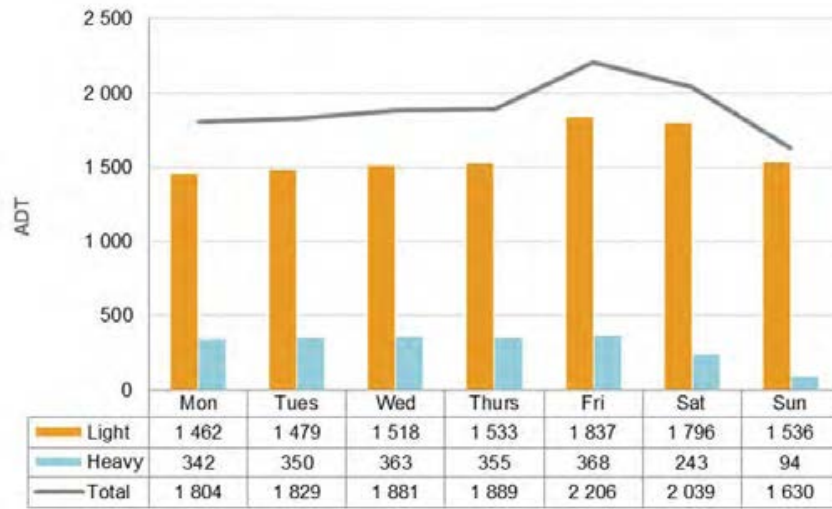


Figure 4.69. Weekly profile Siquares

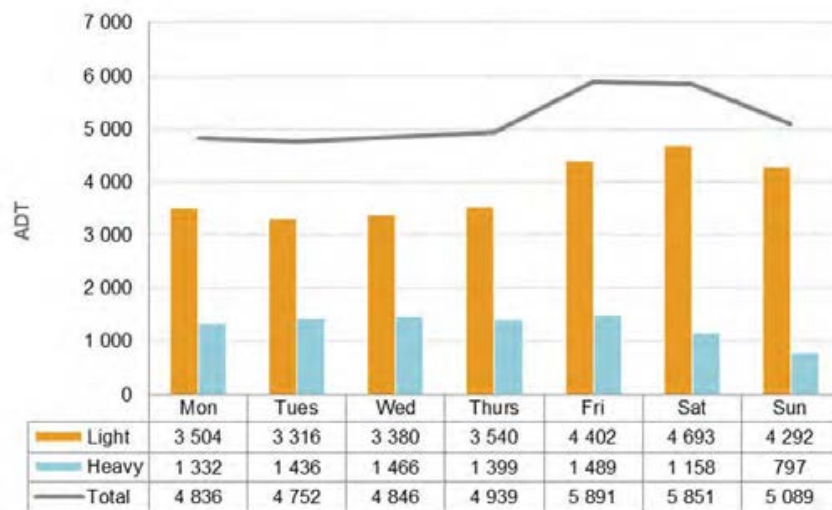


Figure 4.70. Weekly profile Rampa Atenas

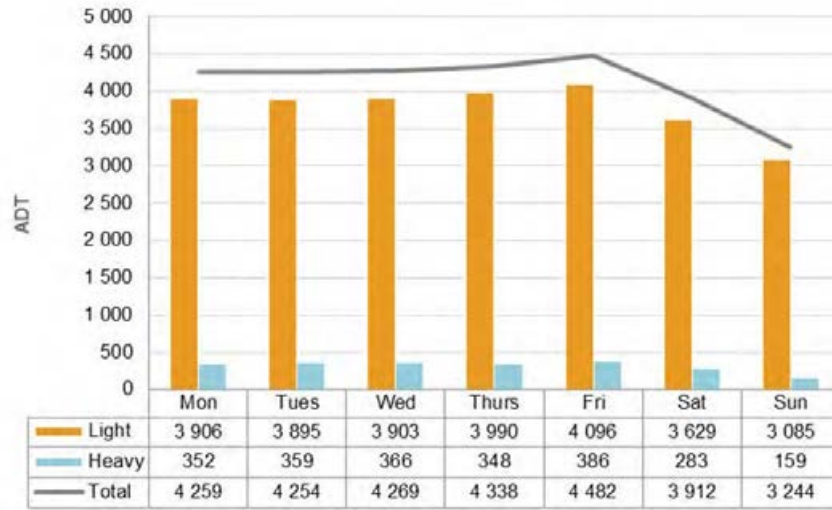


Figure 4.71. Weekly profile Atenas

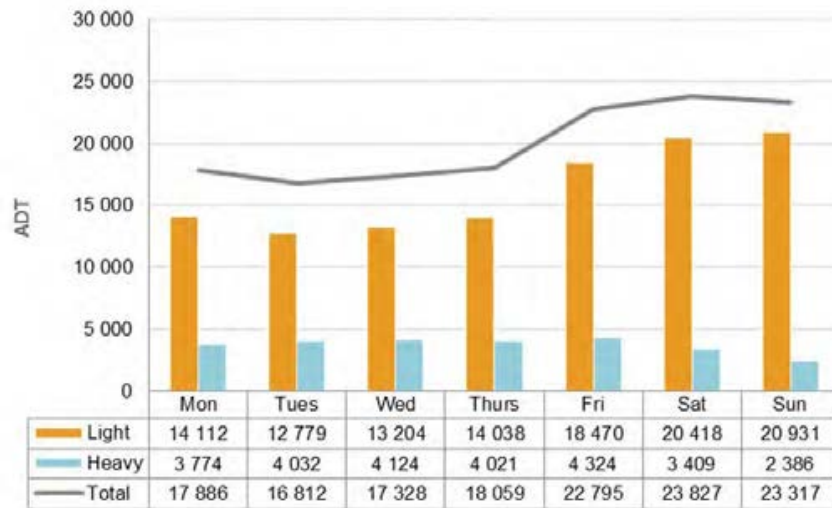


Figure 4.72. Weekly profile Pozón

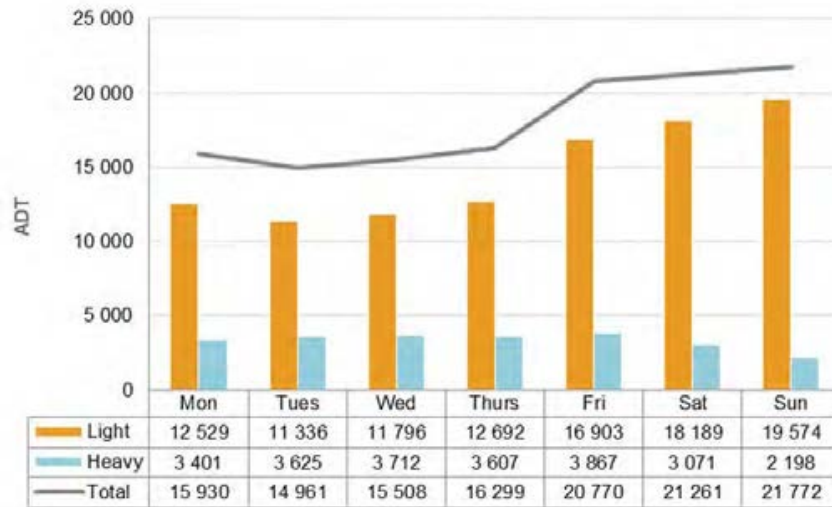
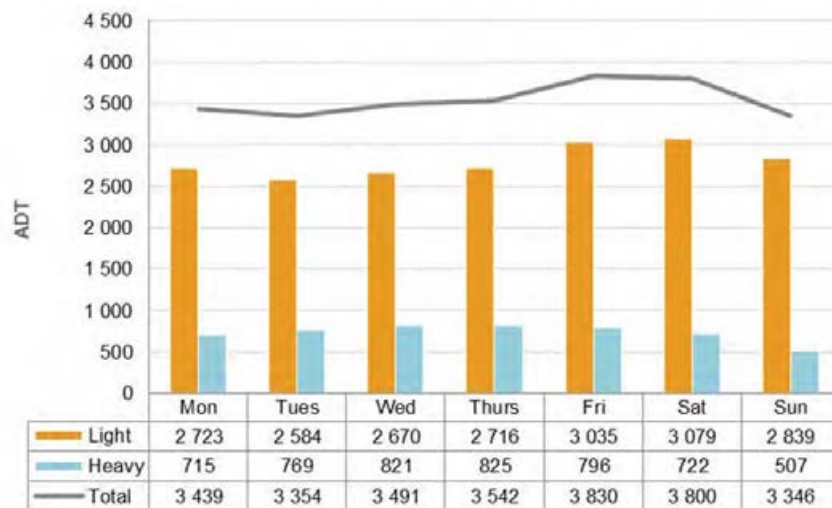


Figure 4.73. Weekly profile Rampa Pozón



4.32. It is important to mention that the impact that foreign tourist who visit Costa Rica has on the traffic is relatively small. The number of visitors per month is around 210.000, as shown in the following table.

Table 4.14. Costa Rica Tourist arrival per year

Costa Rica Tourist Arrival per year				
	2011	2012	2013	2014
January	252 532	272 718	278 426	297 935
February	210 628	228 597	230 581	247 182
March	222 799	239 386	249 828	257 320
April	184 735	195 456	197 034	213 458
May	150 145	160 185	168 294	176 412
June	176 360	189 257	196 386	199 310
July	202 362	212 044	219 584	226 035
August	161 648	173 837	180 044	188 799
September	121 057	127 632	131 810	134 031
October	129 086	139 591	144 039	143 213
November	167 135	179 474	188 121	189 823
December	213 572	225 036	243 794	253 299
Total	2 192 059	2 343 213	2 427 941	2 526 817
Monthly average	182 672	195 268	202 328	210 568

Source: ICT, Anuario Estadístico de Turismo 2014

- 4.33. The average stay of visitors is one week; therefore, the average of foreign visitors on an average day is about 47.000 tourists, which represents approximately 1% of the population. It should be noticed that tourists generally use the services of special buses and vans, with an average occupancy of 10 people/vehicle. Therefore, the impact that the effect of tourists has on general traffic, and on the Autopista del Sol is rather small. For that reason, besides, weekends are the days with highest traffic on the tolls closest to the coast. It consists mainly by residents of the metropolitan area.

Hourly traffic profiles

- 4.34. In order to understand the daily peaking of the concession at each toll plaza, the traffic per plaza, direction and vehicle type was analyzed in one hour intervals for the week and then weekend distribution of 2015.
- 4.35. The weekday analysis considers non-Holiday Monday to Friday and the weekend considers Saturday, Sunday and Holidays.

Weekday

- 4.36. It is common that one direction of Ruta 27 (San José – Caldera or Caldera – San José) experiences its peak hour in the morning and the reverse in the evening during weekdays. This is the case for the toll plazas of Ciudad Colon, Atenas and Pozón.
- 4.37. Meanwhile, total traffic on the plazas of Escazú, San Rafael and Guácima, present a bi-daily peaks at approximately 7am and 5pm.
- 4.38. Siquiara toll plaza does not show a very acute peak hour on neither direction, experiencing more of a constant traffic flow from 6am to 7pm.

Figure 4.74. Light vehicles weekday hourly profile. Escazu

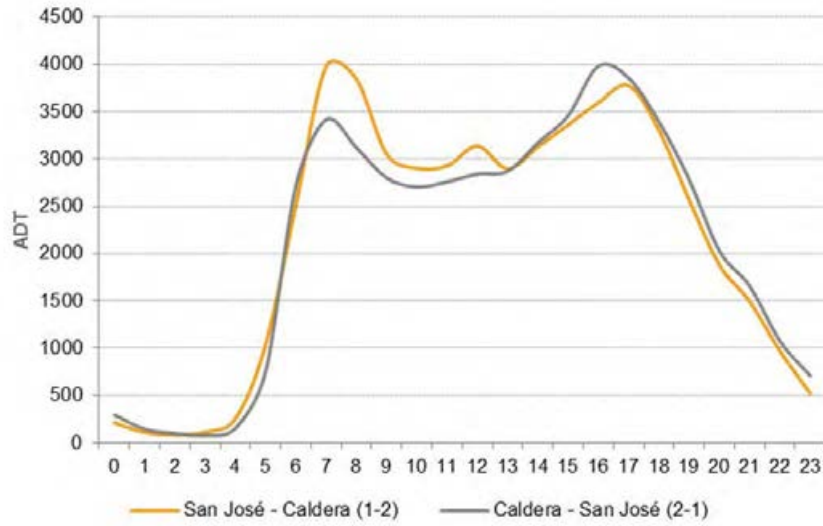


Figure 4.75. Heavy vehicles weekday hourly profile. Escazu

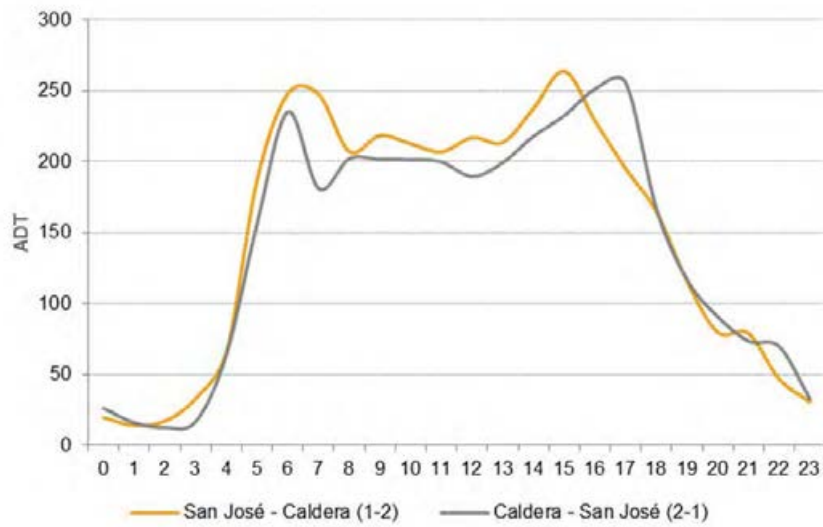


Figure 4.76. Light vehicles weekday hourly profile. Ciudad Colón

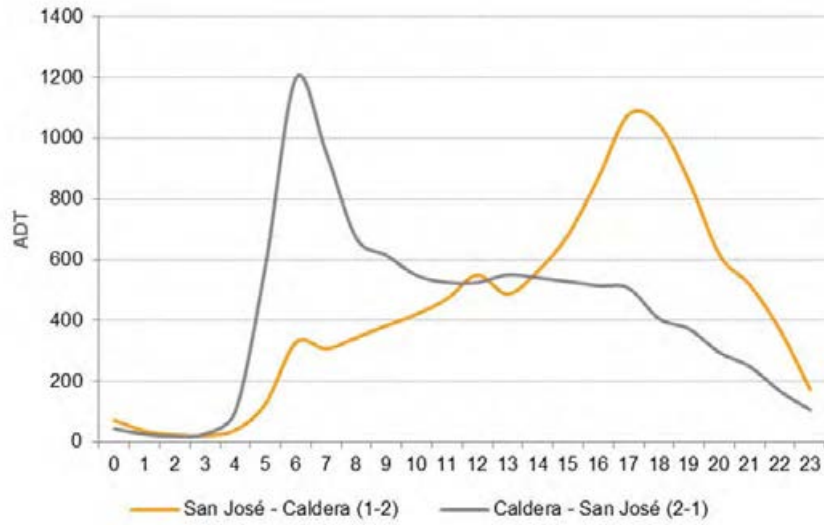


Figure 4.77. Heavy vehicles weekday hourly profile. Ciudad Colón

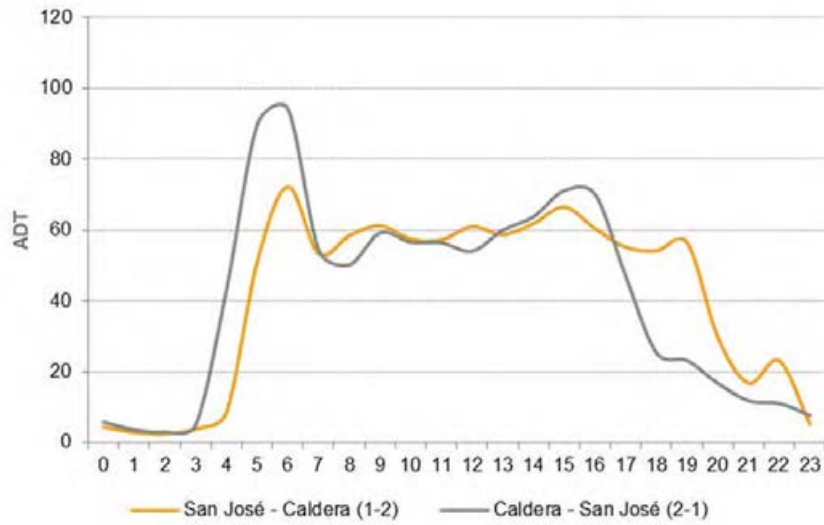


Figure 4.78. Light vehicles weekday hourly profile. San Rafael

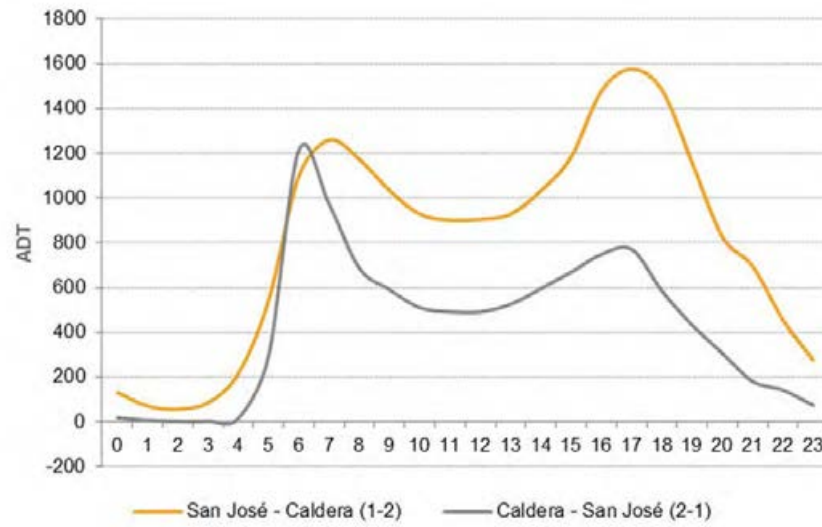


Figure 4.79. Heavy vehicles weekday hourly profile. San Rafael

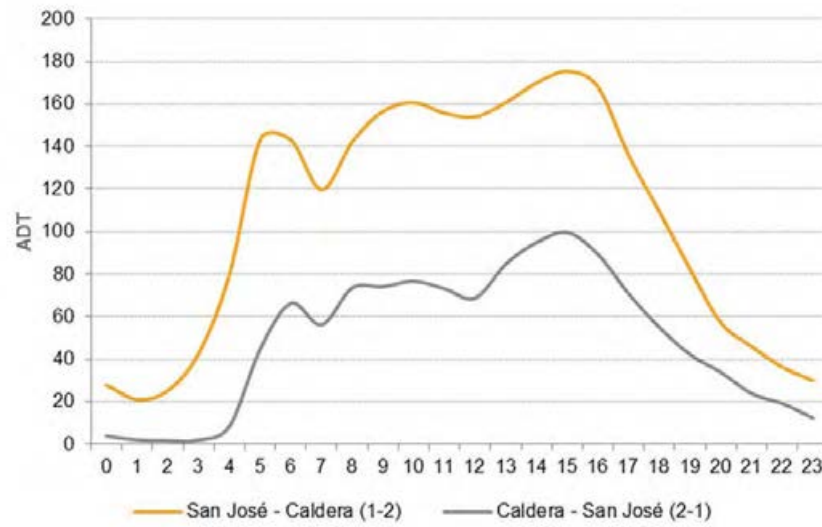


Figure 4.80. Light vehicles weekday hourly profile. Guácima

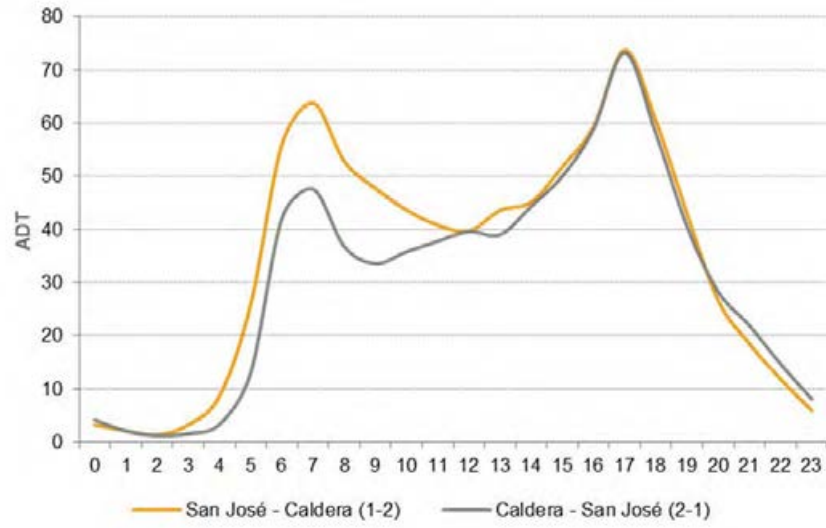


Figure 4.81. Heavy vehicles weekday hourly profile. Guácima

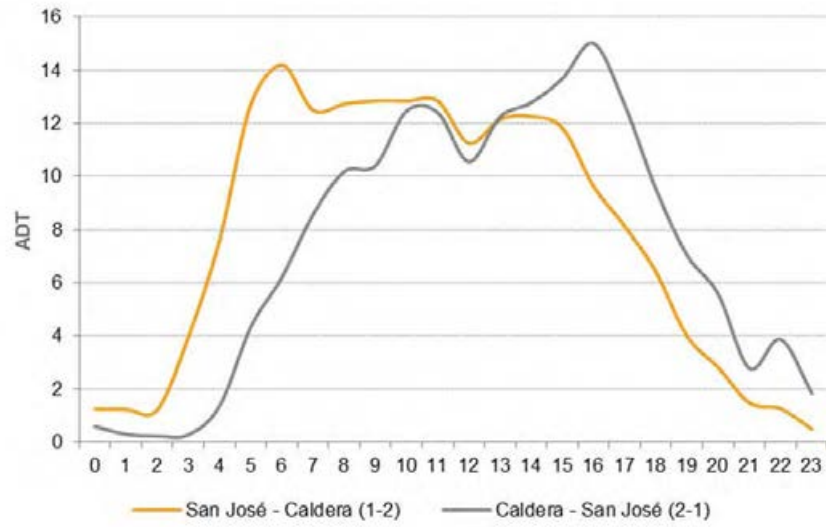


Figure 4.82. Light vehicles weekday hourly profile. Siquares

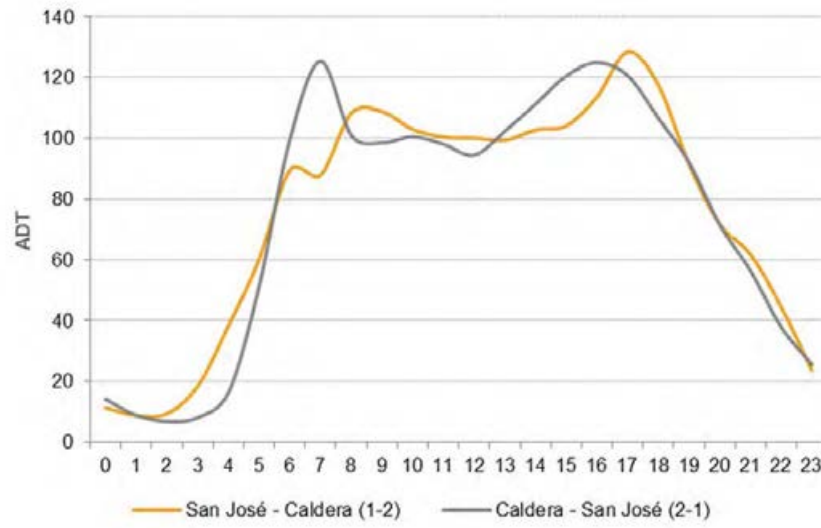


Figure 4.83. Heavy vehicles weekday hourly profile. Siquares

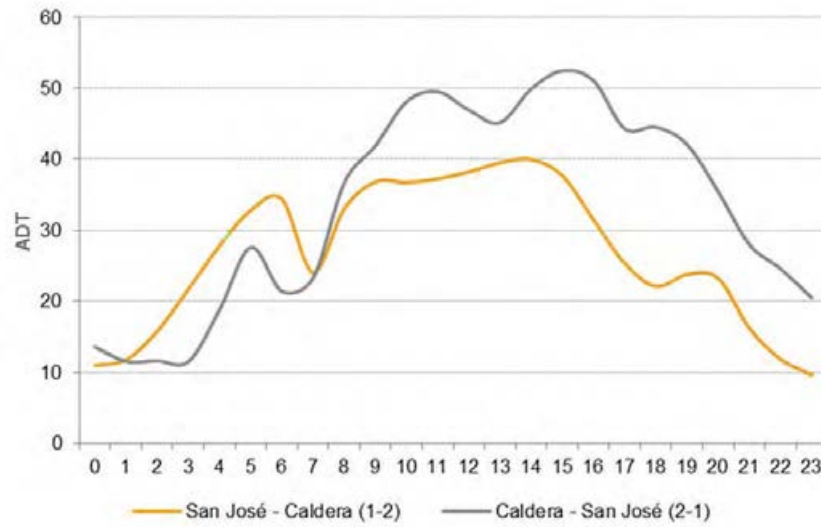


Figure 4.84. Light vehicles weekday hourly profile. Rampa Atenas

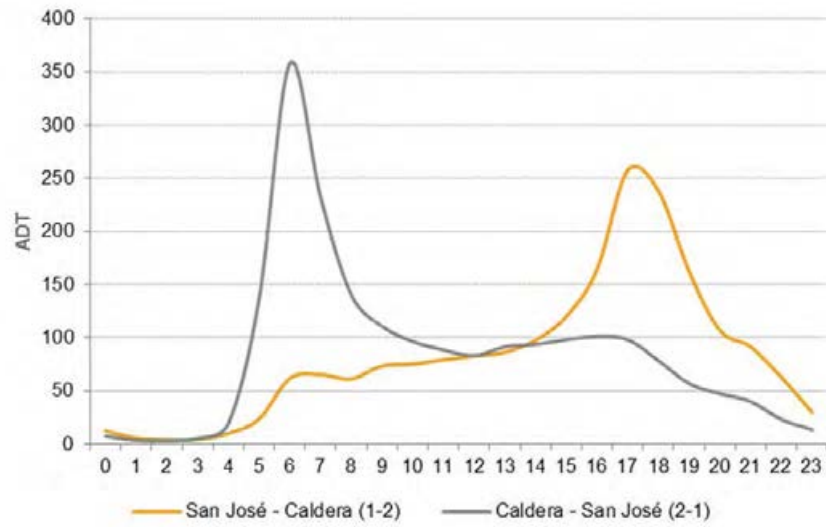


Figure 4.85. Heavy vehicles weekday hourly profile. Rampa Atenas

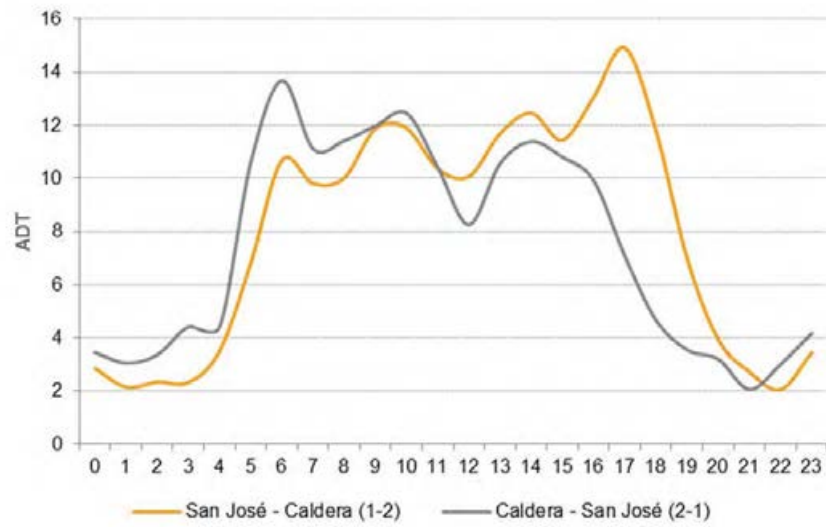


Figure 4.86. Light vehicles weekday hourly profile. Atenas

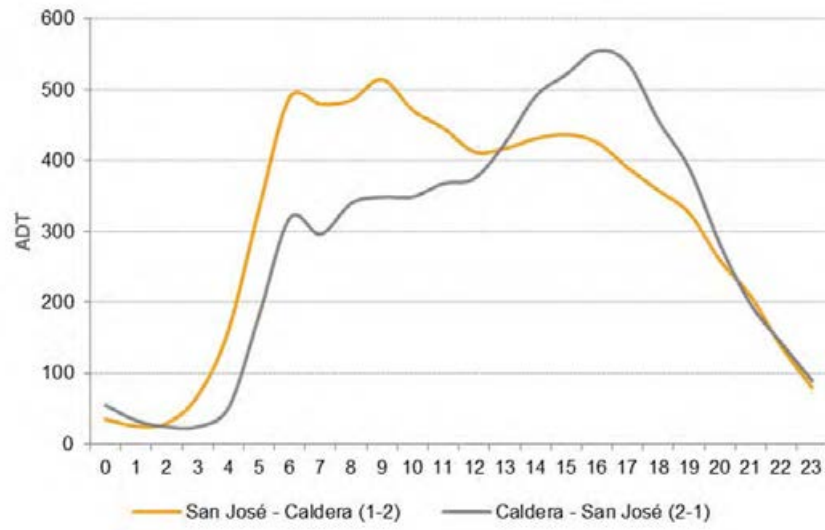


Figure 4.87. Heavy vehicles weekday hourly profile. Atenas

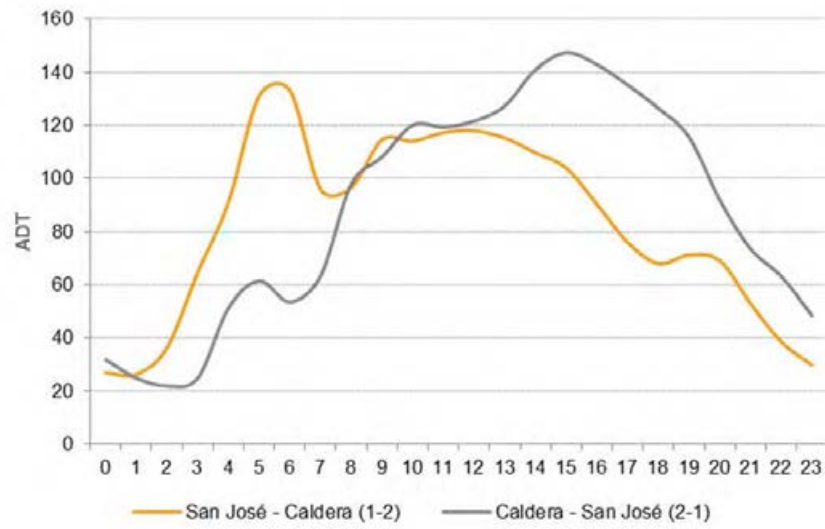


Figure 4.88. Light vehicles weekday hourly profile. Pozón

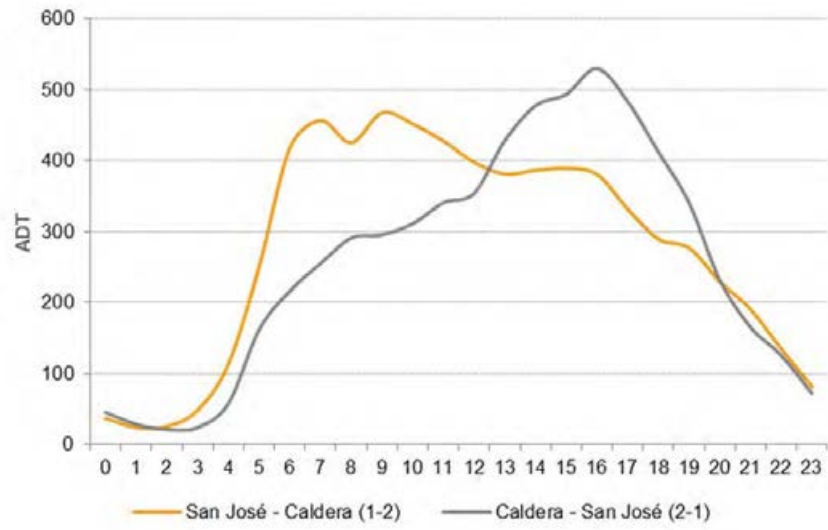


Figure 4.89. Heavy vehicles weekday hourly profile. Pozón

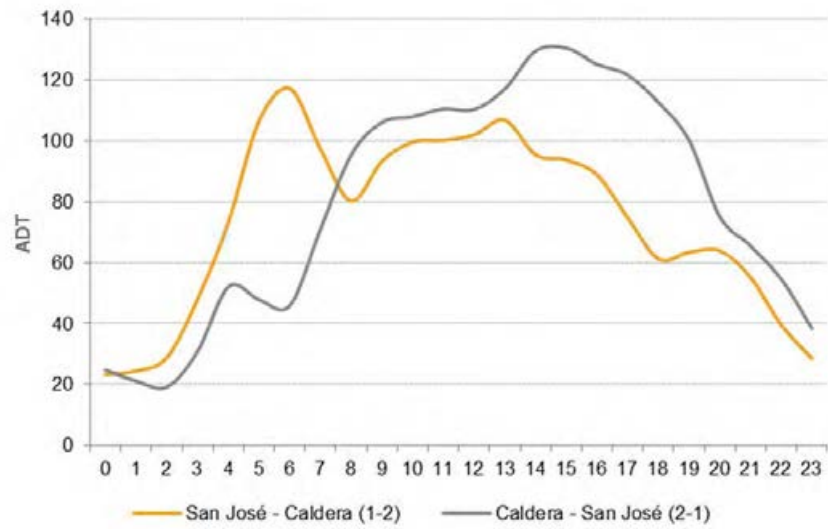


Figure 4.90. Light vehicles weekday hourly profile. Rampa Pozón

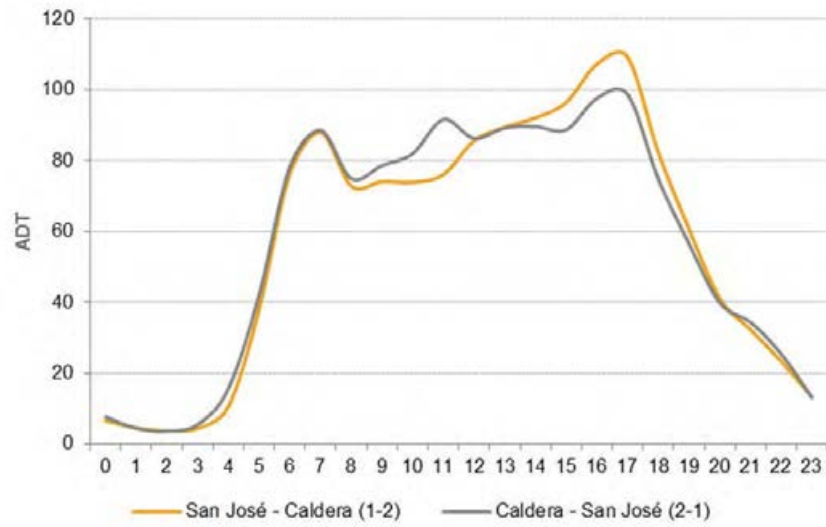
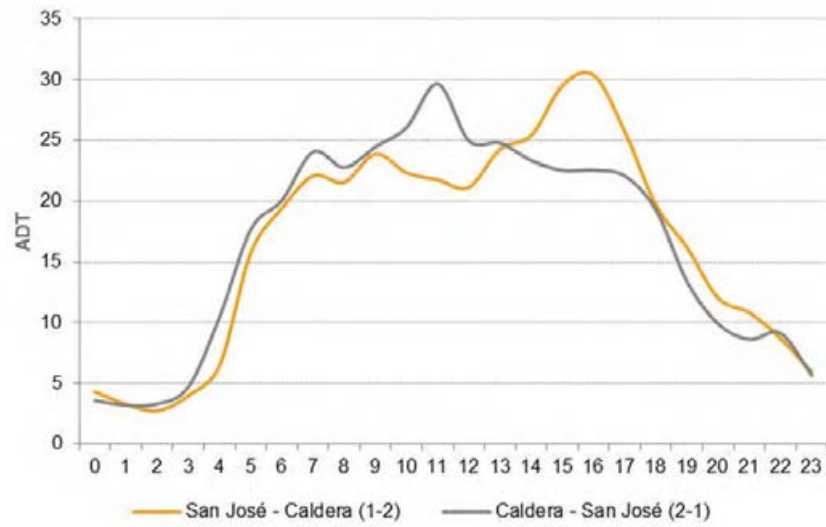


Figure 4.91. Heavy vehicles weekday hourly profile. Rampa Pozón



Weekend

4.40. Considering the average of all Saturdays, Sundays and Holidays of 2015, the distribution of trips on these type of days show peaks later in the morning compared with the weekday traffic.

Figure 4.92. Light vehicles weekend hourly profile. Escazu

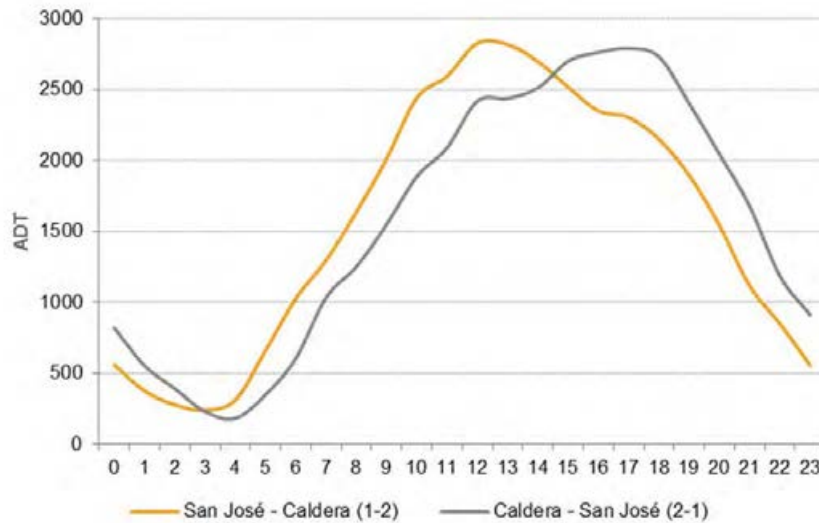


Figure 4.93. Heavy vehicles weekend hourly profile. Escazu

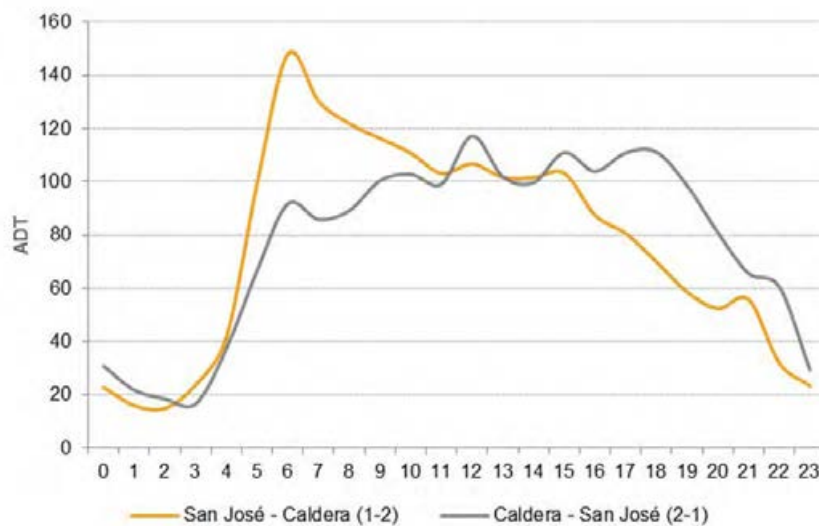


Figure 4.94. Light vehicles weekend hourly profile. Ciudad Colón

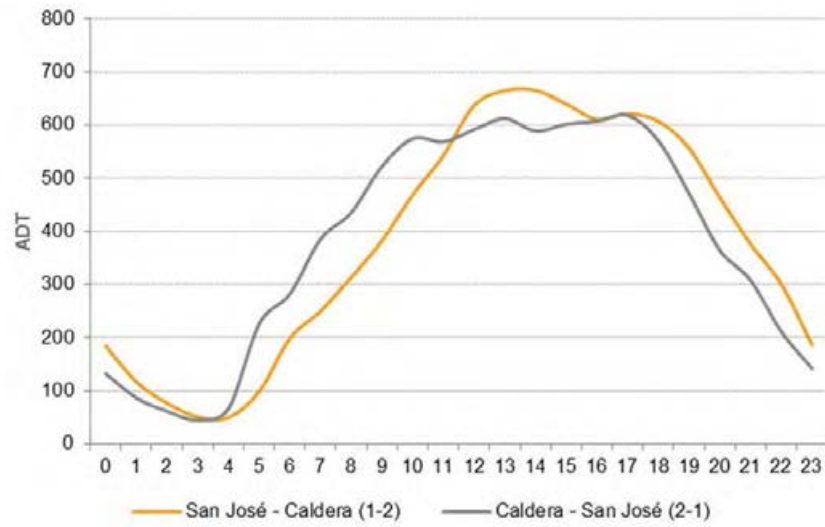


Figure 4.95. Heavy vehicles weekend hourly profile. Ciudad Colón

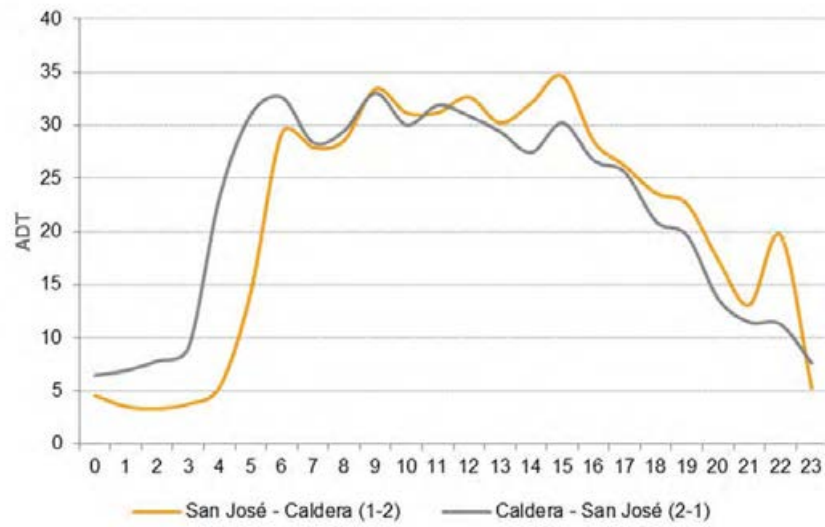


Figure 4.96. Light vehicles weekend hourly profile. San Rafael

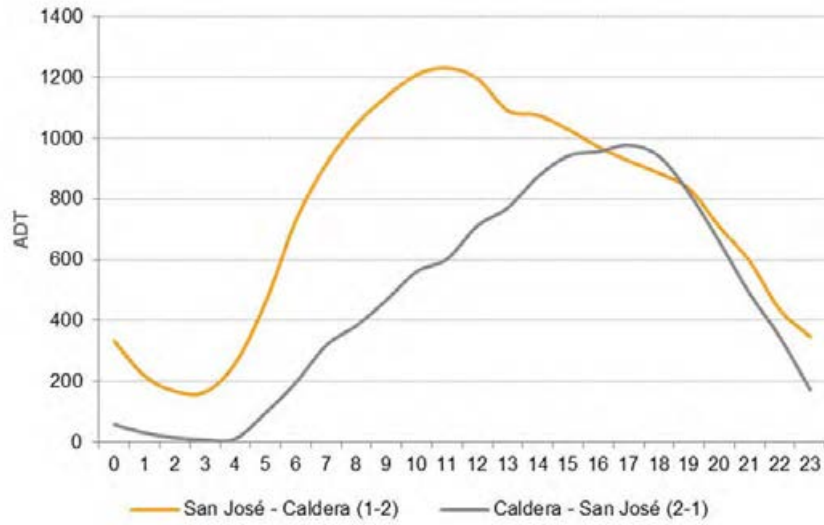


Figure 4.97. Heavy vehicles weekend hourly profile. San Rafael

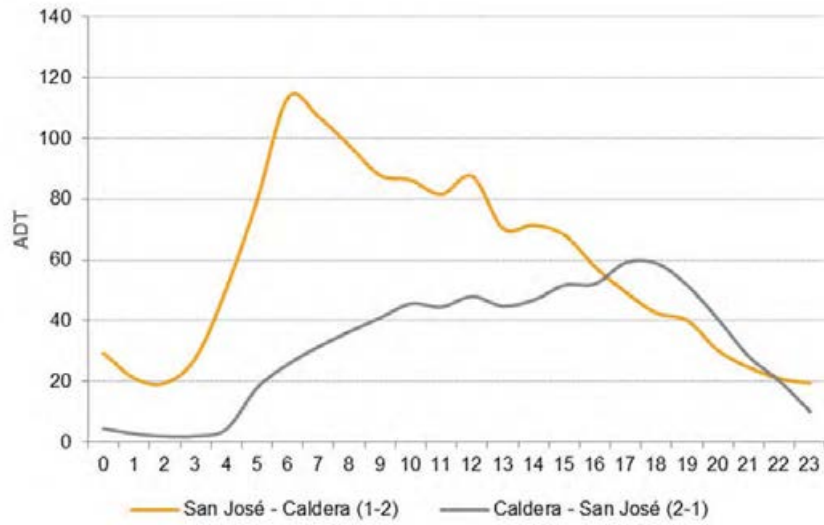


Figure 4.98. Light vehicles weekend hourly profile. Guácima

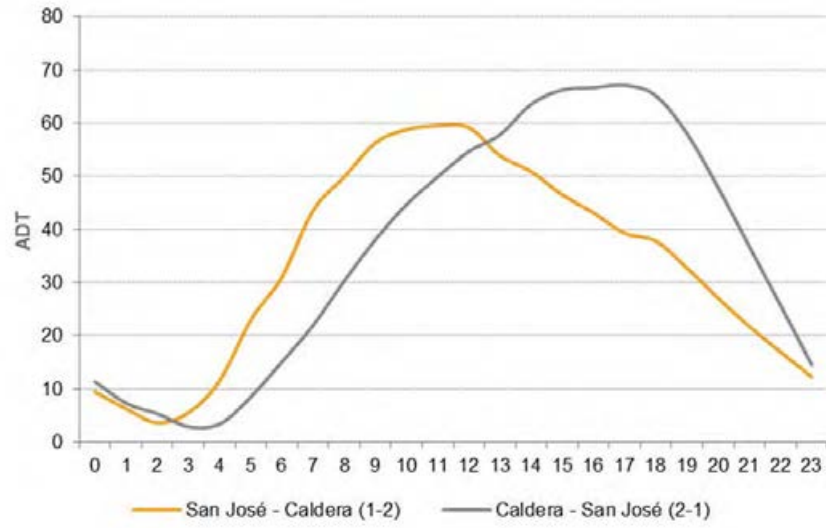


Figure 4.99. Heavy vehicles weekend hourly profile. Guácima

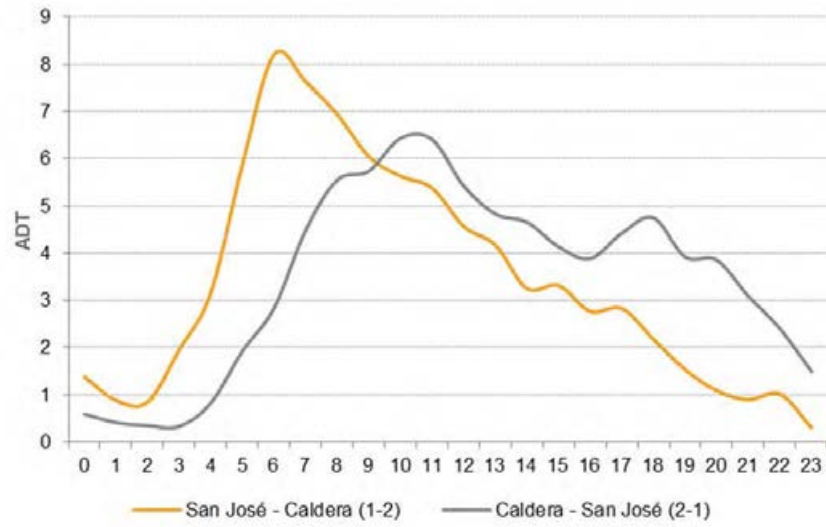


Figure 4.100. Light vehicles weekend hourly profile. Siquares

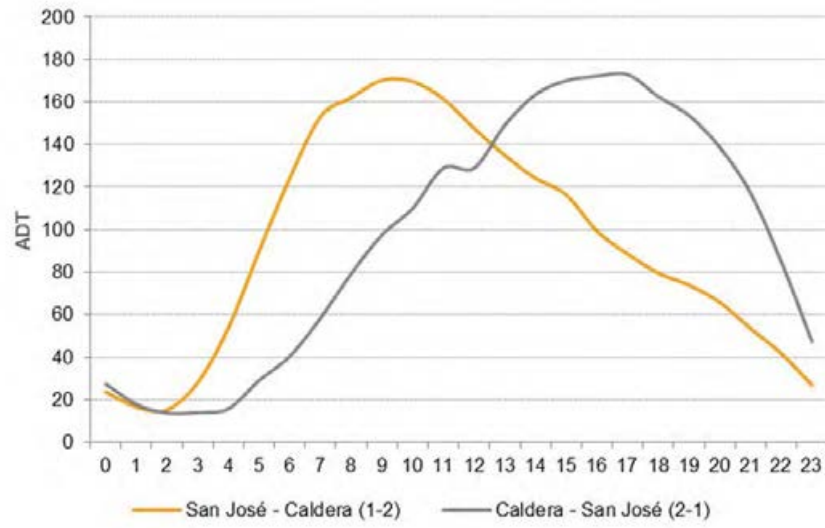


Figure 4.101. Heavy vehicles weekend hourly profile. Siquares

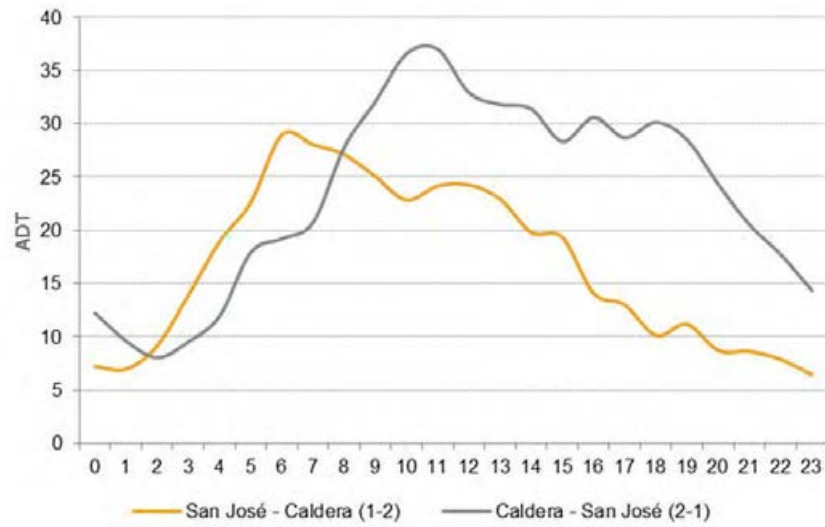


Figure 4.102. Light vehicles weekend hourly profile. Rampa Atenas

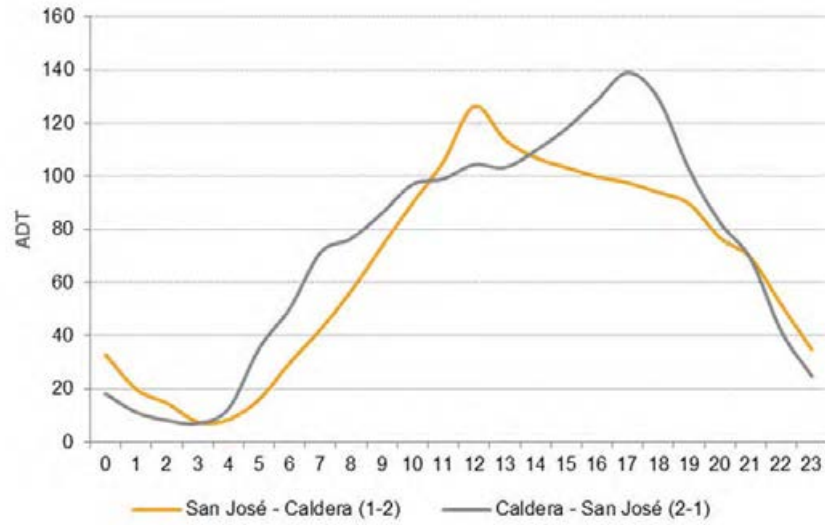


Figure 4.103. Heavy vehicles weekend hourly profile. Rampa Atenas

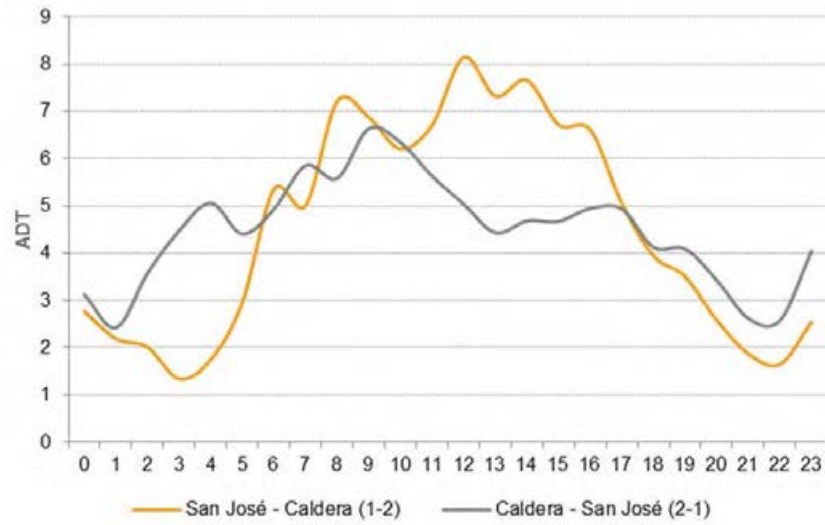


Figure 4.104. Light vehicles weekend hourly profile. Atenas

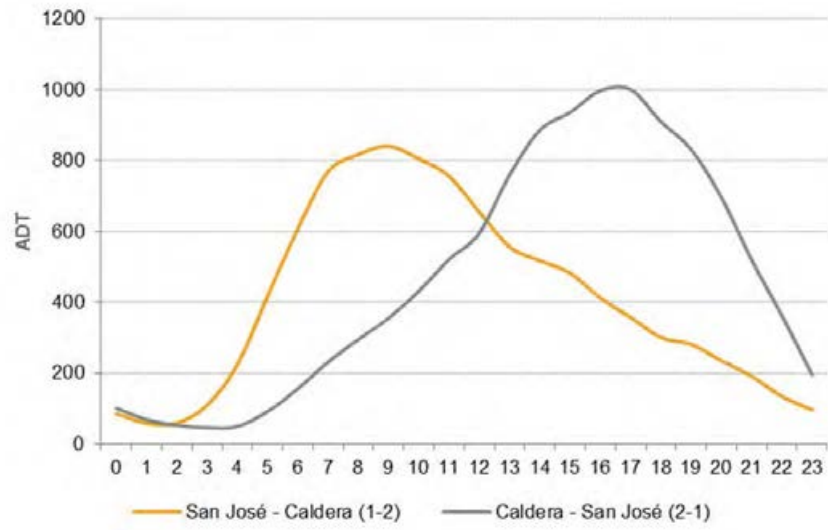


Figure 4.105. Heavy vehicles weekend hourly profile. Atenas

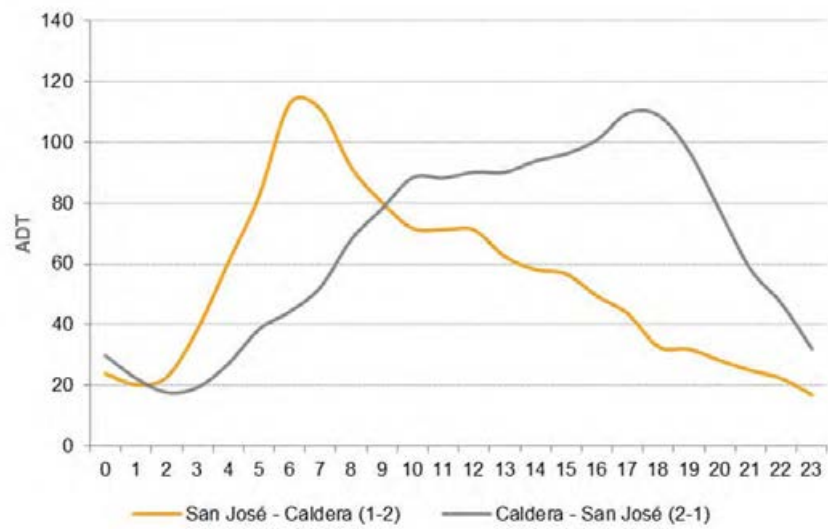


Figure 4.106. Light vehicles weekend hourly profile. Pozón

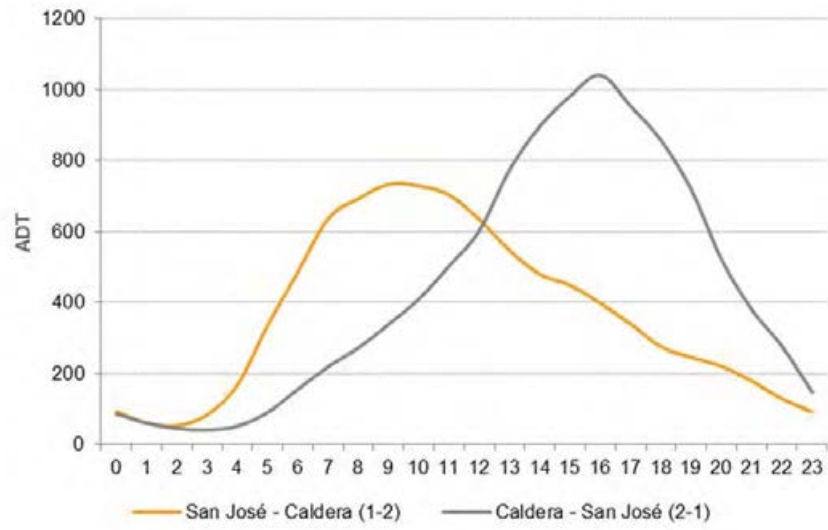


Figure 4.107. Heavy vehicles weekend hourly profile. Pozón

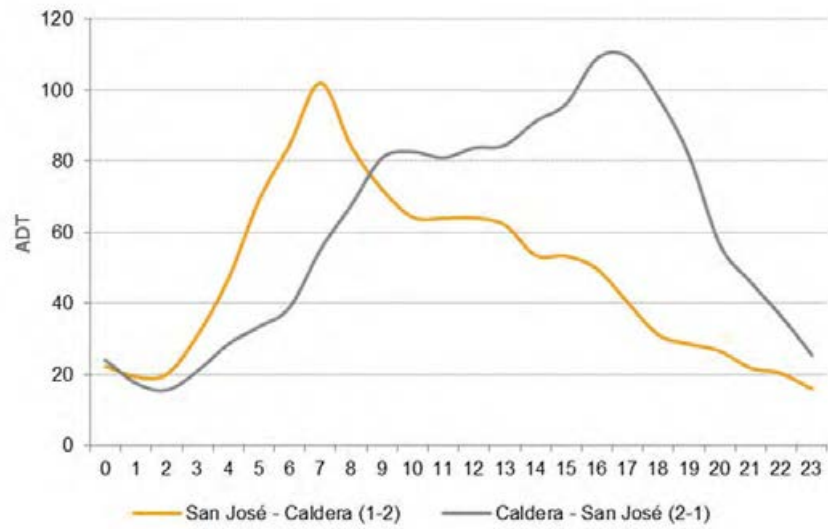


Figure 4.108. Light vehicles weekend hourly profile. Rampa Pozón

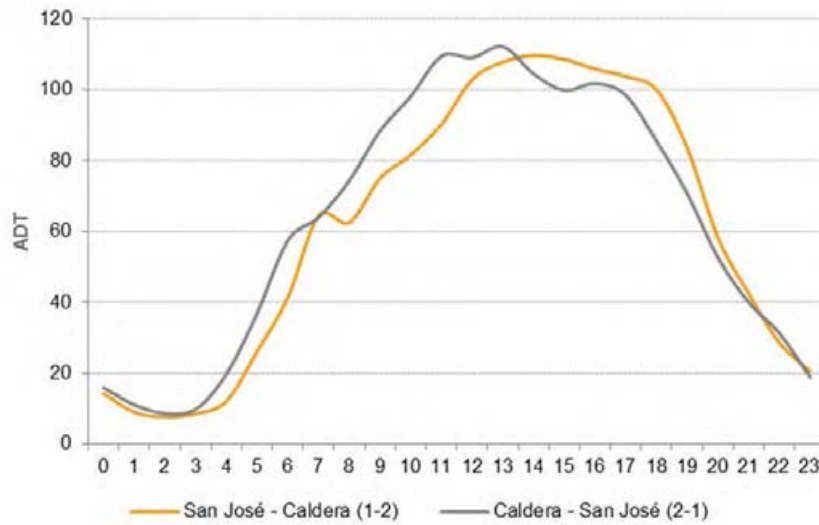
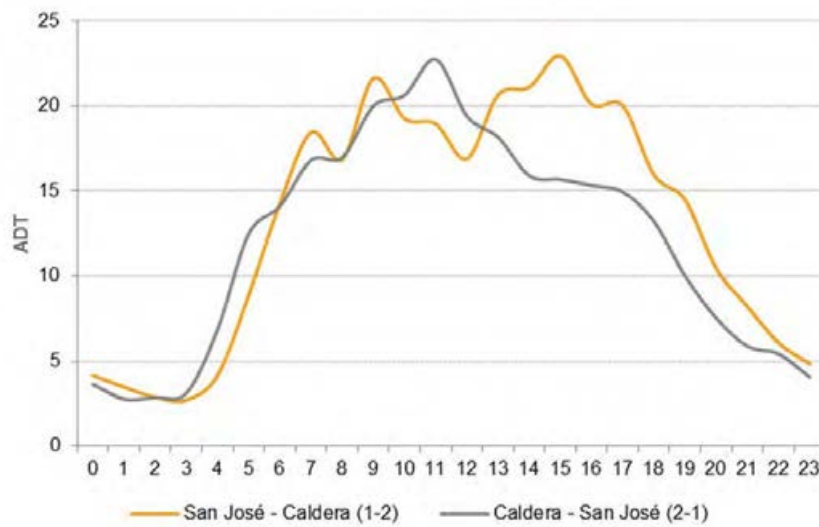


Figure 4.109. Heavy vehicles weekend hourly profile. Rampa Pozón



4.41. The traffic distribution to the toll plazas located closer to the coast (Atenas and Pozón) is very similar, and show a different profile than the rest of toll plazas. In these plazas, there is a peak hour during the weekend that corresponds to the trips towards the coast from the Metropolitan area; and there is a very acute return peak in the direction of Caldera – San José between 4 pm and 6 pm, which corresponds to the return of leisure travel of the weekend.

5. TRAFFIC GROWTH MODELS

- 5.1. Traffic growth on a concession road depends on the growth of mobility expected in the study area, on pricing policies (in the case of real toll roads), and on a number of external factors such as, for example, possible planned infrastructures. All this will have to be fitted in the life cycle of the road.
- 5.2. This chapter presents different traffic growth model adjusted for the concession. The models presented in this chapter were used to limit the expected traffic growth in the corridor. For the reasons explained below, the models have not been used to obtain directly the future traffic in the concession, but to calculate the upper limit of traffic if there were no restrictions on free traffic growth (especially increasing congestion for the whole road network). Additionally, some of the ramps have opened recently, so that the effect of the ramp-up can misrepresent the historical traffic analysis in the concession.
- 5.3. Traffic growth models, in congested urban areas such as San José, are less related to global variables (such as economic growth or motorization increase (car ownership)) and more related to future population distribution and travel attraction centers (workplace, shopping centers, athletic areas, etc.)

Traffic Growth models

- 5.4. The usual way of estimating growth in mobility levels is by adjusting traffic growth models. Once these factors have been calculated, future traffic levels can be obtained by multiplying the year's travel matrices by these factors.
- 5.5. In general, these growth models try to explain the historical behaviour of traffic in the corridor under study, through past trends of selected social and economic magnitudes. Usually, the way of calculating the elasticity or response of traffic to changes in economic variables is to perform regressions taking traffic as the dependent variable. By calibrating the relationship between variables in the past, the idea is to forecast the future behaviour of traffic based on future economic evolution. It is, therefore, necessary to have a reliable source for the selected socio-economic variables.
- 5.6. Prior to obtaining the growth factors, it will be necessary to consider which macro or micro - economic variables may affect traffic growth levels. These variables may reflect the evolution of the population, employment, the rate of motorisation or even gross domestic product, both in the country as a whole or in the region being studied. However, this information is not usually available at regional level, except for population and income figures. GDP incorporates the behaviour of the national economy and this behaviour is officially forecast by the government and other organizations. Moreover, motorisation rates are usually highly correlated with GDP

growth and therefore we consider that including the growth of the national economy already takes this into account.

- 5.7. In this case, the national GDP has been chosen as explanatory variable. Also tolls (constant terms, including the CPI/FX indexation) have been introduced in the models. In most cases, however, toll is non-significant as the alternative roads (Route 101 and Route 3) are roads with poor characteristics to accommodate the potential traffic due to free flow speed and capacity.
- 5.8. Other variables that sometimes are used to explain the traffic behaviour are the car ownership rates and fuel prices. The first assumes that the more vehicles are in the area, the more they will be used, while the second assumes that with higher fuel prices, car uses decreases. However, there are not official forecast for these variables or available sources to validate existing projections. In regards to car ownership rates, this variable is highly correlated with GDP growth and therefore we consider that including the growth of the national economy already takes this into account.
- 5.9. As the evolution of socio-economic variables affects light vehicle and heavy vehicle traffic differently, the model should be adjusted for each of these categories. It is important to remark that buses have not been included in the analysis.
- 5.10. An individual model for each toll plaza has been estimated. Nevertheless, since several toll plazas have low levels of traffic, very high growth have been observed having as result very high elasticities. For this reason, also aggregated models for sets of plazas have been estimated too.
- 5.11. Since the concession has been operating only from 2010 or 2011 (depending on the section), the available data might be affected by ramp up. The estimation of traffic growth models with such a short series might have some problems: autocorrelation analysis is limited, elasticities might be higher (or lower) than those expected, etc.

Adjusted models

- 5.12. The adjusted models were based on the analysis of time series, which are based on the orderly observation of an individual for a period of time.
- 5.13. The time dimension allowed us to evaluate the traffic adjustment pattern to changes in the explanatory variables included, thus determining their sensitivity.

$$Y_t = \beta X_t + e_t$$

t = 1,2, ..., T. Period during which a particular individual (traffic control point) is observed.

Y_t = Traffic observed in year t at that particular point

X_t = explanatory variables in year t

e_t = error term

- 5.14. The models have been adjusted by taking the double-log functional form. Its main advantage is the ability to model non-linear effects. One drawback, it should be noted,

unlike the case with the linear form, is that this model provides a constant elasticity value that is not affected by the level of the variables. Elasticity is simply the estimated coefficient of each explanatory variable:

$$LY = \beta LX$$

$$Elasticity = \left(\frac{\partial Y}{\partial X} \right) \left(\frac{X}{Y} \right) = \beta$$

- 5.15. Furthermore, by introducing the variables in logarithms we are reducing their variance and, therefore, the model will provide a higher level of adjustment to the data and the reliability of the results will be greater when it comes to interpreting them.
- 5.16. Moreover, the inclusion or not of a variable in a model and the goodness of its adjustment was determined by:
- Statistical t-Student. It indicates whether the variable in question is statistically significant, i.e. whether it helps to explain the behaviour of the dependent variable. Considering a 90% confidence level, the statistical value should be between -1.6 <value <1.6 for the variable not to be significant. In cases where the statistic is close to 1, in absolute value, even if the variable is not statistically significant, the theory suggests maintaining the variable in the model to avoid distortions in the coefficients of the remaining variables.
 - R^2 . Measures the proportion of the dependent variable explained by the independent variable.
 - An R^2 close to one would indicate that the estimate is almost perfect and that the variability of the independent variable is explained by the model.
 - By contrast, if R^2 is close to zero, it would mean that the model does not explain anything. Therefore, the closer the model's R^2 is to 1, the greater the explanatory power and, better the predictions that can be made.
 - F-statistic. It contrasts the hypothesis that all model coefficients are zero (except the constant), i.e. it tests the joint significance of the model.
 - Autocorrelation statistics. Ideally, the model should have no autocorrelation as this would be an indication that the model has not been correctly specified (variables with significant explanatory power would be excluded from the regression). To test this absence the Durbin-Watson statistics has been analysed: If DW is close to 2, it indicates that there is no autocorrelation. Nevertheless, in this case, since the number of observations is small, the analysis of autocorrelation is limited.
- 5.17. The estimates were made using E-Views software.
- 5.18. The basic structure of the adjusted models responded to the inclusion of GDP, toll and a constant as explanatory variables. In addition, during the adjustment of the models, temporary dummy variables were introduced to reflect traffic changes not explained by

other variables included therein. The final inclusion was decided on the basis of significance expressed by the t-student statistic as well as the global significance of the model as a whole.

- 5.19. All models presented:
 - Have an acceptable level of adjustment.
 - The explanatory variables present the intuitively correct sign (positive): increase in economic activity leads to increase in traffic and an increase of tolls leads to decrease in traffic.
- 5.20. The variables included are statistically significant.
- 5.21. A traffic growth model has been adjusted for each toll plaza. For each one, the historical behaviour of traffic compared to GDP and tolls (annual variation rates) are shown as well as the output of the estimations.

Summary results

- 5.22. In general terms, GDP elasticities are higher than those expected for the medium and long term in a toll road: such a short time series (ramp up, etc) might be affecting the results.
- 5.23. In the case of heavy vehicles, an additional problem is caused by the low volume of this type of traffic.
- 5.24. The next tables show a summary of the GDP and toll elasticities estimated with the econometric models. They also indicate the R² and the period of analysis considered for each model.

Table 5.1. Light traffic growth models. Summary

Toll plaza	Elasticities		R ²	Period of analysis
	GDP	Toll		
Escazú	1.6068	-0.6208	0.9875	2010-2015
Ciudad Colón	1.4800	-	0.9900	2012-2015
San Rafael	3.5075	-1.1106	0.9960	2010-2015
Guacima	11.3400	-	0.9980	2011-2015
Siquiares	12.1840	-5.4464	0.9774	2010-2015
Rampa Atenas	2.7703	-	0.9738	2010-2015
Atenas	2.3714	-0.3665	0.9996	2011-2015
Pozón	1.7519	-0.5689	0.9835	2010-2015
Rampa Pozón	2.0241	-	0.9870	2010-2015
Escazú + C Colon	1.7827	-0.7490	0.9978	2010-2015
Atenas + R. Atenas + Pozón + R Pozón	2.0120	-	0.9987	2010-2015

Table 5.2. Heavy traffic growth models. Summary

Toll plaza	Elasticities		R ²	Period of analysis
	GDP	Toll		
Escazú	1.0460	-1.5054	0.7642	2010-2015
Ciudad Colón	0.6082	-	0.8105	2012-2015
San Rafael	1.4742	-	0.9840	2010-2015
Guacima	8.3940	-	0.9924	2011-2015
Siquiaries	11.2918	-	0.9666	2010-2015
Rampa Atenas	2.4505	-	0.9776	2010-2015
Atenas	2.0776	-	0.9193	2011-2015
Pozón	1.6980	-	0.9920	2010-2015
Rampa Pozón	-	-	-	2010-2015

- 5.25. As it has been shown GDP elasticities obtained for certain toll plazas are too high. Sometimes, they were caused by plazas with low levels of traffic but with high traffic growth.
- 5.26. For this reason it was decided to separate the plazas in groups and to estimate different models for each of these groups.
- 5.27. The hourly traffic distributions show different patterns during weekdays:
- The last part of the concession (Atenas and Pozón toll plazas) has a morning peak from San José to Caldera, while the evening peak is on the reverse direction.
 - On the contrary, in the first part of the concession, the movements from Caldera to San José are stronger in the morning while exists from the city are more important in the evenings.
 - As far as concerns the ramps, the directions of traffic movements are not so clear since data aggregates entries and exits of the toll road but do not provide separated information about the original direction of the movement.
- 5.28. Traffic has been aggregated for each group of toll plazas. A combined tariff has been estimated too (considering the individual toll for each plaza and the number of vehicles using each one).
- Escazú + Ciudad Colón: GDP elasticity = 1.78 and toll elasticity = -0.74.
 - Atenas + Rampas de Atenas + Pozón + Rampas de Pozón: GDP elasticity = 2.01. Toll is non-significant: the alternative road to the highway is a road with poor characteristics.
 - San Rafael, Guacima and Siquiaries had strong traffic growth. Additional models have not been estimated.
- 5.29. Please, see Appendix A for the results of this analysis.

6. TRAFFIC MODEL

Introduction

- 6.1. On the previous chapter, it was described how traffic growth models were developed for each toll plaza as function of Costa Rica's economic growth. With these models, traffic forecasts can be estimated, with the expected economic growth as the primary explanatory variable and, where appropriate, including the elasticities attributed to additional factors (such as the saturation of the number of vehicles circulating, an increase of the income available and therefore an increase in the willingness to pay for saving time, etc.).
- 6.2. However, this approach neglects two important key factors that could affect Ruta 27 future traffic:
 - The effect of road improvements, especially the effect of the improvements planned for the San José – San Ramón road, which competes with Ruta 27 for some of the traffic. The improvements of San José - San Ramón will result in a decrease in travel time, which could reduce the competitive advantage of the Ruta 27 from the perspective of some users.
 - The effect of congestion and consequently worsening travel times as traffic increases on the roads. If traffic on the most congested sections of the Ruta 27 increases up to its capacity, the speed on these sections will decrease significantly, making the Ruta 27 road less attractive for some users. This translates into a lower traffic growth on the highway.
- 6.3. Since the econometric models do not account for the occurrence of these events, a demand model that considers the relationship between supply (the road network) and demand (represented by a trip matrix) factoring in these variables, was used instead. For the forecast, the above econometric adjusted models will be used as the upper limit for the anticipated demand (and revenue); with a comparatively conservative base case generated from the results obtained in the network model.
- 6.4. For the analysis of the toll road demand as well as the behavior of users given different traveling options (configuration and travel costs), a demand model has been developed with the software EMME, which allows to simulate both private and public transport. This software also has the tools to build complex demand models.
- 6.5. In order to simulate the toll road system and its area of influence, the principal elements in the demand model are:
 - Network model (transport supply)
 - Travel matrices (demand)
 - Split model between toll roads and free alternatives

Network Model

- 6.6. With the objective to simulate the traffic, a network model was constructed. This model represents the route choices made by potential highway users given their alternate route options. As previously discussed, the model has been developed with the software EMME, which is used by numerous Administrations and Consulting firms all throughout the world. It is one of the most powerful strategic simulation tools currently in the market.
- 6.7. This software has a large number of algorithms for assigning private and public demand and it also has the possibility to add additional algorithms through macro language.
- 6.8. The elements that form the private network model are:
- Links: represent short road segments and are often described by length, capacity, number of lanes, posted speed and free flow speed. These characteristics simulate different travel times depending upon the number of vehicles traveling on the link. The congested speed on any link may be calculated through the use of an appropriate volume-delay function (VDF)
 - Nodes: the extremes of the road links (intersection of links), and where users can go from one link to another.
 - Centroids: special type of node whose number identifies a zone and where the trip demand is concentrated (origins and destinations of the trips)
- 6.9. The traffic can be affected by several projects in the area (San José – San Ramón highway, Radial Santa Ana, etc.), and a traffic model is the right tool to evaluate the impact.
- 6.10. Additionally, the model is useful for verifying the consistency of the assumptions about spatial distribution, main origin and destination areas, etc.
- 6.11. An EMME model was developed for this study based on:
- Previous model (from Administration and updated by Diadro on 2011)
 - Origin and destination surveys from 2011
 - Traffic counts at toll plazas (2015 and 2016)
 - Value of time (VoT) based on stated preference surveys (2011)
 - 2016 toll rates
- 6.12. The model developed contains:
- 469 zones
 - 8310 nodes

- 22488 links
- 6.13. In the model, the supply is represented by the links and network nodes. Links simulate the behavior of the road sections based on the volume delay functions (vdf) reflecting how travel speed decreases as the traffic of that link increases. Travel demand is represented by tip matrix simulating to or from a given area. In the model, each area (transport zone) is represented by a point where trips entering or leaving that area are concentrated.
- 6.14. These matrix have been build based on two main sources:
- The Administration demand model, based in a household survey to the residents of San José metropolitan area.
 - Origin-Destination surveys in the toll plazas conducted for Globalvia in a previous update of this model.
- 6.15. For the calibrating of the matrix to 2016 year, the available traffic counts in the toll plazas of Ruta 27 concession have been used.
- 6.16. The following figures show a general and a detailed view of the network model:

Figure 6.1. General view network model

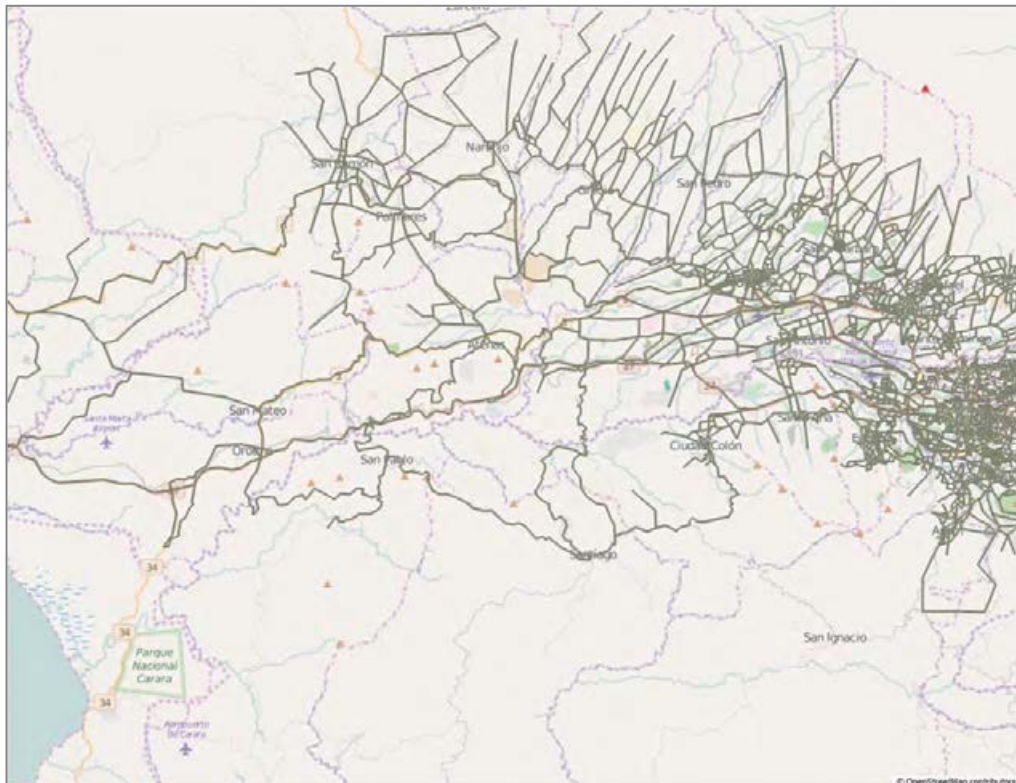
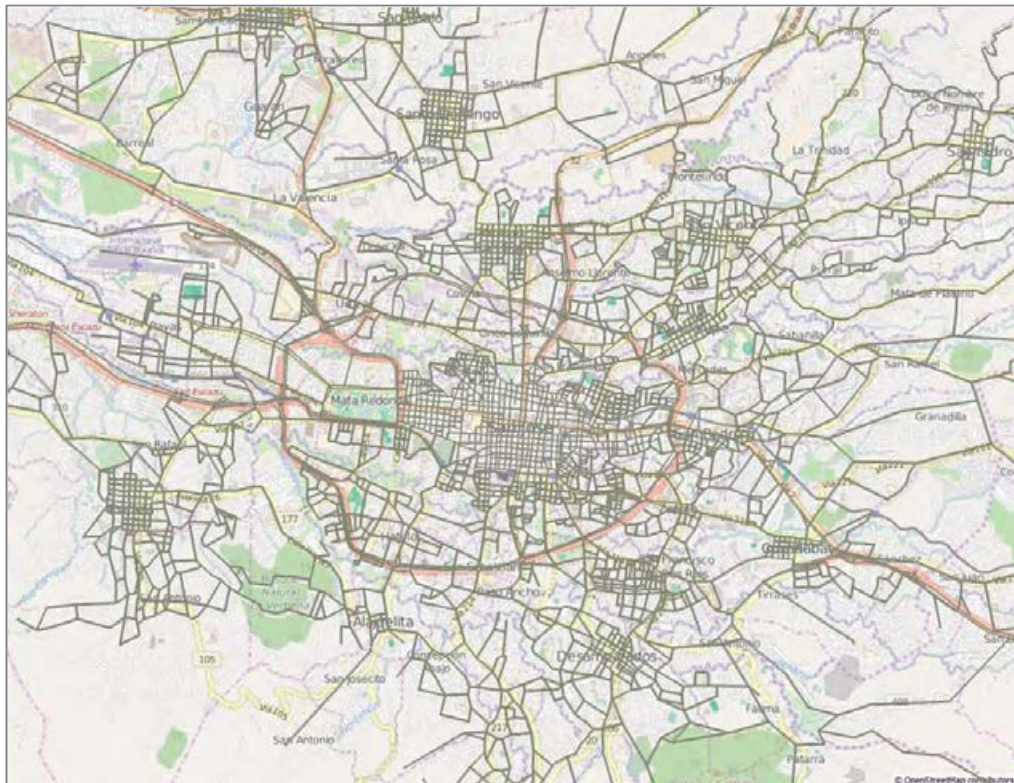


Figure 6.2. Detail view network model



- 6.17. Due to low percentage of trucks, several classes were grouped into a single class for analysis purposes. Three vehicle classes (matrices) are included in the model:
- Cars (light)
 - Trucks 2 and 3 axles
 - Trucks 4 and 5 axles
- 6.18. Willingness to pay is usually measured with the user's Value of Time (VoT), which will vary with the type of user, the characteristics of the tip, etc.. It generally includes other qualitative factors, which are not included directly in the VoT, such as comfort, safety measures, etc.
- 6.19. For the current simulation, the VoT variables were obtained from prior Stated Preference Surveys of current and potential toll road users. The values for each type of user are indicated in the following table. These values, for light vehicle users are slightly lower than those obtained in surrounding countries (Colombia, Argentina, Chile, etc.), where the values are around 5-10 US\$/hour. For heavy vehicles the values of time are higher, and more similar to those obtained in other countries. When

calculating the VoT of heavy vehicle users, it is very significant the perception that these drivers have of slopes in alternative roads.

Table 6.1. Value of time. Cars and trucks

	VoT (colones/min)	VoT (colones/hour)	VoT US \$/hour
Cars	30.4	1824.8	3.3
Trucks 2-3	77.1	4626.1	8.5
Trucks 4+	188.5	11312.2	20.7

- 6.20. Based on the data provided by the Concessionaire from 2015 and the first four months of 2016, annual average daily traffic (AADT) was calculated for the base year 2016.
- 6.21. The average weekday daily traffic for 2016 was calculated to provide data for the model calibration.
- 6.22. An AM peak (07:00 am to 07:59 am) model was developed based on the hourly data at toll plazas given.
- 6.23. The goodness of fit for the AM period is very good for cars ($R^2= 0.99$) trucks 2-3 axles ($R^2= 0.89$) and trucks 4-5 axles ($R^2= 0.84$)

Figure 6.3. AM adjustment Light vehicles

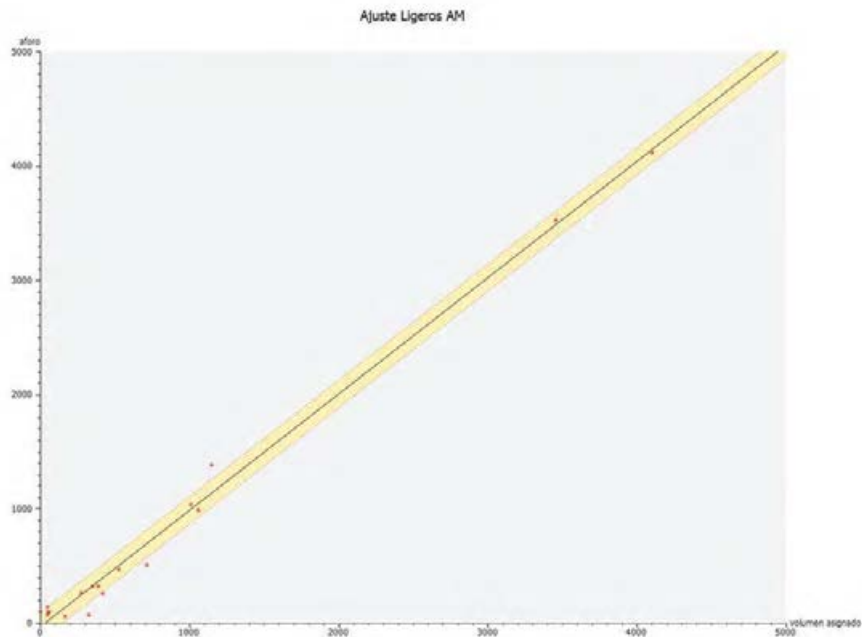


Figure 6.4. AM adjustment Trucks 2-3 axles

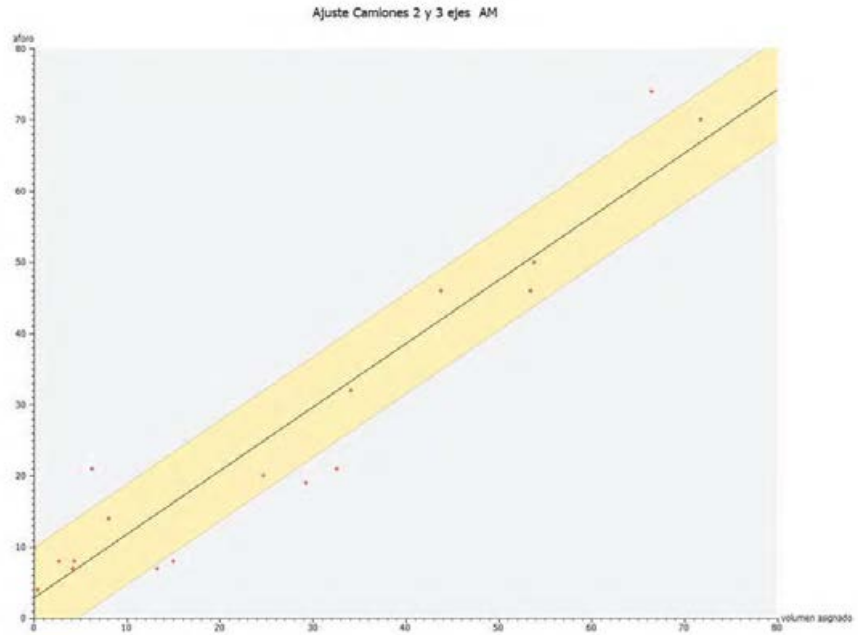
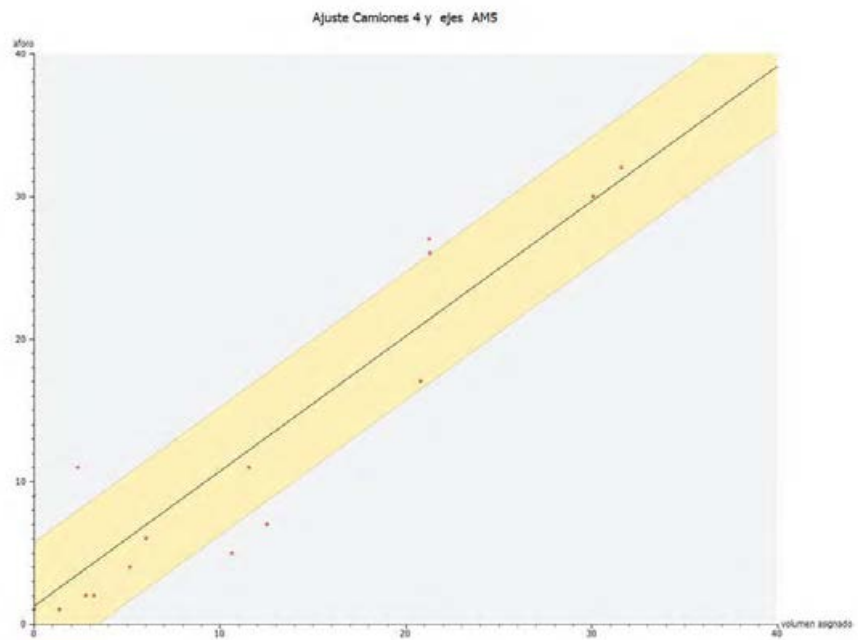


Figure 6.5. AM adjustment Trucks 4-5 axles



6.24. Besides the adjustment of the observed volumes at the toll plazas to the volumes modeled; it is important to check that the final matrices have not changed significantly from the original ones (matrices from the updated model adjusted in 2014). The following figures compare the matrices before and after the adjustment for each vehicle class (light vehicles, 2 and 3 axles trucks, and 4 and 5 axles trucks). The images show that there has not been a significant change in the structure of the adjusted matrices and that the correlation between the initial and the final matrices is very high.

Figure 6.6. Original vs adjusted matrix light vehicles

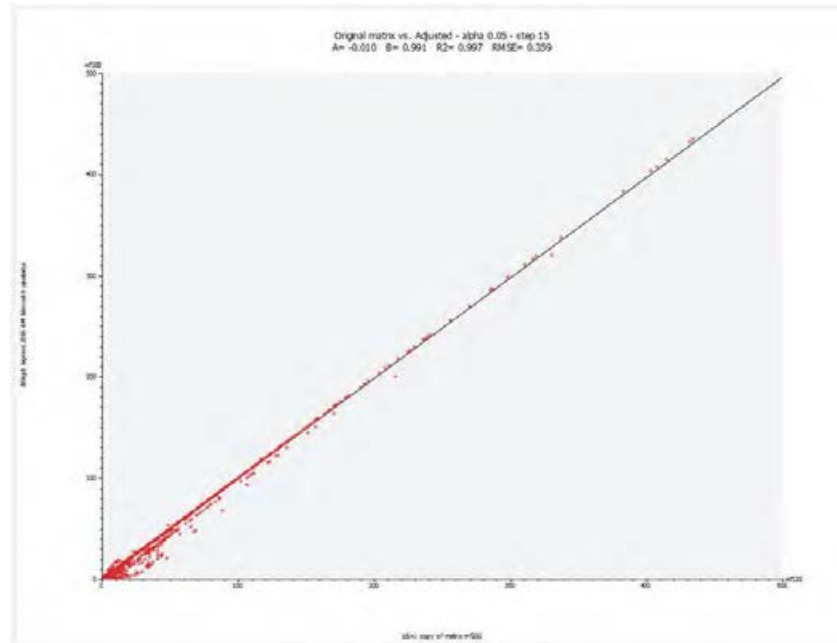


Figure 6.7. Original vs adjusted matrix Trucks 2-3 axles

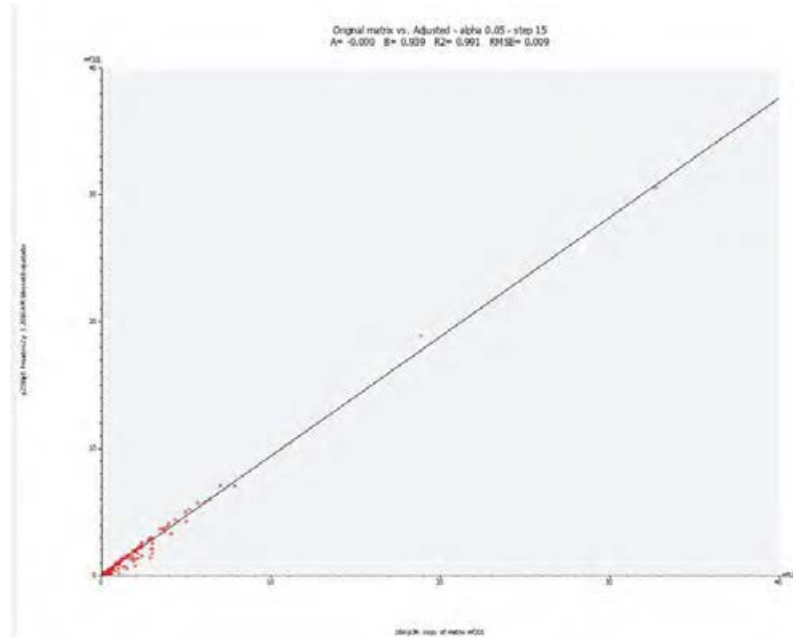
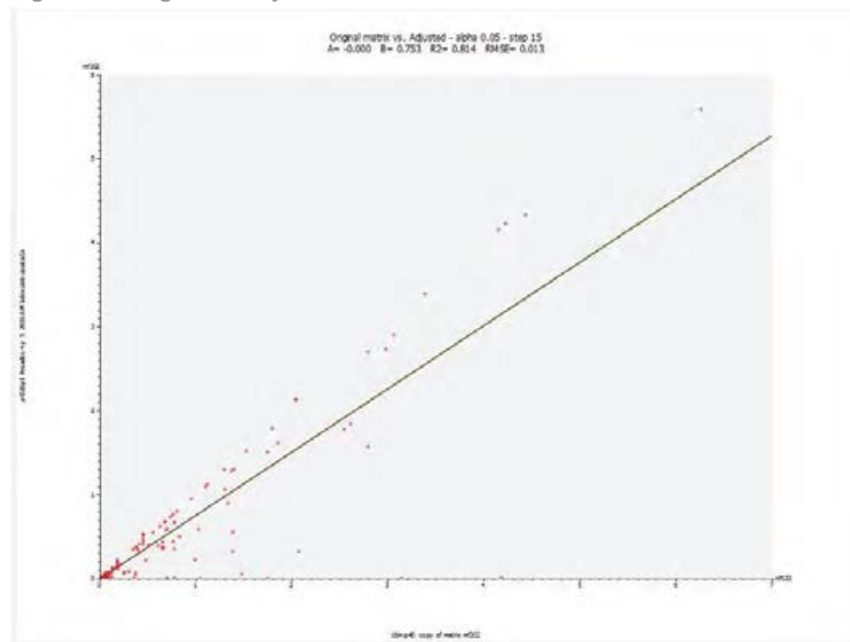


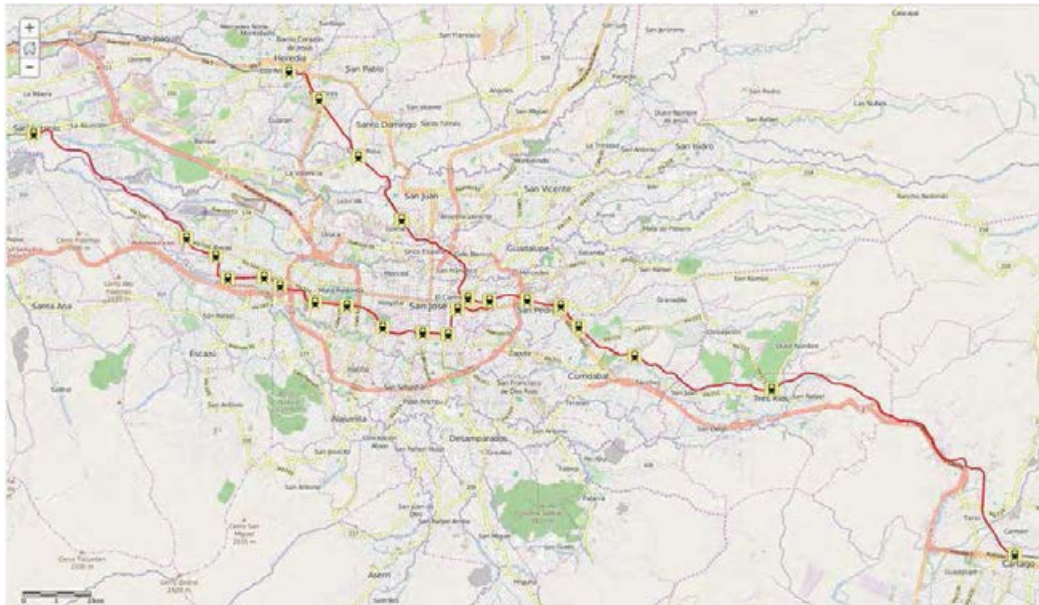
Figure 6.8. Original vs adjusted matrix Trucks 4-5 axles



Public transport competence

- 6.25. The only modes of transport available are private vehicles and buses. Railway connection between cities is very marginal and does not compete with the other two modes.
- 6.26. There are private bus lines that take the Ruta 27. These bus lines do not have established schedules as they operate more as point-to-point bases when demand requires it.
- 6.27. There is not a system (with the exception of some mobile application) to check time, routes or stop schedules. In summary, the bus system in Costa Rica is not especially effective and there are not any plans of improvements expected in the short or mid time. There are not specific infrastructures for public transportation, except in some streets in San José, so public transport does not really present any advantages, time wise, compared to private vehicles.
- 6.28. Rail service (Urban train) is managed by the public company Incofer (Instituto Costarricense de Ferrocarriles) and transports around 20.000 passengers/day between the different routes. The lack of modernization of both the rolling stock and the infrastructure (roads, signalling, control, etc.) limit the demand growth and no significant improvements are expected in the short or medium term.

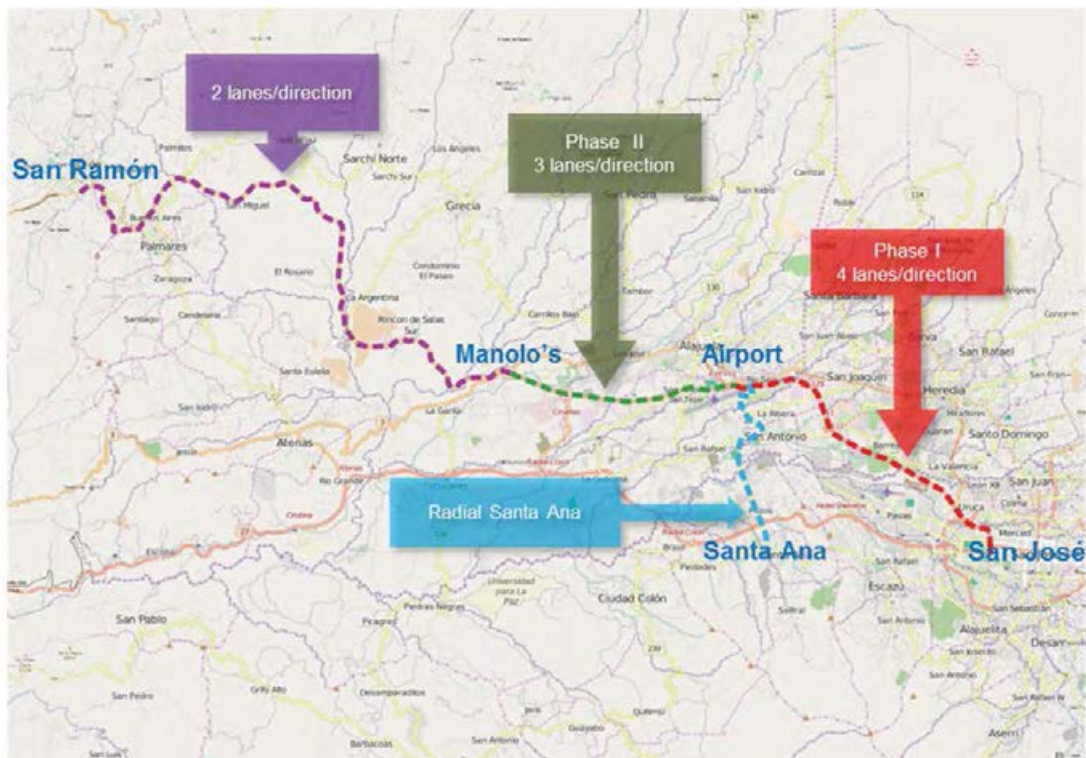
Figure 6.9. Tren Urbano lines and stations



Impact San José - San Ramón improvements

- 6.29. In regards to new projects, the effects of the expansion and transformation of the San José - San Ramón road into a competing toll road were analysed. This toll road was previously granted as a concession, but the Concessionaire failed to construct it. Recently, the Administration announced the intention to construct this highway again. There was no official information at the time of the study's completion as to whether the road would be tolled or which tolling mechanisms would be used.
- 6.30. Therefore, two different scenarios were considered:
- Autopista San José – San Ramón with one half of the tariff from the previous adjudication
 - Autopista San José – San Ramón with no tariff
- 6.31. The scenario with the tariff awarded to the previous Concessionaire of San José – San Ramón has not been considered, since politically it would be unpopular and apparently, the Government's intention is that the rate of the San José – San Ramón highway is lower than that of Ruta 27.
- 6.32. The expected San José – San Ramón's tariff should be around the same than the rest of the tolls operated by the Administration. Currently, the tariff charged before the airport is 100 colones on the San José – San Ramón highway, compared to the forecast tariff of 480 colones that would be charged if the highway were granted. The base tariff (240 colones for this toll) will represent a proportional increase to the improvements in that road section; and to the travel time savings.
- 6.33. Either way, in the case that the rate in the alternative would be higher than that considered in this study (that is $\frac{1}{2}$ the awarded tariff), the decrease of traffic on the Ruta 27 would be lower than the estimated for the base case, and therefore this study's forecast would be even more conservative.
- 6.34. In addition to improving the highway San José – San Ramón (which includes expanding to four lanes each direction the section San José – Airport interchange; to three lanes each direction the section Airport – Manolo's and to two lanes per direction the section Manolo's – San Ramón; the construction of the Radial Santa Ana and its connection with the San José - San Ramón around the airport is also planned.

Figure 6.10. New road projects analysed



Source: Diadro based on several information sources and Open Street Map cartographic base.

- 6.35. At the time this report is drafted there is not certain information of what the Administration's final layout will be; therefore Radial Santa Ana has been considered as a complementary work to the building of San José – San Ramón and an additional sensitivity analysis has been done to test the effect of this addition on improving San José – San Ramón.
- 6.36. In order to analyze the impact on captured traffic, a number of scenarios have been built corresponding to each of the possible network configurations in the future; assuming that the improvement works of San José – San Ramón are conducted in phases. Thus, for each of the alternatives to the toll (with and without tariff on the route San José – San Ramón), we have studied the following scenarios for 2016 network:
- Phase I construction of the San José – San Ramón: from three to four lanes each direction between San José and the interchange with the Airport.
 - Scenario with phases I and II (Airport – Manolo's three lanes each direction)
 - Scenario with San José – San Ramón completed (two lane each direction for section Manolo's – San Ramón).
 - San José - San Ramón completed plus the construction of the Radial Santa Ana

- 6.37. To better understand the effect that the improvements done to the San José - San Ramón will have over the Ruta 27 concession, the following figures show the differences (AM period) of the actual traffic (2016) and the traffic considering the network of San José – San Ramón improvements and tariff (which is the most probable case). Red links represent a traffic increase over the actual case and green links the opposite, they represent traffic loss.
- 6.38. The following figure shows the difference between the actual situation and the network that considers improvements in Section I of the San José – San Ramón road (one more lane per direction from San José to the Airport and removing the current narrowing of the bridge). There is a significant traffic increase (red links) from the Airport to San José and at the same time there is a traffic decrease in Ruta 27 from Radial El Coyo up to San José. Part of the traffic that currently uses that section will in the future use the San José – San Ramón and not Ruta 27 because the alternative will be faster and cheaper.

Figure 6.11. AM period. 2016 network vs Section I improvements SJ-SR



- 6.39. When additional improvements to Section II of San José – San Ramón are also added, the effect of captured traffic increases, and traffic in the San José – San

Ramón increases significantly from the intersection of Radial El Coyo to Ruta 27, losses traffic from Atenas toll plaza up to Escazú.

Figure 6.12. AM period. 2016 network vs Section I & II improvements SJ-SR



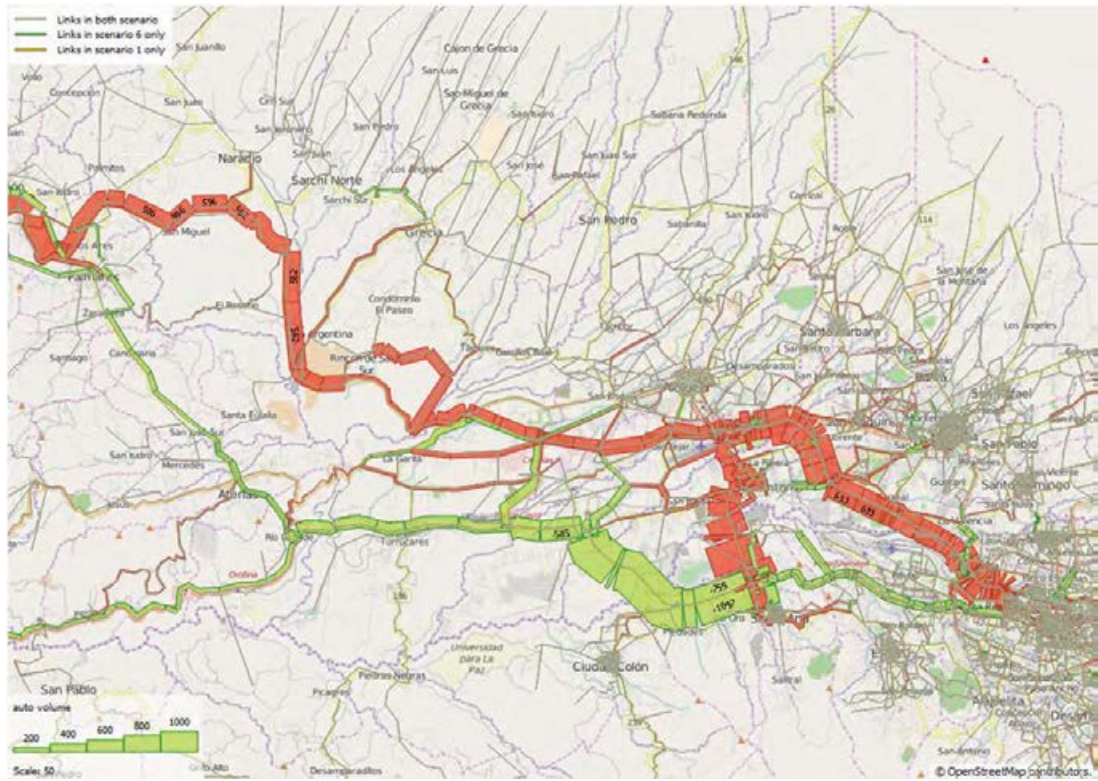
6.40. When the improvements along the entire San José - San Ramón road are completed, the larger number of Origin-Destination pairs and users are affected, significantly impacting the captured traffic on Ruta 27 across the whole journey.

Figure 6.13. AM period. 2016 network vs all improvements SJ-SR



6.41. Finally, when the Radial Santa Ana improvement is added, the road San José – San Ramón loses more traffic in the section from Guacima to Radial Santa Ana and then mitigates its loss from the Radial to Escazú. In other words, part of the lost traffic in Escazú is recovered due to the Radial Santa Ana since it allows for better accessibility to those with destinations close to Escazú.

Figure 6.14. AM period. 2016 network vs Radial Sta. Ana



6.42. The following table summarizes numerically the impact that each of the scenarios above described have on the toll plazas of Ruta 27.

Table 6.2. Differences actual network vs SJ-SR improvements (tolled).

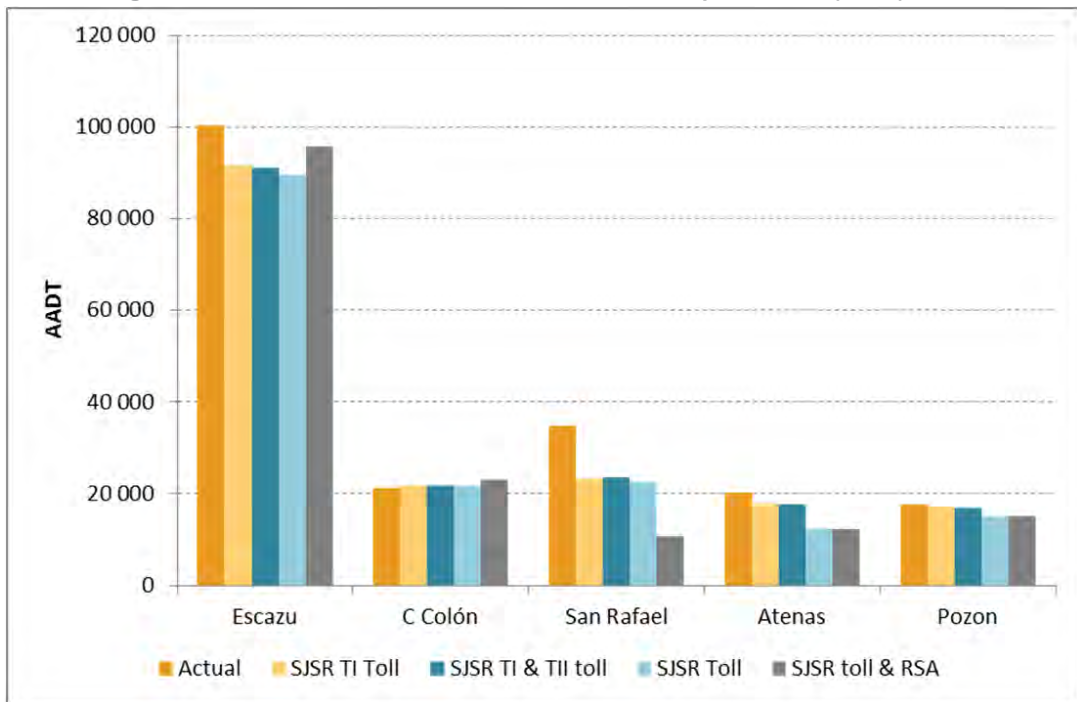
Plaza	AADT	SJSR TIToll		SJSR TI & TII toll		SJSR Toll		SJSR toll + RSA	
		AADT	Dif	AADT	Dif	AADT	Dif	AADT	Dif
Escazu	100 364	91 710	-8.6%	91 239	-9.1%	89 542	-10.8%	95 707	-4.6%
Cars	97 166	88 688	-8.7%	88 310	-9.1%	86 681	-10.8%	92 738	-4.6%
Trucks 2-3 axes	2 521	2 368	-6.1%	2 278	-9.6%	2 211	-12.3%	2 324	-7.8%
Trucks 4-5 axes	677	655	-3.3%	650	-4.0%	650	-4.0%	645	-4.8%
C Colón	21 353	21 733	1.8%	21 740	1.8%	21 837	2.3%	23 008	7.8%
Cars	20 546	20 945	1.9%	20 952	2.0%	21 048	2.4%	22 125	7.7%
Trucks 2-3 axes	737	718	-2.5%	719	-2.5%	720	-2.3%	806	9.4%
Trucks 4-5 axes	69	69	0.0%	69	0.0%	69	-0.2%	76	10.3%
San Rafael	34 745	23 346	-32.8%	23 598	-32.1%	22 489	-35.3%	10 889	-68.7%
Cars	32 212	21 048	-34.7%	21 397	-33.6%	20 377	-36.7%	9 204	-71.4%
Trucks 2-3 axes	1 830	1 612	-11.9%	1 519	-17.0%	1 433	-21.7%	1 075	-41.3%
Trucks 4-5 axes	703	685	-2.5%	682	-3.0%	680	-3.3%	610	-13.2%
Guácima	1 974	1 653	-16.3%	1 589	-19.5%	1 605	-18.7%	44	-97.7%
Cars	1 802	1 496	-17.0%	1 441	-20.0%	1 481	-17.8%	0	-100.0%
Trucks 2-3 axes	142	89	-37.7%	93	-34.9%	85	-39.9%	6	-95.6%
Trucks 4-5 axes	30	68	128.6%	55	83.3%	38	28.6%	38	28.1%
Siquiaries	5 385	981	-81.8%	1 255	-76.7%	1 240	-77.0%	196	-96.4%
Cars	4 291	293	-93.2%	634	-85.2%	627	-85.4%	0	-100.0%
Trucks 2-3 axes	514	315	-38.7%	249	-51.6%	257	-50.0%	134	-73.9%
Trucks 4-5 axes	580	374	-35.6%	372	-35.8%	355	-38.8%	62	-89.4%
Atenas	20 189	17 876	-11.5%	17 593	-12.9%	12 232	-39.4%	12 308	-39.0%
Cars	17 352	14 623	-15.7%	14 268	-17.8%	9 412	-45.8%	9 134	-47.4%
Trucks 2-3 axes	1 375	1 379	0.3%	1 371	-0.3%	1 305	-5.1%	1 197	-13.0%
Trucks 4-5 axes	1 462	1 874	28.2%	1 955	33.7%	1 515	3.6%	1 977	35.3%
Rampas Atenas	4 393	3 205	-27.0%	3 151	-28.3%	3 105	-29.3%	2 292	-47.8%
Cars	4 121	2 986	-27.5%	2 975	-27.8%	2 970	-27.9%	2 206	-46.5%
Trucks 2-3 axes	259	209	-19.3%	166	-35.9%	124	-52.2%	79	-69.7%
Trucks 4-5 axes	13	10	-21.0%	10	-25.4%	10	-20.0%	7	-41.4%
Pozon	17 632	17 065	-3.2%	16 984	-3.7%	15 160	-14.0%	15 190	-13.8%
Cars	15 095	14 480	-4.1%	14 420	-4.5%	12 945	-14.2%	12 896	-14.6%
Trucks 2-3 axes	1 161	1 193	2.7%	1 188	2.3%	1 076	-7.3%	1 075	-7.4%
Trucks 4-5 axes	1 376	1 392	1.2%	1 376	0.0%	1 138	-17.3%	1 220	-11.4%
Rampas Pozon	3 447	3 447	0.0%	3 447	0.0%	3 445	-0.1%	3 445	-0.1%
Cars	2 951	2 951	0.0%	2 951	0.0%	2 949	-0.1%	2 949	-0.1%
Trucks 2-3 axes	239	239	0.0%	239	0.0%	239	-0.4%	239	-0.4%
Trucks 4-5 axes	257	257	0.0%	257	-0.2%	257	-0.2%	257	-0.2%
TOTAL	209 481	181 016	-14%	180 595	-14%	170 653	-19%	163 080	-22%
Cars	195 535	167 509	-14%	167 348	-14%	158 491	-19%	151 252	-23%
Trucks 2-3 axes	8 779	8 122	-7%	7 822	-11%	7 450	-15%	6 935	-21%
Trucks 4-5 axes	5 167	5 385	4%	5 426	5%	4 712	-9%	4 892	-5%

Source: Diadro

6.43. The highest traffic loss at Escazú toll plaza (-11%) occurs when all the sections of San José – San Ramón are improved and this loss is reduced to 5% when the Radial Santa Ana is active. The effect on Ciudad Colon toll plaza is very small (and positive), except when the Radial Santa Ana is active and the traffic increases 8% with respect to the actual scenario.

- 6.44. Ruta 27 is still the best alternative for those trips with origin or destination in Ciudad Colón. Radial Santa Ana improves the connectivity with the center and the northern part of San José Metropolitan area.
- 6.45. The most significant losses occur at the toll plazas of San Rafael (-69%) and Atenas (-39%), along with the access ramps of Guacima and Siquiaraes. Pozón toll plaza presents a traffic loss of -14% when the last section of San José – San Ramón is completed.

Figure 6.15. Scenario results actual network vs SJ-SR improvements (tolled)



Source: Diadro

- 6.46. The following table shows the results for the above scenarios considering San José – San Ramón as a free highway (not toll). When all the improvements of San José - San Ramón are in place, the reduction on Ruta 27’s traffic will be near 30%, and the most significant impact will take place on Guácima and Siquiaraes ramps. A big impact is also expected in San Rafael and Atenas toll plazas. The reason of this considerable demand’s reduction is that both routes serve some common origin and destinations; and an improvement of San José - San Ramón will attract users that now are using Autopista del Sol because is less congested than the non-tolled alternative.

Table 6.3. Differences actual network vs San José - San Ramón improvements (non-tolled)

Plaza	2016	SJSR Section I . No toll		SJSR TI y TII , no toll		SJSR No toll		SJSR no toll + RSA	
	AADT	AADT	Dif	AADT	Dif	AADT	Dif	AADT	Dif
Escazu	100 364	89 745	-10.6%	89 216	-11.1%	86 796	-13.5%	93 040	-7.3%
Cars	97 166	86 862	-10.6%	86 359	-11.1%	84 297	-13.2%	90 371	-7.0%
Trucks 2-3 axes	2 521	2 229	-11.6%	2 207	-12.5%	1 987	-21.2%	2 200	-12.7%
Trucks 4-5 axes	677	655	-3.3%	651	-3.9%	512	-24.4%	468	-30.8%
C Colón	21 353	21 841	2.3%	21 852	2.3%	21 999	3.0%	23 163	8.5%
Cars	20 546	21 056	2.5%	21 063	2.5%	21 213	3.2%	22 284	8.5%
Trucks 2-3 axes	737	717	-2.7%	719	-2.4%	717	-2.6%	802	8.9%
Trucks 4-5 axes	69	68	-1.1%	69	0.0%	69	0.2%	77	10.7%
San Rafael	34 745	20 765	-40.2%	20 704	-40.4%	18 439	-46.9%	7 367	-78.8%
Cars	32 212	18 656	-42.1%	18 609	-42.2%	16 682	-48.2%	6 207	-80.7%
Trucks 2-3 axes	1 830	1 423	-22.2%	1 413	-22.8%	1 205	-34.2%	783	-57.2%
Trucks 4-5 axes	703	685	-2.5%	682	-3.0%	553	-21.3%	377	-46.3%
Guácima	1 974	1 556	-21.2%	1 634	-17.2%	1 431	-27.5%	0	-100.0%
Cars	1 802	1 302	-27.8%	1 372	-23.8%	1 357	-24.7%	0	-100.0%
Trucks 2-3 axes	142	184	29.6%	194	36.4%	74	-47.9%	0	-100.0%
Trucks 4-5 axes	30	70	133.9%	68	128.6%	0	-99.5%	0	-100.0%
Siquiares	5 385	847	-84.3%	836	-84.5%	1 154	-78.6%	42	-99.2%
Cars	4 291	224	-94.8%	216	-95.0%	456	-89.4%	0	-100.0%
Trucks 2-3 axes	514	240	-53.4%	234	-54.5%	251	-51.2%	0	-100.0%
Trucks 4-5 axes	580	384	-33.8%	387	-33.3%	447	-23.0%	42	-92.8%
Atenas	20 189	16 775	-16.9%	16 316	-19.2%	7 196	-64.4%	5 760	-71.5%
Cars	17 352	13 508	-22.2%	13 160	-24.2%	5 839	-66.4%	4 807	-72.3%
Trucks 2-3 axes	1 375	1 345	-2.2%	1 350	-1.9%	373	-72.9%	217	-84.2%
Trucks 4-5 axes	1 462	1 922	31.5%	1 806	23.6%	984	-32.7%	737	-49.6%
Rampas Atenas	4 393	2 793	-36.4%	2 667	-39.3%	2 725	-38.0%	2 632	-40.1%
Cars	4 121	2 606	-36.8%	2 485	-39.7%	2 238	-45.7%	2 151	-47.8%
Trucks 2-3 axes	259	177	-31.6%	171	-33.9%	482	86.0%	473	82.6%
Trucks 4-5 axes	13	10	-23.3%	11	-17.4%	5	-61.2%	7	-43.4%
Pozon	17 632	16 800	-4.7%	16 714	-5.2%	13 318	-24.5%	13 229	-25.0%
Cars	15 095	14 230	-5.7%	14 147	-6.3%	11 753	-22.1%	11 706	-22.5%
Trucks 2-3 axes	1 161	1 179	1.6%	1 175	1.3%	666	-42.6%	652	-43.8%
Trucks 4-5 axes	1 376	1 391	1.1%	1 391	1.1%	898	-34.7%	871	-36.7%
Rampas Pozon	3 447	3 447	0.0%	3 447	0.0%	3 443	-0.1%	3 443	-0.1%
Cars	2 951	2 951	0.0%	2 951	0.0%	2 949	-0.1%	2 949	-0.1%
Trucks 2-3 axes	239	239	0.0%	239	0.0%	239	-0.4%	239	-0.4%
Trucks 4-5 axes	257	257	-0.2%	257	-0.2%	255	-0.6%	255	-0.6%
TOTAL	209 481	174 570	-17%	173 387	-17%	156 502	-25%	148 677	-29%
Cars	195 535	161 394	-17%	160 363	-18%	146 784	-25%	140 475	-28%
Trucks 2-3 axes	8 779	7 734	-12%	7 702	-12%	5 995	-32%	5 367	-39%
Trucks 4-5 axes	5 167	5 441	5%	5 321	3%	3 723	-28%	2 834	-45%

Source: Diadro

6.47. The assignment differences between the actual network scenario and the scenario considering all the construction on San José – San Ramón (for the 2016 matrices) are shown in the following figures. The green links represent a loss in traffic compared to current levels, while the red depicts a gain in traffic compared with the current network levels.

Figure 6.16. San José – San Ramón no toll. Total volume



Figure 6.17. San José – San Ramón no toll. 2 and 3 axes trucks

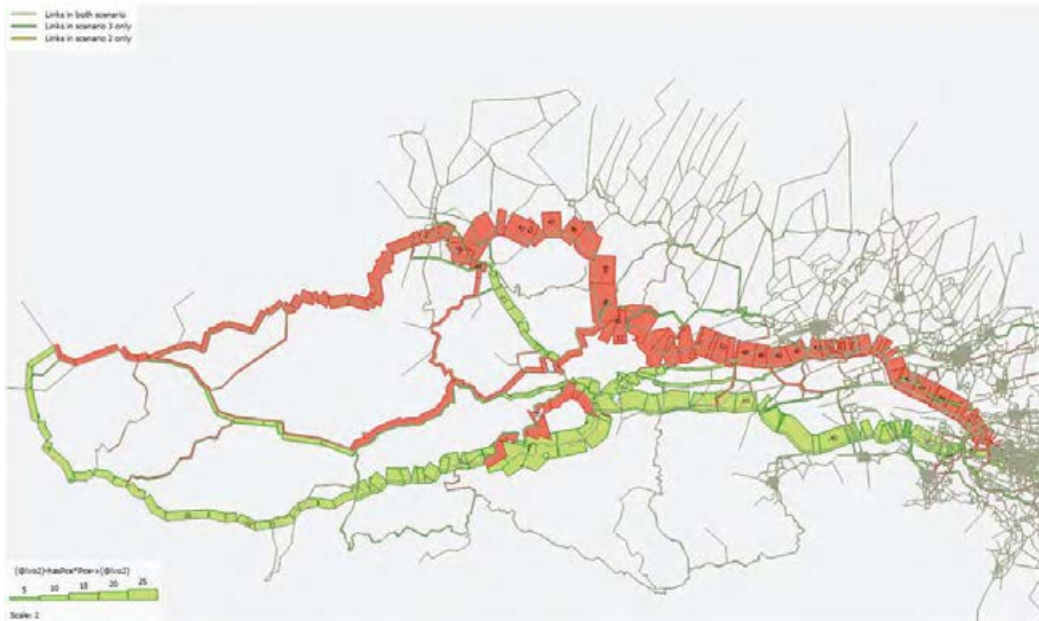
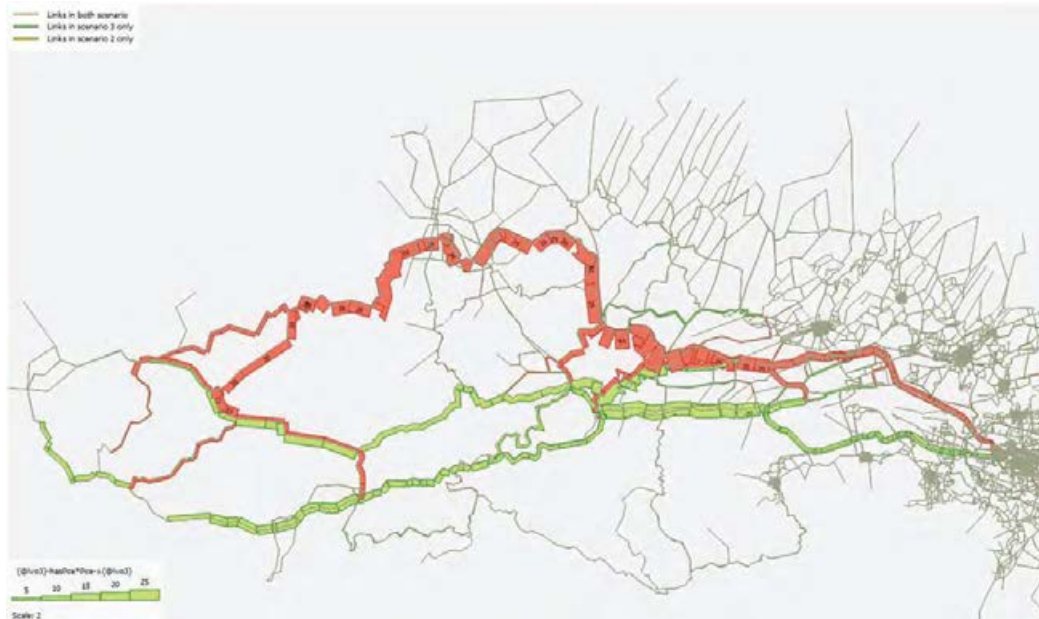


Figure 6.18. San José – San Ramón no toll. 4 and 5 axles trucks



- 6.48. The construction of Santa Ana's Radial represents an additional effect on the loss of traffic on Ruta 27. The following figure shows the total volume difference between the improved highway scenario with no toll and the same scenario adding the Radial Santa Ana (2016 demand). There is a loss of traffic on Ruta 27 up to the section connecting with Radial Atenas, where the traffic increases, although the effect at Escazú's toll is very small (most of this traffic is originated (or destined) before the toll).

Figure 6.19. Total volumen difference. Improved vs Santa Ana 2016 demand



7. SENSITIVITY ANALYSIS

7.1. In addition to adjusting the model in order to reproduce the FLUJOS observed in the network, a sensitivity analysis to the main variables affecting Autopista del Sol's traffic was done, with the objective to analyze how the model behaves against changes in these variables. All the analysis were done for scenario 2016.

7.2. Sensitivity analysis to the following variables:

- User's value of time (VoT)
- Toll tariff
- Demand increase (travel matrices)ç

Value of time sensitivity

7.3. The willingness to pay is usually measured with the user's Value of Time (VoT). That is, how much are they willing to pay to save travel time. As stated in another chapter of this document, the VoT values were obtained from prior Stated Preference Surveys in Costa Rica. The VoT for cars is 3.3 US\$/hour. This means, an average user would be willing to pay 3.3 US\$ to save on hour of travel time.

7.4. This value is rather low compared to other studies from similar countries in Latin America; that's the reason the value has been considered constant for all the years analyzed. In fact, the value of time should increase along the average income, because people with higher rent have a greater willingness to pay.

7.5. To analyze the sensitivity to the VoT several simulation were done keeping constant the supply (road network) and the demand (trip matrices), and changing the VoT around the base case. The following table shows the results obtained for light vehicles for each toll plaza, respect to the base case.

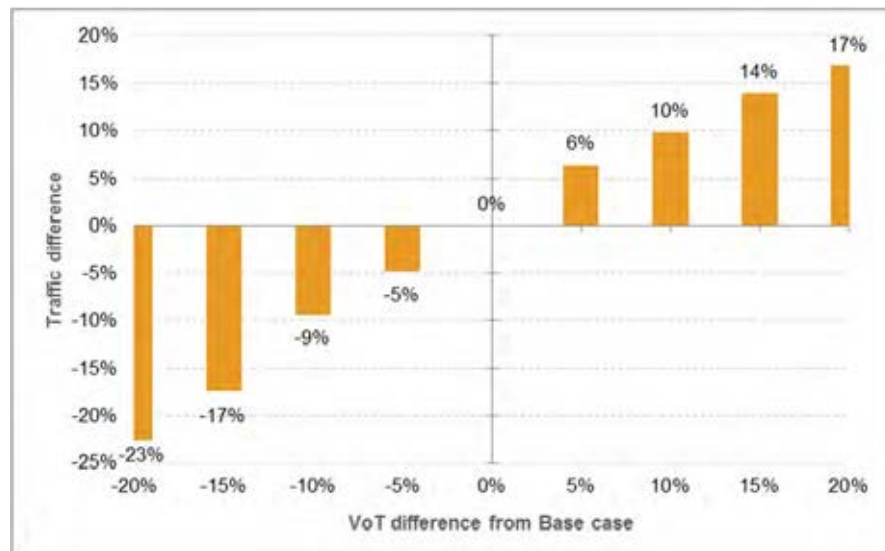
Table 7.1. Sensitivity VoT

		AADT (cars) 2016. Sensitivity to value of time (VoT)									
	VoT Base(0%)	VoT +5%	VoT +10%	VoT +15%	VoT +20%	VoT -5%	VoT -10%	VoT -15%	VoT -20%		
Escazu	97166	99 223	100 674	102 445	103 965	95 619	93 586	7 657	89 606		
C Colón	20546	21 026	21 825	22 417	22 755	19 598	18 929	1 130	17 382		
San Rafael	32212	34 054	35 435	37 131	38 317	30 444	28 603	2 351	24 373		
Guácima	1802	1 866	1 921	1 947	1 989	1 770	1 739	587	1 683		
Siquiaraes	4291	5 001	5 314	6 181	6 586	3 753	3 053	233	1 761		
Atenas	17352	24 643	26 908	29 549	31 367	13 048	9 890	189	3 985		
Rampas Atenas	4121	3 341	3 290	3 089	3 020	4 345	4 538	900	4 539		
Pozon	15095	16 056	16 601	17 195	17 681	14 528	13 847	286	5 208		
Rampas Pozon	2951	2 951	2 951	2 901	2 836	2 964	2 964	134	2 836		
Total	195 535	208 161	214 919	222 855	228 516	186 070	177 148	13 467	151 372		
		6.5%	9.9%	14.0%	16.9%	-4.8%	-9.4%	-17.5%	-22.6%		

There is a significant difference for each toll plaza when the VoT changes. Escazú plaza presents the least sensitivity to the VoT, and the maximum changes are between $\pm 7\%$ when the VoT varies between $\pm 20\%$. This means that people who use Escazú toll plaza are more captive to the toll road, due to the origin and destination distribution.

- 7.6. Ciudad Colón toll plaza behaves similarly to Escazú, but presents greater variations. When the VoT increases 20% traffic increases 10%, and decreases 15% when the VoT is 20% lower.
- 7.7. As the toll plaza location is further way from San José, the sensitivity to the VoT increases, because the users have more alternative routes to do their trip. The elasticity to the VoT is near 1 for San Rafael plaza.
- 7.8. The behavior of Atenas toll and ramp plazas is rather peculiar. Some of the people who currently use Atenas ramp could enter the toll road earlier, but that would translate into paying a higher toll rate at Atenas toll plaza. If the VoT increases, traffic in Atenas toll plaza also increases and decreases at the ramp. At the extreme case (VoT +20%), Atenas toll plaza traffic increases 80.8% and the ramp decreases 26.7, meanwhile the total traffic goes from 21,473 vehicles up to 34,387 (37.5%). When the VoT decreases, the effect is the opposite: traffic in Atenas toll plaza decreases (higher toll tariff) and increases at the ramp.
- 7.9. Globally, traffic elasticity to VoT is near 1, as shown in the following graph:

Figure 7.1. Traffic sensitivity to VoT



Source: Diadro

- 7.10. It can be deduced that the model behaves well to user's VoT changes. The VoT is expected to increase with income, which has not been considered for the base case.

Generally, the VoT is incremented by one fraction of the increment of the GPD, so an additional growth of 1% per annum over the base case (considers constant VoT) can be expected at least, for the short and mid time.

Toll tariff sensitivity

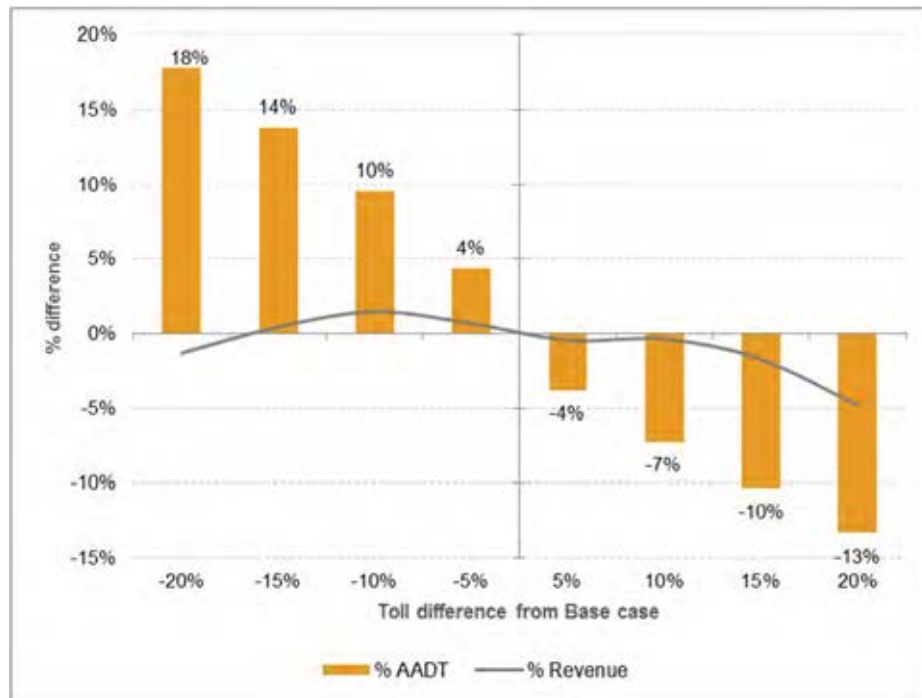
- 7.11. Another key variable to the demand model is the toll tariff. Historically, the tariff has been kept constant, due to the indexation of the price to an index of the economy of the United States. However, this can change in the future. In order to analyze this effect, the base case was run with different toll tariffs (higher and lower) than the current fare. The results are shown in the following table along with the AADT and the revenue.

Table 7.2. AADT and revenue toll fare sensitivity

	Base Toll		5%		10%		15%		20%		-5%		-10%		-15%		-20%						
	AADT	Rev/day	AADT	% Rev	AADT	% Rev	AADT	% Rev	AADT	% Rev	AADT	% Rev	AADT	% Rev	AADT	% Rev	AADT	% Rev					
Escazu	97166	330	32 064 704	-1.4%	3.5%	94 278	-3.0%	6.7%	92 964	-4.3%	10.0%	98 846	1.7%	-3.4%	100 925	3.9%	-6.5%	103 011	6.0%	-9.9%	105 007	8.1%	-13.5%
C Colón	20546	170	3 492 892	-2.2%	2.7%	19 451	-5.3%	4.1%	18 718	-8.9%	4.8%	20 995	2.2%	-2.9%	21 904	6.6%	-4.1%	22 440	9.2%	-7.2%	22 895	11.4%	-10.9%
San Rafael	32212	510	16 428 010	-4.3%	0.5%	29 296	-9.1%	0.0%	27 976	-13.1%	-0.1%	33 795	4.9%	-0.3%	35 640	10.6%	-0.4%	37 512	16.5%	-1.0%	39 095	21.4%	-2.9%
Guácima	1802	380	684 603	-1.9%	3.0%	1 745	-3.1%	6.6%	1 702	-5.6%	8.6%	1 855	3.0%	-2.2%	1 887	5.3%	-5.2%	1 955	8.5%	-7.8%	2 040	13.2%	-9.4%
Siquitares	4291	400	1 716 248	-10.0%	-5.5%	3 200	-25.4%	-18.0%	2 856	-33.4%	-23.4%	4 883	13.8%	8.1%	5 601	30.5%	17.5%	6 259	45.9%	24.0%	6 868	59.8%	27.9%
Atenas	17352	670	11 626 003	-20.1%	-16.1%	11 877	-31.6%	-24.7%	9 781	-43.6%	-35.2%	21 375	23.2%	17.0%	25 723	48.2%	33.4%	28 556	64.6%	39.9%	31 481	81.4%	45.1%
Rampas Atenas	4121	330	1 360 008	5.8%	11.1%	4 432	7.5%	18.3%	4 541	10.2%	26.7%	3 772	-8.5%	-13.1%	3 442	-16.5%	-24.8%	3 300	-19.9%	-31.9%	3 089	-25.5%	-40.4%
Pozon	15095	510	7 698 373	-3.1%	1.7%	14 148	-6.3%	3.1%	11 072	-26.6%	-15.6%	15 583	3.2%	-1.9%	16 051	6.3%	-4.3%	16 484	9.2%	-7.2%	16 907	12.0%	-10.4%
Rampas Pozon	2951	170	501 653	0.4%	5.4%	2 964	0.5%	10.5%	5 745	94.7%	123.9%	2 951	0.0%	-5.0%	2 951	0.0%	-10.0%	2 951	0.0%	-15.0%	2 952	0.0%	-20.0%
Total	195 535		75 572 495	-3.8%	-0.44%	181 392	-7.2%	-0.38%	175 346	-10.3%	-1.71%	204 055	4.4%	0.69%	214 133	9.5%	1.49%	222 467	13.8%	0.46%	230 304	17.8%	-1.31%

- 7.12. Just like the sensibility to the VoT, the effect of changes to the toll rate is lower in the Escazú and Ciudad Colón plazas. The plazas located further away from San José present higher toll sensitivity, and the change among toll plazas and ramps that are an alternative (Atenas and Pozón), so that the traffic decreases in the toll plaza when the toll rate goes up, but increases in the ramps. When the tariff decreases, the opposite occurs.
- 7.13. Traffic elasticity to the toll rate is lower than 1 (for a toll increase of 20% traffic decreases 13.3%); the elasticity of revenue to the tariff is much lower (approximately -0.2% if the rate goes up 20%). In the case the tariff goes down (which is highly unlikely), the elasticities to traffic are similar than when the rate goes up; but the effect in the income is less. In fact, there would only be an increase in income if rates do not fall more than 15%. Below that rate there would be a decrease in toll revenues. The toll rate that would optimize revenue corresponds to 10% less than the current rate.

Figure 7.2. Fare sensitivity. Traffic and Revenue



Source: Diadro

Demand increase sensitivity

- 7.14. Further analysis is the traffic variation in the toll road when the demand increases (total number of trips) for each origin-destination pair. As discussed throughout this study, Ruta 27 traffic capture is explained not only because it is the best alternative for

trips to and from along the road; but also serves to other trips that have attractive alternatives, but they use the highway because congestion on the alternative road is very high.

7.15. When the overall demand increases, due to the increase in population and motorization, the highway becomes attractive to a larger number of users. These users took other roads before, but with an increase in the congestion and the travel time, they consider a better alternative to pay the toll fare in order to avoid the congestion and save time.

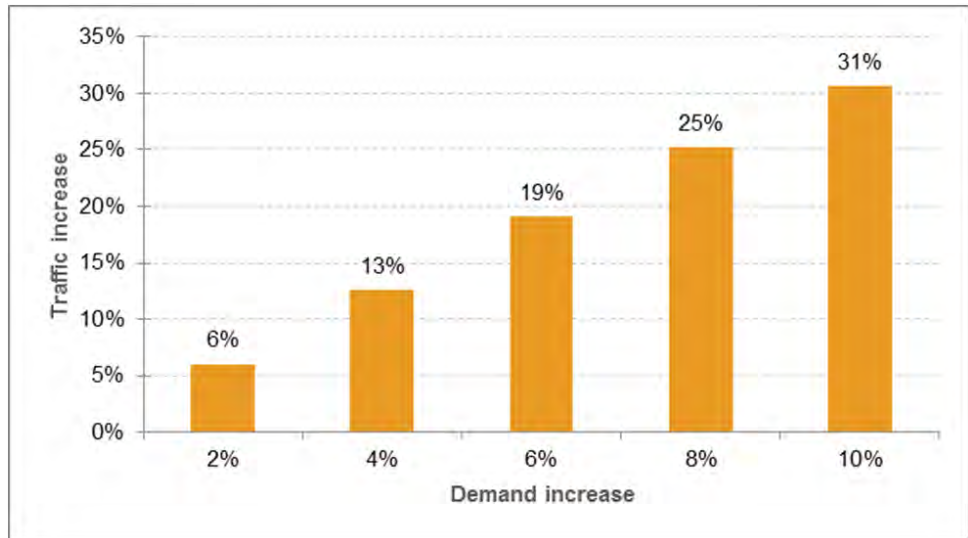
7.16. The following table shows the results of the analysis of the sensitivity to different range increases of the global demand around the influence area.

Table 7.3. Global demand sensitivity analysis

	2016 Demand	Demand +2%	Demand +4%	Demand +6%	Demand +8%	Demand +10%
Escazu	97 166	101 689 4.7%	106 652 9.8%	111 374 14.6%	116 099 19.5%	120 344 23.9%
C Colón	20 546	21 025 2.3%	21 579 5.0%	22 789 10.9%	23 266 13.2%	23 617 14.9%
San Rafael	32 212	35 125 9.0%	38 219 18.6%	41 201 27.9%	44 173 37.1%	46 672 44.9%
Guácima	1 802	1 910 6.0%	2 020 12.1%	2 180 21.0%	2 356 30.8%	2 515 39.6%
Siquiases	4 291	5 404 26.0%	6 515 51.8%	7 504 74.9%	8 355 94.7%	9 084 111.7%
Atenas	17 352	19 151 10.4%	21 251 22.5%	23 124 33.3%	25 098 44.6%	26 877 54.9%
Rampas Atenas	4 121	4 212 2.2%	4 294 4.2%	4 328 5.0%	4 395 6.7%	4 424 7.4%
Pozon	15 095	15 796 4.6%	16 512 9.4%	17 235 14.2%	17 921 18.7%	18 588 23.1%
Rampas Pozon	2 951	3 010 2.0%	3 069 4.0%	3 128 6.0%	3 187 8.0%	3 257 10.4%
Total	195 535	207 322 6.0%	220 112 12.6%	232 861 19.1%	244 852 25.2%	255 378 30.6%

7.17. The effect of the increase on the overall demand is very pronounced globally, with an elasticity of the highway traffic to the travel demand increase, close to 3. That is, the demand will grow not only due to the trips with origin or destination close to the highway, but also because with the congestion level in the network as it is right now, and increment of traffic will make the highway even more attractive to users that are currently using other alternatives.

Figure 7.3. Traffic sensitivity to demand growth



Source: Diadro

8. TRAFFIC FORECAST. BASE, STRESS AND UPSIDE CASE

- 8.1. This section of the report summarises the forecast assumptions and the process followed to build the forecast model.
- 8.2. Growth econometric models are useful for analysing highway traffic trends, but the present limitations when forecasting final traffic and constructing the base case; because they are not sensitive to network changes nor to capacity limitations, which reduce the volume of graspable traffic.
- 8.3. Base and stress cases were done using a demand model with the software EMME; which shows the behaviour change in users due to offer change (new roads or improvements in the existing ones) or demand change (when traffic increases, so does the travel time in some of the links, therefore some of the routes users used to take may change).
- 8.4. These models are based on equilibrium algorithms: a network is considered in equilibrium when no one user can improve his travel cost by changing his current itinerary for another. The cost reflects travel time, toll rates, etc. meaning, users pick an itinerary so that the cost will be the least. These models are often used in planning projects, and in general for all kinds of projects that require changes in the transport offer, as it is for this case.
- 8.5. For the traffic forecast, conservative hypothesis were considered:
 - No additional effect due to an increase in Costa Rica motorization rate has been considered. Traffic growth models applied to the matrices is base only on the expected population growth in the metropolitan area.
 - No change or improvement in the willingness to pay of the user was considered. Normally, when the GPD of a country increases, so does the family income. The willingness to pay tolls in order to save time is related to user's income: income increases so does the willingness to pay. However, for the simulations done it was considered that the willingness to pay (measured as the VoT) did not change during the concession period.
 - No favourable qualitative effect was included in the model either (motorway bonus). That is, the route choice model depends only upon the travel time shavings (and toll cost) but not in the better knowledge of the toll road by the users (safer, less uncertainty in travel times, fewer interruptions due to flooding, etc.)

Base Case

- 8.6. For the projection and the construction of the base case, an EMME demand model was used, as well as the scenarios listed above. The steps for the projected traffic have been:
- Project the adjusted travel matrices from 2016 (peak AM) to 2020, 2025, 2030 and 2035
 - The projection was done in two separate parts: for the Metropolitan area, a growth model based on the forecast growth of the Plan de Ordenamiento Urbano de la Gran Área Metropolitana de San José was used. For the external zones it was used a growth model based on the national GPD forecast.
 - Decreasing elasticities with time were considered for the external areas, ending with a 0.8 for cars and 0.9 for trucks.
 - The projected matrices were assigned to the corresponding network configuration in order to obtain the traffic crossing the toll plazas for every assignment year.
 - Intermediate years are obtained by interpolating between modelled years.
- 8.7. Regarding new projects, an analysis of the impact that the traffic on Autopista del Sol would have if converting the San José – San Ramón road into a toll road, with the consequent increase in capacity and modification of the standard to urban road, was done. This toll road was granted as a concession, but the Concessionaire failed to construct it. Recently, the Administration announced the intention to construct this highway again. There is not specific information at the time this study is done on whether the road will be tolled or the tariff per plaza, if that is the case.
- 8.8. Therefore, several different scenarios were considered for the base case:
- No network changes until 2019
 - T1 San José - San Ramón with low fare to be open on 2019
 - T2 San José - San Ramón with low fare to be open on 2021
 - San José - San Ramón update in operation on 2023
 - Radial Santa Ana to be open on 2024
- 8.9. To define the base case series, the above scenarios have been assigned with trip matrices 2016, 2020, 2025, 2030 y 2035; and the corresponding traffic series have been built. The final series is the combination of all the series since commissioning each section until a new section comes into service.
- 8.10. With these hypothesis, the base case for each toll plaza is shown in the following table:

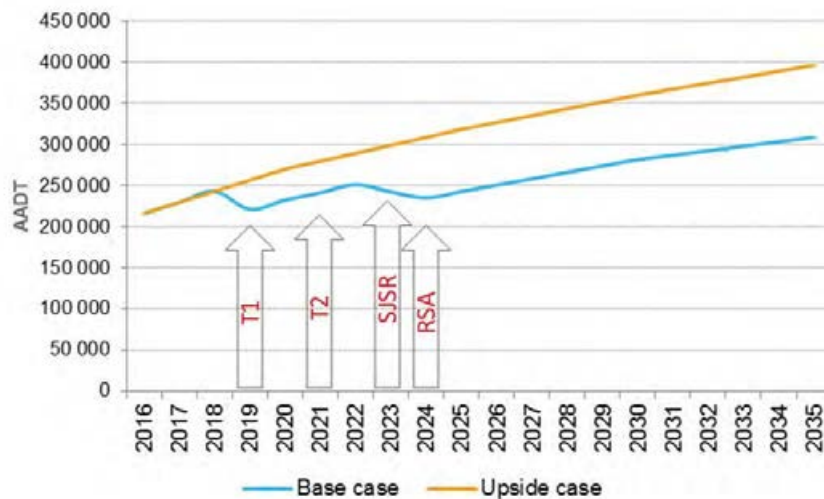
Table 8.1. Base case traffic series

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
	T1			T2			SISR			RSA											
Escazu	AAAT	103330	108444	113558	105324	108921	111949	115609	116113	129665	133234	136592	139951	143309	146668	150026	152723	154519	156766	159012	161258
	Cars	97166	102001	106837	98761	102083	104931	108439	108779	122307	125676	128878	132080	135282	138485	141687	143801	145915	148029	150144	152258
	Buses	2966	3083	3200	3097	3224	3341	3421	3460	3303	3404	3491	3579	3666	3753	3840	3913	3986	4059	4132	4205
	Trucks23	2521	2656	2791	2748	2877	2924	2982	3062	3263	3346	3401	3465	3509	3564	3618	3665	3711	3758	3804	3851
	Trucks4	134	140	145	142	146	149	152	161	157	160	163	166	169	172	175	177	180	182	185	187
C Colón	Trucks5+	543	564	585	575	592	603	615	651	634	647	659	671	683	695	707	717	727	737	747	757
	AAAT	22156	22893	23631	24789	25556	26126	26592	27428	28564	29131	29702	30273	30843	31414	31985	32354	32722	33091	33460	33829
	Cars	20546	21231	21915	23086	23797	24317	24742	25549	26694	27119	27757	28295	28833	29371	29909	30246	30583	30920	31257	31594
	Buses	803	835	866	838	873	905	926	937	894	922	945	969	992	1016	1040	1059	1079	1099	1119	1138
	Trucks23	737	757	777	789	810	827	844	861	883	897	905	913	921	929	938	949	960	971	982	993
San Rafael	Trucks4	21	22	22	23	23	24	24	25	28	28	29	29	29	30	30	30	31	31	31	31
	Trucks5+	48	50	51	52	54	55	56	56	64	65	66	66	67	68	69	69	70	71	71	72
	AAAT	35633	38831	42029	32078	34713	36499	38774	38454	22320	23749	25191	26633	28075	29518	30960	32028	33097	34166	35235	36304
	Cars	32212	35279	38345	28561	31061	32741	34931	34485	18189	20142	21497	22853	24208	25564	26920	27923	28925	29928	30931	31934
	Buses	887	922	957	926	964	1000	1023	1035	988	1018	1045	1071	1097	1123	1149	1171	1192	1214	1236	1258
Guácima	Trucks23	1830	1900	1970	1841	1916	1972	2018	2093	1723	1826	1871	1916	1960	2005	2037	2069	2101	2133	2165	2197
	Trucks4	113	117	121	120	124	126	129	135	127	130	132	135	137	140	142	144	146	148	150	152
	Trucks5+	590	612	634	630	648	660	673	706	662	678	691	704	717	731	744	754	764	774	784	794
	AAAT	2009	2159	2310	1941	2025	1925	2008	2202	867	996	1082	1168	1254	1340	1425	1467	1509	1550	1592	1633
	Cars	1802	1943	2085	1743	1822	1707	1786	1941	693	798	859	920	981	1042	1103	1141	1179	1217	1255	1293
Sigüeles	Buses	35	37	38	37	39	40	41	41	40	41	42	43	44	45	46	47	48	49	49	50
	Trucks23	142	146	150	112	121	134	137	152	88	109	132	154	177	199	222	225	228	232	235	239
	Trucks4	7	8	8	12	10	10	10	16	11	11	12	12	12	12	13	13	13	13	12	12
	Trucks5+	23	25	28	38	33	34	34	52	36	37	38	39	40	41	42	41	41	41	40	40
	AAAT	5678	6775	7871	3649	4458	5695	6451	7398	1995	2292	2358	3624	4290	4956	5621	6243	6865	7486	8108	8729
Atenas	Cars	4291	5325	6358	2505	3242	4392	5112	5836	945	1173	1753	2332	2911	3491	4070	4570	5071	5571	6071	6572
	Buses	293	305	317	306	319	331	338	342	327	337	345	354	363	371	380	387	394	402	409	416
	Trucks23	514	547	580	371	399	513	528	646	351	373	443	513	583	653	723	803	882	962	1042	1122
	Trucks4	38	39	40	31	33	33	30	31	24	27	27	28	28	29	29	32	34	36	38	41
	Trucks5+	542	559	576	436	465	429	442	536	348	382	390	397	404	412	419	451	483	515	547	579
Rampas Atenas	AAAT	21089	23214	25339	25454	27719	29380	31136	23292	24112	25279	26298	27317	28336	29355	30373	31005	31637	32268	32900	33532
	Cars	17352	19354	21355	21101	23280	24570	26221	18667	19407	20528	21099	22471	23442	24414	25386	25963	26541	27118	27695	28273
	Buses	900	936	971	940	978	1014	1038	1050	1003	1033	1060	1086	1113	1139	1166	1188	1210	1232	1254	1276
	Trucks23	1375	1407	1439	1500	1535	1568	1601	1637	1667	1714	1740	1766	1791	1817	1843	1861	1880	1899	1917	1936
	Trucks4	84	88	91	111	111	111	129	112	118	116	115	115	115	115	114	115	116	117	118	118
Rampas Atenas	Trucks5+	1377	1430	1483	1803	1814	2100	2144	1826	1919	1889	1884	1879	1874	1870	1865	1878	1890	1903	1916	1929
	AAAT	4468	4549	4630	3845	4035	4016	4103	3344	3092	3134	3156	3137	3138	3140	3141	3154	3167	3180	3193	3206
	Cars	4121	4193	4264	3483	3649	3621	3700	3008	2773	2962	2789	2781	2774	2767	2760	2772	2778	2784	2791	2797
	Buses	75	78	81	78	82	85	87	88	84	86	89	91	93	95	97	99	101	103	105	107
	Trucks23	259	265	271	271	292	299	306	236	224	240	245	251	257	263	269	274	279	283	288	293
Rampas Atenas	Trucks4	6	6	6	6	6	5	5	6	6	6	6	6	6	7	7	7	7	7	7	7
	Trucks5+	7	7	7	6	7	6	6	6	6	7	7	7	7	7	8	8	8	8	8	8

Plaza	2016	2017	2018	T1	T2	SUR	RSA	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Pozón	18.510	19.342	20.173	20.499	21.359	22.007	22.660	20.993	20.660	21.138	21.667	22.196	22.725	23.254	23.783	24.178	24.573	24.968	25.363	25.758
AADT	15.095	15.815	16.535	16.812	17.547	18.074	18.653	16.985	16.993	17.284	17.727	18.169	18.612	19.055	19.497	19.823	20.150	20.476	20.802	21.128
Cars	878	913	948	917	955	989	1.013	1.025	978	1.008	1.034	1.060	1.085	1.111	1.137	1.159	1.180	1.202	1.224	1.245
Trucks 23	1.161	1.192	1.222	1.250	1.294	1.350	1.398	1.273	1.292	1.332	1.363	1.393	1.423	1.453	1.483	1.513	1.543	1.573	1.603	1.633
Trucks 4	77	79	82	85	87	89	91	84	83	85	88	90	93	95	98	100	101	103	105	106
Trucks 5+	1.299	1.343	1.387	1.436	1.476	1.505	1.535	1.427	1.413	1.438	1.482	1.527	1.571	1.615	1.660	1.688	1.717	1.745	1.774	1.802
Rampas Pozon	3.656	3.748	3.840	3.913	4.005	4.076	4.148	4.171	4.222	4.291	4.366	4.441	4.516	4.592	4.667	4.714	4.760	4.807	4.854	4.901
AADT	2.951	3.011	3.072	3.132	3.193	3.246	3.344	3.396	3.447	3.499	3.552	3.605	3.657	3.710	3.745	3.781	3.816	3.852	3.887	3.925
Cars	208	216	225	217	226	235	240	243	232	239	245	251	257	263	270	275	280	285	290	295
Buses	239	255	271	283	298	302	311	281	286	292	305	318	331	343	356	359	362	366	369	372
Trucks 23	6	6	7	7	7	7	7	7	7	8	8	8	8	8	8	8	8	8	8	8
Trucks 4	251	258	266	273	281	286	291	295	300	305	309	312	316	320	323	326	329	332	335	338
Trucks 5+	216.529	229.955	243.381	221.493	232.791	241.674	251.512	242.796	235.496	243.245	250.992	258.740	266.487	274.234	281.982	287.415	292.849	298.283	303.716	309.150
Total	195.535	208.151	220.767	199.185	209.674	217.600	226.883	218.196	211.927	219.063	226.258	233.454	240.650	247.845	255.041	259.979	264.916	269.854	274.791	279.729
Cars	7.048	7.326	7.603	7.358	7.659	7.959	8.128	8.221	7.849	8.089	8.296	8.503	8.710	8.916	9.123	9.297	9.471	9.644	9.818	9.991
Buses	8.779	9.125	9.471	9.165	9.541	9.889	10.125	10.240	9.777	10.076	10.333	10.591	10.849	11.107	11.364	11.581	11.797	12.013	12.229	12.445
Trucks 23	487	505	523	535	548	570	583	583	561	570	579	589	598	607	617	626	636	645	655	664
Trucks 4	4.680	4.849	5.017	5.250	5.369	5.677	5.795	5.556	5.383	5.448	5.525	5.603	5.681	5.758	5.836	5.933	6.030	6.127	6.223	6.320
Trucks 5+	37.560	40.280	43.000	38.342	40.679	42.380	44.414	41.459	38.958	40.435	41.912	43.390	44.868	46.345	47.823	48.836	49.849	50.862	51.793	52.723
Total	1.395	1.450	1.504	1.456	1.516	1.571	1.608	1.627	1.553	1.601	1.641	1.682	1.723	1.764	1.805	1.840	1.874	1.908	1.943	1.977
Equivalents	1.877	1.946	2.016	1.957	2.034	2.108	2.159	2.185	2.071	2.135	2.188	2.241	2.294	2.347	2.399	2.444	2.488	2.533	2.578	2.624
Buses	110	114	118	123	126	133	135	133	129	130	132	134	136	138	140	142	144	146	148	150
Trucks 23	1.158	1.200	1.242	1.333	1.360	1.460	1.491	1.394	1.369	1.379	1.396	1.413	1.430	1.447	1.463	1.486	1.508	1.530	1.554	1.578
Trucks 4	42.100	44.990	47.880	43.211	45.714	47.652	49.808	46.798	44.079	45.680	47.270	48.860	50.450	52.041	53.631	54.747	55.863	56.979	58.016	59.053
Trucks 5+	6.2%	5.9%	-7.2%	5.1%	4.6%	4.6%	4.0%	-5.5%	-5.2%	3.2%	3.1%	3.0%	2.9%	2.8%	2.8%	2.0%	2.0%	1.9%	1.9%	1.8%
TOTAL EQ (%)	6.2%	5.9%	-7.2%	5.1%	4.6%	4.6%	4.0%	-5.5%	-5.2%	3.2%	3.1%	3.0%	2.9%	2.8%	2.8%	2.0%	2.0%	1.9%	1.9%	1.8%
Growth	6.2%	5.8%	5.8%	-9.0%	5.1%	3.8%	4.1%	-3.5%	-3.0%	3.3%	3.2%	3.1%	3.0%	2.9%	2.8%	1.9%	1.9%	1.9%	1.8%	1.8%
AADT	6.5%	6.1%	-9.8%	-9.8%	5.3%	3.8%	4.3%	-3.8%	-2.9%	3.4%	3.3%	3.2%	3.1%	3.0%	2.9%	1.9%	1.9%	1.9%	1.8%	1.8%
Cars	3.9%	3.8%	-3.2%	-3.2%	4.1%	3.6%	4.1%	1.1%	-4.5%	3.1%	2.6%	2.5%	2.4%	2.4%	2.3%	1.9%	1.9%	1.8%	1.8%	1.8%
Buses	3.9%	3.8%	-3.2%	-3.2%	4.1%	3.6%	4.1%	1.1%	-4.5%	3.1%	2.6%	2.5%	2.4%	2.4%	2.3%	1.9%	1.9%	1.8%	1.8%	1.8%
Trucks 23	3.7%	3.6%	2.4%	2.4%	2.3%	4.0%	2.0%	0.4%	-3.9%	1.6%	1.6%	1.6%	1.6%	1.6%	1.5%	1.5%	1.5%	1.5%	1.5%	1.4%
Trucks 4	3.6%	3.5%	4.6%	4.6%	2.3%	5.7%	2.1%	-4.1%	-3.1%	1.2%	1.4%	1.4%	1.4%	1.4%	1.3%	1.7%	1.6%	1.6%	1.6%	1.6%
Trucks 5+	3.6%	3.5%	4.6%	4.6%	2.3%	5.7%	2.1%	-4.1%	-3.1%	1.2%	1.4%	1.4%	1.4%	1.4%	1.3%	1.7%	1.6%	1.6%	1.6%	1.6%

- 8.11. When we analyze the growth, we observe that the years when a section of the San José – San Ramón is commissioned, the total traffic growth decreases respect to the previous period; and during the last years, the traffic growth rate is around 1.5%; even though the GDP forecast for those years is around 4% annual. This effect is due to the weight of the metropolitan traffic, which increase is more linked to the expected population evolution (and motorization) rather than the GDP.
- 8.12. In order to better understand the impact of the improvements of the San José – San Ramón highway over the traffic of the base case, we have produced the following figure, which shows the traffic series for the current network (no additional improvements, upside case) vs the base case considering improvements in San José – San Ramón highway.

Figure 8.1. Upside case vs base case



- 8.13. There are no plans to expand the capacity of any section of Autopista del Sol, based on the concession contract. To check the capacity vs traffic for the base case, we selected one toll plaza per section: Escazú, Siquiaries, Atenas and Pozón. For those plazas, the AM peak traffic forecast was obtained, and the equivalent traffic (cars+trucks multiplied by the car equivalent for each truck type) per lane and direction is compared with the maximum section’s capacity. When the AM peak is higher than the capacity, traffic congestion for this section can be expected.
- 8.14. The next table resumes the AM peak traffic per lane, and the years when the traffic exceeds the capacity appears in red. For the Escazú section, a widening will be needed on 2028 to accommodate the expected traffic. The Siquiaries section shows a particular growth: there will be capacity problems on 2017 and 2018, but after those years, the traffic will drop due the San José - San Ramón’s first section improvement,

up until 2022 when the traffic will exceed the capacity again. The Radial Santa Ana improvement will produce another traffic drop in this section, and with the current section, there will not be capacity problems until the concession's end.

Table 8.2. Equivalent vehicles per lane forecast. AM peak, base case

Year	Vequ. / lane AM Peak			
	Escazú	San Rafael	Atenas	Pozón
2016	1 582	1 552	640	592
2017	1 660	1 692	702	617
2018	1 739	1 831	763	643
2019	1 611	1 396	774	656
2020	1 666	1 511	839	682
2021	1 712	1 588	891	703
2022	1 768	1 687	942	725
2023	1 776	1 674	714	650
2024	1 992	966	741	660
2025	2 047	1 028	775	674
2026	2 098	1 091	804	691
2027	2 150	1 153	833	707
2028	2 201	1 216	862	723
2029	2 253	1 279	891	740
2030	2 304	1 341	920	756
2031	2 338	1 388	938	768
2032	2 373	1 434	956	780
2033	2 407	1 480	975	793
2034	2 441	1 526	993	805
2035	2 475	1 573	1 011	817

- 8.15. According to the terms of reference of the concession, the concessionaire must submit an expansion plan when traffic of each section exceeds 75% of capacity. The Administration will propose ways to finance the expansion works of the highway and an agreement will be reached between the parties. The following table shows in red the years in which 75% of capacity is reached or exceeded in the toll plazas sections, so sections up to San Rafael should be expanded, but the expansion of the rest of the highway would not be necessary until the end of the concession.

Year	% over capacity			
	Escazú	San Rafael	Atenas	Pozón
2016	72%	97%	40%	37%
2017	75%	106%	44%	39%
2018	79%	114%	48%	40%
2019	73%	87%	48%	41%
2020	76%	94%	52%	43%
2021	78%	99%	56%	44%
2022	80%	105%	59%	45%
2023	81%	105%	45%	41%
2024	91%	60%	46%	41%
2025	93%	64%	48%	42%
2026	95%	68%	50%	43%
2027	98%	72%	52%	44%
2028	100%	76%	54%	45%
2029	102%	80%	56%	46%
2030	105%	84%	58%	47%
2031	106%	87%	59%	48%
2032	108%	90%	60%	49%
2033	109%	93%	61%	50%
2034	111%	95%	62%	50%
2035	113%	98%	63%	51%

Stress Case

- 8.16. To build the stress case, two factors which can influence the possible evolution of demand and make it less than expected for the base case, have been considered:
- Smaller economic activity, and therefore a slower growth around San José metropolitan area.
 - That the tariff for the new and improved San José – San Ramón highway, is smaller than the one considered in the base case. For the stress case we considered that the Administration won't charge users, therefore the impact over the demand of Ruta 27 will be greater than in the base case.
- 8.17. To estimate the stress case, a similar methodology was followed, that for the base case:
- Build trip matrices for 2016, 2020, 2025, 2030 y 2035.
 - Assign matrices to the corresponding scenarios and network configurations of San José – San Ramón and Radial Santa Ana

- Build based on these results the stress traffic case.
- 8.18. For the network changes over the time, we assume a different calendar for the improvement of San José - San Ramón sections that the base case:
- No network changes until 2019
 - T1 San José - San Ramón without toll fare to be open on 2019
 - T2 San José - San Ramón without toll to be open on 2021
 - San José - San Ramón update in operation on 2022, including Radial Santa Ana
- 8.19. With these hypothesis, the traffic for the stress case for each toll plaza is shown in the following table:

Table 8.3. Stress case traffic series

	T1					T2												SISR+RSA			
Plaza	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Escazu	AAADT	103 330	107 261	111 192	100 156	102 729	105 542	113 812	117 355	120 898	124 441	127 844	131 247	134 650	138 053	141 456	143 430	145 404	147 378	149 352	151 326
	Cars	97 166	100 832	104 499	99 900	96 211	98 901	108 224	111 554	114 884	118 214	121 409	124 604	127 799	130 994	134 190	136 029	137 869	139 709	141 549	143 388
	Buses	2 966	3 078	3 190	2 958	3 082	3 177	2 349	2 452	2 555	2 658	2 771	2 885	2 999	3 112	3 226	3 289	3 352	3 415	3 477	3 540
	Trucks 23	2 521	2 651	2 781	2 592	2 715	2 729	2 591	2 660	2 728	2 797	2 882	2 966	3 051	3 135	3 220	3 281	3 341	3 401	3 462	3 522
	Trucks 4	134	139	143	140	143	146	128	137	145	153	155	157	159	161	163	165	167	169	171	174
	Trucks 5+	543	561	579	565	579	589	519	553	586	620	627	635	642	650	658	666	675	684	693	702
C Colón	AAADT	22 156	22 769	23 383	23 953	24 418	25 097	27 044	27 618	28 191	28 765	29 232	29 700	30 167	30 634	31 102	31 421	31 741	32 060	32 380	32 699
	Cars	20 546	21 110	21 674	22 236	22 707	23 346	25 418	25 954	26 489	27 025	27 454	27 883	28 312	28 740	29 169	29 464	29 760	30 055	30 350	30 645
	Buses	803	833	864	801	834	860	636	664	692	719	750	781	812	843	873	890	907	924	941	958
	Trucks 23	737	755	773	782	801	814	903	912	921	930	937	944	952	959	966	973	980	986	993	999
	Trucks 4	21	22	22	22	23	23	26	27	27	28	28	28	28	28	28	28	28	29	29	29
	Trucks 5+	48	49	50	51	53	54	60	61	62	63	63	64	64	64	64	65	65	66	66	67
San Rafael	AAADT	35 633	38 098	40 563	27 048	28 879	31 305	12 482	13 647	14 812	15 977	17 610	19 243	20 876	22 509	24 141	25 022	25 902	26 783	27 663	
	Cars	32 212	34 557	36 901	23 713	25 394	27 774	10 171	11 222	12 273	13 324	14 828	16 331	17 835	19 339	20 843	21 648	22 453	23 258	24 063	
	Buses	887	921	954	885	922	951	703	734	764	795	829	863	897	931	965	984	1 003	1 022	1 040	
	Trucks 23	1 830	1 895	1 960	1 713	1 808	1 813	1 003	1 046	1 088	1 131	1 217	1 303	1 389	1 475	1 561	1 607	1 653	1 699	1 745	
	Trucks 4	113	116	120	118	121	123	97	104	110	117	118	120	122	122	124	126	127	129	131	
	Trucks 5+	590	609	627	619	634	645	508	542	576	610	618	625	633	640	648	657	666	675	684	
Guácima	AAADT	2 009	2 121	2 233	1 880	1 978	1 941	242	351	459	568	640	711	783	855	927	952	977	1 002		
	Cars	1 802	1 906	2 011	1 627	1 733	1 609	214	321	428	535	596	656	717	778	839	857	876	894		
	Buses	35	37	38	35	37	38	28	29	31	32	33	34	36	37	39	39	40	41		
	Trucks 23	142	145	148	144	133	222	0	1	1	1	1	1	2	2	2	7	11	16		
	Trucks 4	7	8	8	17	18	17	0	0	0	0	2	4	7	9	11	11	12	12		
	Trucks 5+	23	25	27	27	27	55	55	0	0	0	7	14	22	29	36	37	38	39		
Siquires	AAADT	5 678	6 563	7 448	2 159	2 518	4 161	1 034	1 264	1 493	1 723	2 421	3 118	3 815	4 513	5 210	5 660	6 110	6 560		
	Cars	4 291	5 113	5 935	1 132	1 434	2 962	261	388	515	642	1 291	1 939	2 588	3 236	3 885	4 306	4 727	5 148		
	Buses	293	305	316	293	305	314	232	243	253	263	274	285	297	308	319	325	332	338		
	Trucks 23	514	551	589	325	361	456	281	348	415	482	518	553	589	625	661	677	694	711		
	Trucks 4	38	39	40	27	27	28	17	19	20	22	22	22	22	23	23	23	23	24		
	Trucks 5+	542	555	569	383	391	401	242	266	290	314	316	318	319	321	323	328	334	339		
Atenas	AAADT	21 089	22 733	24 377	22 752	24 495	25 947	11 473	12 308	13 142	13 977	15 241	16 505	17 768	19 032	20 296	21 029	21 761			
	Cars	17 352	18 885	20 418	18 272	19 878	21 524	8 929	9 569	10 210	10 851	11 947	13 044	14 140	15 236	16 332	17 004	17 676			
	Buses	900	934	968	898	935	964	713	744	775	807	841	876	910	945	979	998	1 017			
	Trucks 23	1 375	1 404	1 433	1 490	1 532	1 560	868	977	1 086	1 195	1 265	1 336	1 406	1 477	1 547	1 576	1 606			
	Trucks 4	84	87	90	121	124	110	56	59	62	65	69	72	76	79	83	84	84			
	Trucks 5+	4 468	4 526	4 584	3 202	3 163	3 323	2 540	2 520	2 500	2 480	2 482	2 483	2 485	2 486	2 488	2 493	2 498			
Rampas Ater	AAADT	4 121	4 171	4 221	2 883	2 975	2 983	2 270	2 292	2 315	2 337	2 333	2 329	2 325	2 321	2 316	2 309	2 302			
	Cars	75	78	81	75	78	81	60	62	65	67	70	73	76	79	82	83	85			
	Buses	259	264	269	233	251	246	200	155	109	64	67	70	73	76	79	89	99			
	Trucks 23	6	6	6	5	5	5	5	5	5	5	5	5	5	5	5	5	6			
	Trucks 4	7	7	7	6	6	6	5	5	5	5	5	5	5	5	5	5	6			
	Trucks 5+	7	7	7	6	6	6	5	5	5	5	5	5	5	5	5	5	6			

Traffic and Revenue Update Autopista del Sol (Costa Rica)

Final Report

Plaza	2016	2017	2018	T1			T2			SISR-RSA			2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Pozón																									
AADT	18.510	19.157	19.805	19.654	20.334	20.926	16.799	17.349	17.898	18.447	19.008	19.568	20.128	20.688	21.248	21.808	22.368	22.928	23.488	24.048	24.608	25.168	25.728	26.288	26.848
Cars	15.095	15.636	16.177	16.060	16.629	17.132	14.071	14.472	14.874	15.276	15.740	16.204	16.668	17.133	17.598	18.063	18.527	18.992	19.457	19.921	20.386	20.851	21.316	21.781	22.246
Buses	878	912	945	876	913	946	696	726	757	787	821	854	888	922	955	989	1.022	1.056	1.090	1.124	1.158	1.192	1.226	1.260	1.294
Trucks 23	1.161	1.194	1.227	1.220	1.259	1.290	836	885	934	984	1.026	1.068	1.110	1.153	1.195	1.238	1.281	1.324	1.367	1.410	1.453	1.496	1.539	1.582	1.625
Trucks 4	77	79	81	84	86	87	67	71	74	78	79	80	81	83	84	85	86	87	88	89	90	91	92	93	94
Trucks 5+	1.299	1.337	1.375	1.415	1.448	1.476	1.130	1.194	1.259	1.323	1.342	1.361	1.379	1.398	1.417	1.436	1.455	1.474	1.493	1.512	1.531	1.550	1.569	1.588	1.607
Rampas Pozz/AADT	3.656	3.728	3.800	3.828	3.894	3.973	3.962	4.030	4.098	4.167	4.232	4.298	4.363	4.428	4.494	4.558	4.623	4.688	4.753	4.818	4.883	4.948	5.013	5.078	5.143
Cars	2.951	2.997	3.042	3.088	3.134	3.188	3.236	3.288	3.340	3.392	3.439	3.487	3.534	3.582	3.630	3.661	3.692	3.724	3.755	3.787	3.818	3.849	3.880	3.911	3.942
Buses	208	216	224	208	216	223	165	172	179	187	195	203	210	218	226	231	235	240	244	248	253	257	261	265	269
Trucks 23	239	251	263	256	261	274	269	274	278	283	289	296	303	310	317	322	328	333	338	344	349	354	359	364	369
Trucks 4	6	6	7	7	7	7	7	7	7	7	7	7	7	8	8	8	8	8	8	8	8	8	8	8	8
Trucks 5+	251	257	263	270	276	280	285	289	294	299	301	304	307	310	313	316	318	321	323	325	328	331	333	336	339
Total	216.529	226.957	237.385	204.633	212.562	222.215	189.388	196.441	203.493	210.545	218.709	226.872	235.036	243.199	251.362	259.525	267.688	275.851	284.014	292.177	300.340	308.503	316.666	324.829	332.992
AADT	195.535	205.207	214.878	182.971	190.095	199.420	172.794	179.061	185.328	191.595	199.036	206.478	213.919	221.360	228.801	236.242	243.683	251.124	258.565	266.006	273.447	280.888	288.329	295.770	303.211
Cars	7.048	7.314	7.580	7.028	7.322	7.549	5.982	5.826	6.070	6.314	6.585	6.855	7.125	7.395	7.665	7.935	8.205	8.475	8.745	9.015	9.285	9.555	9.825	10.095	10.365
Buses	8.779	9.111	9.442	8.754	9.121	9.403	6.953	7.257	7.561	7.865	8.202	8.538	8.875	9.211	9.548	9.734	10.106	10.478	10.850	11.222	11.594	11.966	12.338	12.710	13.082
Trucks 23	487	502	517	541	554	547	403	427	451	476	486	497	507	518	528	534	541	547	554	560	567	573	579	585	591
Trucks 4	4.680	4.823	4.967	5.338	5.469	5.295	3.657	3.870	4.082	4.295	4.400	4.505	4.610	4.715	4.820	4.868	4.916	4.964	5.013	5.061	5.110	5.158	5.207	5.255	5.304
Trucks 5+	37.560	39.641	41.722	34.731	36.345	38.396	29.839	31.066	32.293	33.320	35.085	36.650	38.215	39.780	41.345	42.279	43.212	44.146	45.080	46.013	46.947	47.880	48.813	49.747	50.680
Total	1.395	1.447	1.500	1.391	1.449	1.494	1.104	1.153	1.201	1.249	1.303	1.356	1.410	1.463	1.517	1.546	1.576	1.605	1.635	1.664	1.694	1.724	1.754	1.784	1.814
Equivalents	1.875	1.944	2.011	1.876	1.954	2.011	1.365	1.442	1.520	1.597	1.675	1.754	1.832	1.910	1.989	2.029	2.068	2.108	2.148	2.188	2.228	2.268	2.308	2.348	2.388
Trucks 23	110	113	117	126	129	126	88	93	99	104	107	109	112	114	117	118	120	121	123	124	125	126	127	128	129
Trucks 4	1.158	1.194	1.230	1.372	1.407	1.342	876	928	980	1.033	1.062	1.091	1.121	1.150	1.180	1.191	1.202	1.214	1.225	1.237	1.248	1.259	1.270	1.281	1.292
Trucks 5+	42.100	44.340	46.580	39.496	41.283	43.368	33.272	34.682	36.092	37.503	39.231	40.960	42.689	44.418	46.147	47.163	48.179	49.194	50.210	51.226	52.241	53.257	54.273	55.289	56.305
TOTAL EQ. (%)				-11.4%	4.2%	3.5%	-25.4%	4.5%	4.3%	4.1%	4.4%	4.2%	4.0%	3.9%	3.7%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
AADT		4.8%	4.6%	-13.8%	3.9%	4.5%	-14.8%	3.7%	3.6%	3.5%	3.9%	3.7%	3.6%	3.5%	3.4%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.8%
Cars		4.9%	4.7%	-14.8%	3.9%	4.9%	-13.4%	3.6%	3.5%	3.4%	3.9%	3.7%	3.6%	3.5%	3.4%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.8%	1.8%
Buses		3.8%	3.6%	-7.3%	4.2%	3.1%	-26.1%	4.4%	4.2%	4.0%	4.3%	4.1%	3.9%	3.8%	3.7%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.8%	1.8%	1.8%
Trucks 23		3.8%	3.6%	-7.3%	4.2%	3.1%	-26.1%	4.4%	4.2%	4.0%	4.3%	4.1%	3.9%	3.8%	3.7%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.8%	1.8%	1.8%
Trucks 4		3.2%	3.1%	4.6%	2.4%	-1.3%	-26.3%	6.0%	5.7%	5.4%	2.2%	2.2%	2.1%	2.1%	2.0%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Trucks 5+		3.1%	3.0%	7.5%	2.5%	-3.2%	-30.9%	5.8%	5.5%	5.2%	2.4%	2.4%	2.3%	2.3%	2.2%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

8.20. The following graphs can illustrate the stress case, and the differences between the case without network changes, and the comparison with the base case.

Figure 8.2. Stress case vs Upside case

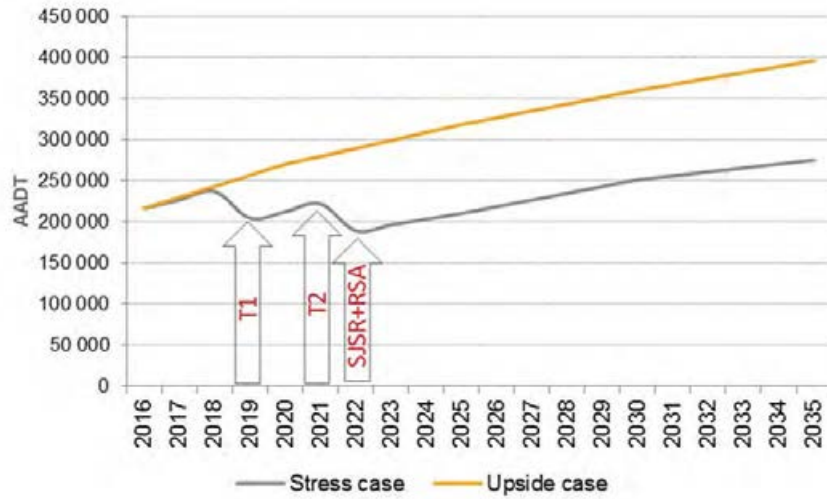
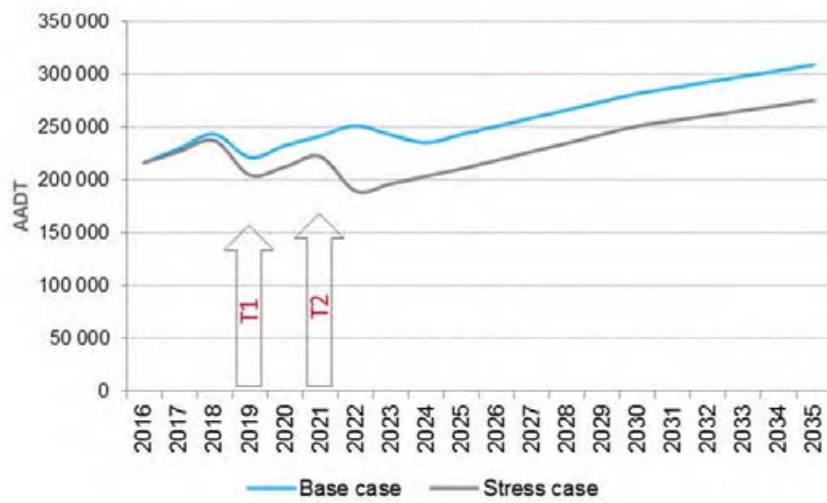


Figure 8.3. Stress vs Base Case



Upside Case

- 8.21. As mentioned in previous sections, one of the factors that have more impact on the San José – Caldera highway traffic is the improvement of San José – San Ramón itinerary.
- 8.22. There are doubts that the resources of the Administration will allow the improvement of the San José – San Ramón highway as planned.
- 8.23. For such reason, an upside case has been estimated with the following assumptions:
- Economic and population evolution equal to that of the base year of traffic;
 - No increase in capacity on the San José – San Ramón highway.
- 8.24. In order to estimate the upside case, the methodology used has been the same than in previous cases.

Table 8.4. Upside case traffic series

Plaza	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Escazu	AAAT	103 330	108 486	113 642	118 798	123 954	127 777	131 600	135 423	139 247	143 070	146 893	149 668	152 968	156 267	159 566	161 708	163 849	165 991	168 132	170 273
	Cars	97 166	102 001	106 837	111 673	116 509	120 129	123 749	127 369	130 990	134 610	137 900	141 002	144 197	147 393	150 589	152 637	154 686	156 734	158 782	160 831
	Buses	2 966	3 125	3 284	3 443	3 602	3 698	3 794	3 891	3 987	4 083	4 133	4 184	4 234	4 284	4 335	4 378	4 421	4 464	4 508	4 551
	Trucks 23	2 521	2 656	2 791	2 926	3 061	3 143	3 224	3 306	3 388	3 470	3 512	3 555	3 598	3 641	3 683	3 720	3 757	3 794	3 830	3 867
	Trucks 4	134	140	145	150	155	160	165	170	175	180	182	184	186	188	190	193	195	198	201	203
	Trucks 5+	543	564	585	606	627	647	667	687	707	727	736	744	752	761	769	780	790	801	811	821
C Colón	AAAT	22 156	22 883	23 611	24 338	25 066	25 404	25 743	26 082	26 421	26 760	27 403	28 047	28 691	29 334	29 978	30 371	30 765	31 158	31 551	31 945
	Cars	20 546	21 231	21 915	22 599	23 283	23 583	23 883	24 183	24 483	24 783	25 293	25 803	26 313	26 823	27 334	27 730	28 126	28 522	28 919	29 315
	Buses	803	825	846	868	890	909	929	948	968	987	1 057	1 126	1 196	1 265	1 335	1 333	1 331	1 329	1 327	1 325
	Trucks 23	737	757	777	796	816	834	852	870	888	906	970	1 033	1 097	1 161	1 225	1 223	1 221	1 219	1 218	1 216
	Trucks 4	21	22	22	23	23	24	24	25	25	26	26	26	26	26	26	26	26	26	26	27
	Trucks 5+	48	50	51	52	53	54	55	56	57	58	59	59	59	59	60	60	60	61	61	62
San Rafael	AAAT	35 633	38 830	42 026	45 223	48 420	50 645	52 870	55 094	57 319	59 544	61 317	63 090	64 864	66 637	68 410	69 561	70 711	71 862	73 012	74 163
	Cars	32 212	35 279	38 345	41 412	44 479	46 586	48 693	50 800	52 906	55 013	56 806	58 599	60 391	62 184	63 977	65 061	66 146	67 231	68 316	69 400
	Buses	887	921	955	989	1 023	1 054	1 084	1 115	1 146	1 176	1 167	1 157	1 148	1 138	1 129	1 116	1 104	1 091	1 078	1 065
	Trucks 23	1 830	1 900	1 970	2 040	2 110	2 174	2 237	2 300	2 363	2 426	2 407	2 387	2 367	2 348	2 328	2 304	2 280	2 256	2 232	2 208
	Trucks 4	113	117	121	125	130	134	137	141	145	149	150	152	154	155	157	159	161	163	165	167
	Trucks 5+	590	612	634	656	678	698	718	739	759	779	787	795	803	811	820	830	841	851	862	872
Guácima	AAAT	2 009	2 159	2 309	2 459	2 609	2 739	2 870	3 000	3 130	3 260	3 365	3 469	3 574	3 679	3 783	3 840	3 897	3 954	4 011	4 068
	Cars	1 802	1 943	2 085	2 227	2 369	2 493	2 617	2 741	2 866	2 990	3 088	3 186	3 285	3 383	3 481	3 534	3 588	3 641	3 694	3 748
	Buses	35	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	51	52	53	53
	Trucks 23	142	146	150	155	159	163	167	171	175	179	184	188	193	197	202	204	206	209	211	213
	Trucks 4	7	8	8	9	10	10	10	10	11	11	11	11	11	12	12	12	12	12	12	12
	Trucks 5+	23	25	28	30	32	33	34	34	35	35	36	37	37	38	39	39	39	40	40	41
Siquiaraes	AAAT	5 678	6 782	7 886	8 990	10 094	11 080	12 066	13 052	14 038	15 023	15 686	16 348	17 010	17 672	18 334	20 381	22 429	24 476	26 523	28 571
	Cars	4 291	5 325	6 358	7 392	8 426	9 158	9 890	10 623	11 355	12 087	12 647	13 208	13 768	14 329	14 889	15 375	15 861	16 346	16 832	17 318
	Buses	293	312	331	350	369	387	405	423	442	460	468	476	484	492	500	508	516	524	532	540
	Trucks 23	514	547	580	613	646	679	712	745	778	811	845	879	913	947	980	1 014	1 048	1 082	1 116	1 150
	Trucks 4	38	39	40	42	43	44	44	45	46	46	50	55	59	63	67	73	79	85	91	97
	Trucks 5+	542	559	576	593	609	619	629	639	649	658	718	778	838	898	958	1 018	1 078	1 138	1 198	1 258
Atenas	AAAT	21 089	23 200	25 310	27 420	29 530	30 988	32 445	33 903	35 361	36 819	37 930	39 042	40 153	41 265	42 376	43 356	44 335	45 314	46 293	47 272
	Cars	17 352	19 354	21 355	23 356	25 358	26 718	28 079	29 440	30 801	32 161	33 237	34 312	35 387	36 462	37 537	38 174	38 810	39 447	40 084	40 720
	Buses	900	921	942	963	983	1 005	1 027	1 049	1 071	1 093	1 065	1 037	1 009	981	953	925	897	869	841	813
	Trucks 23	1 375	1 407	1 439	1 470	1 502	1 536	1 569	1 603	1 636	1 670	1 627	1 584	1 541	1 498	1 455	1 502	1 548	1 595	1 642	1 688
	Trucks 4	84	88	91	94	97	100	102	105	107	109	116	122	128	134	140	140	156	171	186	202
	Trucks 5+	1 377	1 430	1 483	1 536	1 589	1 629	1 668	1 707	1 746	1 785	1 886	1 988	2 089	2 190	2 291	2 541	2 791	3 041	3 291	3 541
Rampas Atenas	AAAT	4 468	4 548	4 627	4 706	4 786	4 791	4 797	4 803	4 808	4 814	4 857	4 899	4 942	4 985	5 027	5 030	5 032	5 034	5 037	5 039
	Cars	4 121	4 193	4 264	4 336	4 408	4 399	4 390	4 381	4 372	4 363	4 395	4 427	4 460	4 492	4 525	4 535	4 544	4 554	4 564	4 574
	Buses	75	77	78	80	82	85	88	92	95	98	101	103	105	108	110	108	107	105	103	102
	Trucks 23	259	265	271	276	282	293	304	316	327	338	347	355	363	371	379	374	368	362	356	350
	Trucks 4	6	6	6	6	6	7	7	7	7	7	7	7	7	6	6	6	6	6	6	6
	Trucks 5+	7	7	7	7	8	8	8	8	8	8	8	8	8	7	7	7	7	7	7	7

Plaza	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
Pozón																					
AA DT	18 540	19 330	20 151	20 971	21 791	22 462	23 132	23 803	24 474	25 144	25 866	26 387	27 008	27 630	28 251	28 680	29 109	29 538	29 968	30 397	
Cars	15 095	15 815	16 535	17 255	17 975	18 503	19 031	19 560	20 088	20 617	21 179	21 742	22 304	22 867	23 430	23 798	24 166	24 535	24 903	25 272	
Buses	878	902	925	948	971	1 019	1 066	1 114	1 161	1 209	1 237	1 263	1 287	1 311	1 335	1 359	1 383	1 407	1 431	1 455	
Trucks 23	1 161	1 192	1 222	1 253	1 284	1 346	1 409	1 472	1 535	1 597	1 616	1 635	1 654	1 673	1 692	1 709	1 727	1 744	1 762	1 779	
Trucks 4	77	79	82	85	87	89	91	92	94	96	97	99	100	102	103	105	106	108	110	112	
Trucks 5+	1 299	1 343	1 387	1 431	1 475	1 505	1 535	1 565	1 595	1 625	1 650	1 674	1 698	1 722	1 746	1 775	1 803	1 831	1 860	1 888	
Rampas Pozon																					
AA DT	3 656	3 753	3 851	3 949	4 047	4 118	4 189	4 261	4 332	4 403	4 467	4 532	4 596	4 660	4 724	4 769	4 814	4 860	4 905	4 950	
Cars	2 951	3 011	3 072	3 132	3 193	3 246	3 299	3 353	3 406	3 459	3 510	3 561	3 612	3 663	3 714	3 749	3 785	3 821	3 856	3 892	
Buses	208	222	236	249	263	269	275	281	287	293	298	302	307	311	315	318	321	324	327	330	
Trucks 23	239	255	271	287	303	310	317	324	330	337	342	348	353	358	363	366	370	373	376	380	
Trucks 4	6	6	7	7	7	7	7	7	7	7	8	8	8	8	8	8	8	8	8	8	
Trucks 5+	251	258	266	273	281	286	291	296	301	306	310	313	317	320	324	327	330	334	337	341	
Total	216 529	229 971	243 413	256 855	270 297	280 005	289 713	299 421	309 129	318 837	327 160	335 482	343 805	352 127	360 450	367 696	374 941	382 187	389 432	396 678	
Transactions	195 535	208 151	220 767	233 382	245 998	254 815	263 632	272 449	281 266	290 083	297 961	305 839	313 718	321 596	329 475	334 593	339 712	344 831	349 950	355 069	
Buses	7 048	7 342	7 635	7 929	8 223	8 537	8 852	9 167	9 481	9 796	9 914	10 032	10 150	10 268	10 386	10 603	10 821	11 039	11 256	11 474	
Trucks 23	8 779	9 125	9 471	9 817	10 163	10 599	11 036	11 472	11 908	12 345	12 449	12 554	12 658	12 763	12 867	13 201	13 534	13 868	14 201	14 534	
Trucks 4	487	505	523	541	559	574	588	602	617	631	647	663	678	694	710	814	918	1 022	1 126	1 230	
Trucks 5+	4 680	4 849	5 017	5 185	5 354	5 479	5 605	5 731	5 857	5 983	6 189	6 395	6 601	6 807	7 012	8 484	9 956	11 427	12 899	14 370	
Total	37 560	40 280	43 000	45 720	48 439	50 348	52 256	54 164	56 072	57 980	59 639	61 297	62 955	64 614	66 272	67 331	68 389	69 447	70 506	71 564	
Equivalents	1 395	1 449	1 504	1 559	1 613	1 676	1 739	1 802	1 865	1 929	1 938	1 948	1 957	1 967	1 977	2 024	2 071	2 118	2 165	2 212	
Trucks 23	1 877	1 946	2 016	2 085	2 154	2 246	2 337	2 428	2 520	2 611	2 616	2 622	2 627	2 632	2 637	2 711	2 784	2 858	2 931	3 005	
Trucks 4	110	114	118	122	126	130	133	136	139	143	147	151	155	159	163	185	208	230	253	276	
Trucks 5+	1 158	1 200	1 242	1 284	1 327	1 358	1 390	1 421	1 453	1 484	1 539	1 594	1 650	1 705	1 760	2 084	2 407	2 731	3 055	3 378	
TOTAL EQ. (%)	42 100	44 990	47 880	50 770	53 660	55 757	57 855	59 952	62 049	64 147	65 879	67 612	69 344	71 076	72 809	74 334	75 859	77 384	78 910	80 435	
Growth																					
AA DT	6.2%	5.8%	5.9%	5.5%	5.2%	3.8%	3.6%	3.5%	3.4%	3.3%	2.6%	2.6%	2.5%	2.4%	2.4%	3.9%	3.8%	3.6%	3.5%	3.4%	
Cars	6.5%	6.1%	6.1%	5.7%	5.4%	3.6%	3.5%	3.4%	3.2%	3.1%	2.6%	2.5%	2.4%	2.3%	2.4%	2.0%	2.0%	1.9%	1.9%	1.9%	
Buses	4.2%	4.0%	4.0%	3.8%	3.7%	3.8%	3.7%	3.6%	3.4%	3.3%	3.2%	3.1%	3.0%	2.9%	2.8%	2.1%	2.1%	2.0%	2.0%	1.9%	
Trucks 23	3.9%	3.8%	3.8%	3.7%	3.5%	4.3%	4.1%	4.0%	3.8%	3.7%	0.8%	0.8%	0.8%	0.8%	0.8%	2.6%	2.5%	2.5%	2.4%	2.3%	
Trucks 4	3.7%	3.6%	3.5%	3.4%	3.4%	2.6%	2.5%	2.5%	2.4%	2.3%	2.5%	2.4%	2.4%	2.3%	2.3%	14.7%	12.8%	11.3%	10.2%	9.2%	
Trucks 5+	3.6%	3.5%	3.4%	3.4%	3.2%	2.4%	2.3%	2.2%	2.2%	2.1%	3.4%	3.3%	3.2%	3.1%	3.0%	21.0%	17.3%	14.8%	12.9%	11.4%	

Document Control

Project	Traffic And Revenue Update Autopista Del Sol (Costa Rica)		
Project N°	21607		
Author	ELL/RMR/PEG/SSM	Review	ELL
Client	Globalvia		
Version	12	Date	11/04/17

Changes Track

Version	Date	Summary of Changes
1	20/07/16	Preliminary Report
2	22/07/16	Includes additional analysis
3	26/07/16	Review of Citi' observations
4	09/08/16	Change of several graphs and tables according to Citi' suggestion
5	16/08/16	Additional revisions submitted by Citi
6	19/08/16	Final minor comments suggested by Citi
7	26/09/16	Minor changes requested by Citi concerning graph's colours, etc.
8	28/09/16	Minor changes requested by Citi regarding renaming cases, etc.
9	11/11/16	Explanation of figure 4.4, page 53
10	21/11/2016	Adding data to traffic series and change on explanation of figure 4.4, page 53
11	16/01/17	Delete some paragraphs (8.14-8.20), include Upside Case
12	11/04/17	Updated typo pg. 150

Final Report Acceptance

Client contact	Signature and date

Disclaimer Notice

This report has been produced for **Globalvia** and should only be used under the scheme of the project **Traffic And Revenue Update Autopista Del Sol (Costa Rica)**.

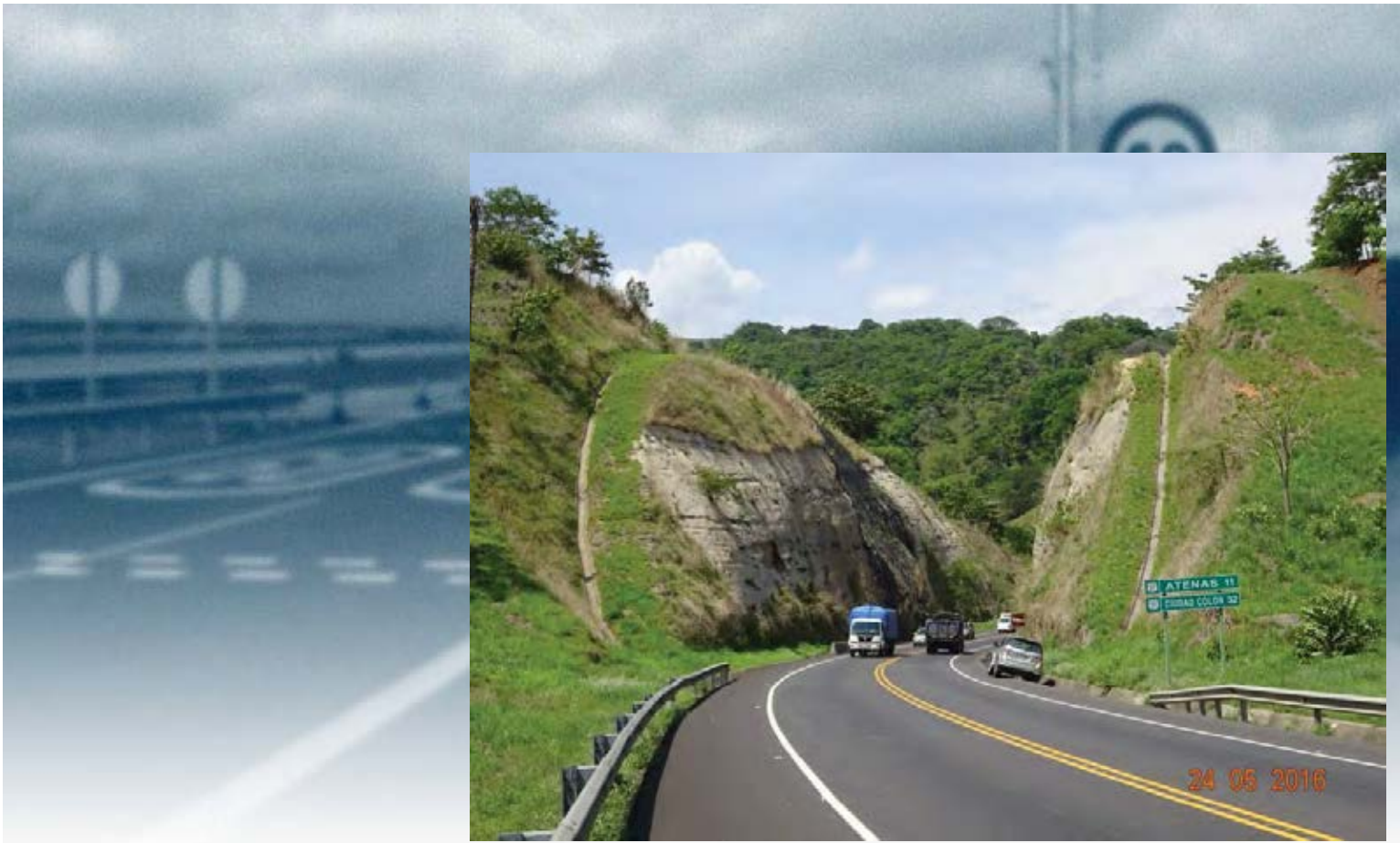
The projections included in this document represent the best estimate of Diadro Consulting. They are based on the most reliable information available at the date of its creation and represent a reasonable expectation for the future.

The calculations contained within this document rely on assumptions and judgments, in some cases, linked to external events or circumstances that can change and may affect the outcome.

In the event that part of this analysis is based on data collected by others, and although Diadro Consulting has controlled its production as far as possible, assumes no responsibility nor guarantees the accuracy of information supplied by third parties.

This document should be treated as complete; no part of it can be separated from the rest. It consists of **159** pages, including these Control sheets.

APPENDIX B: INDEPENDENT ENGINEER'S REPORT



TECHNICAL REPORT OF THE ROUTE 27 CONCESSION. SECTION: SAN JOSÉ - CALDERA

■ 24 May 2017 ■



Grupo TYPESA
Gomera 9
28703 S.S. de los Reyes - Madrid
Tel. (34) 91 722 73 00
Fax (34) 91 6517588
e-mail: madrid@typsa.com
www.typsa.com

TABLE OF CONTENTS

1. PURPOSE OF THIS DOCUMENT	4
2. CURRENT CONDITION OF THE INFRASTRUCTURE	4
2.1. DESCRIPTION OF THE CONCESSION	4
2.1.1. Section I San Jose - Ciudad Colón	5
2.1.2. Section II: Colón-Orotina	5
2.1.3. Section III: Orotina - San José de la Caldera	6
2.2. "IN SITU" ANALYSIS OF THE CONCESSION	8
2.3. ANALYSIS OF THE CONDITION SURVEYS PERFORMED	11
2.3.1. Plan for condition survey of the road pavement	11
2.3.2. Analysis of the condition surveys performed on the pavements	13
2.3.2. Structures	15
2.4. ANALYSIS OF RENEWALS	16
2.4.1. Pavements	16
2.4.2. Slopes	17
2.4.3. Structures	17
3. ANALYSIS OF THE CONTRACTUAL DOCUMENTATION	18
3.1. INTRODUCTION	18
3.2. CONCESSION CONTRACT	19
3.2.1. Introduction	19
3.2.2. Applicable law	19
3.2.3. Dates of award and winning bidder	19
3.2.4. Documents that form part of the contract	20
3.2.5. Ownership of the works affected by the concession	20
3.2.6. Term of the Concession	20
3.2.7. Concessionaire's obligations in the O & M phase	20
3.2.8. Financial terms of the Contract	23
4. ANALYSIS OF PENALTIES OR BONUSES	44
5. TRAFFIC ANALYSIS	44
6. ANALYSIS OF OPERATION AND MAINTENANCE WORK	50
6.1. ORGANIZATIONAL STRUCTURE AND MEANS	50
6.2. SUBCONTRACTS: MEANS AVAILABLE AND COSTS	53
6.2.1. EULEN SECURITY Contract	53
6.2.2. STT GROUP DE CR SOCIEDAD ANÓNIMA Contract	54
6.2.3. CONSTRUCTORA HERNAN SOLIS Contract	54
6.2.4. EMERGENCIAS MÉDICAS DEL CONTINENTE, S.A. Contract	55

6.2.5. Other contracts.....	55
7. ANALYSIS OF PROPOSED RENEWALS	55
7.1. PAVEMENT	55
7.1.1. Pavement Maintenance Plan.....	55
7.1.2. Analysis of the measures proposed	57
7.2. CUTS	58
7.3. STRUCTURES	59
7.4. OTHER ITEMS.....	60
8. COST ANALYSIS	60
8.1. COSTS OF PERIODIC AND ROUTINE MAINTENANCE	60
8.1.1. Operation and maintenance cost analysis.....	60
8.1.2. Operation and maintenance costs for the years remaining in the concession	62
8.2. COSTS OF RENEWALS	62
8.2.1. Pavement	62
8.2.2. Cuts.....	63
8.2.3. Structures.....	63
8.2.4. Tolls	64
8.2.5. Costs of renewals for the years remaining in the concession.....	64
9. ROAD SAFETY	65
10. ENVIRONMENTAL ANALYSIS	68
11. ANALYSIS OF THE OCCUPATIONAL HEALTH PLAN	69
12. INSURANCE ANALYSIS	69
13. CONCLUSIONS	70
13.1. ANALYSIS OF THE CONCESSION STATUS.....	70
13.1.1. On-site analysis of the Concession.....	70
13.1.2. Analysis of measurements.....	70
13.1.3. Analysis of the renewals.....	71
13.2. ANALYSIS OF THE CONTRACT DOCUMENTS.....	71
13.3. TRAFFIC ANALYSIS.....	73
13.4. ANALYSIS OF CONSERVATION AND MAINTENANCE.....	73
13.5. ANALYSIS OF RENOVATION OPERATIONS	73
13.5.1. Pavement	73
13.5.2. Cuts.....	74
13.5.3. Structures.....	74
13.6. ECONOMIC ANALYSIS OF THE CONCESSION.....	75
13.6.1. Analysis of penalties and bonuses.....	75

13.6.2. Analysis of Maintenance and Conservation Costs.....	75
13.6.3. Cost of renewals and repairs.....	75
13.7. ENVIRONMENTAL ANALYSIS.....	75
13.8. ANALYSIS OF THE OCCUPATIONAL HEALTH PLAN.....	75
13.9. ANALYSIS OF INSURANCE.....	75
ANNEXES.....	76
ANNEX 1. VISIT TO THE CONCESSION.....	76
ANNEX 2. VIDEO RECORDING OF THE ROAD.....	84
ANNEX 3. PHOTOGRAPHIC REPORT.....	85
ANNEX 4. FILES OF SLOPES.....	86
ANNEX 5. PHOTOGRAPHS OF CUTTINGS.....	87
ANNEX 6. SYNTHESIS OF THE INFORMATION ANALYSED ON STRUCTURES.....	88
ANNEX 7. GUARANTEES IN FORCE DURING THE O&M STAGE.....	89
ANNEX 8. HISTORICAL AND PROJECTED REVENUES AND EXPENDITURES.....	93
ANNEX 9. OPERATING TRACK RECORD.....	95
ANNEX 10. FINANCIAL PROJECTIONS.....	96

1. PURPOSE OF THIS DOCUMENT

TYPSA S.A. was responsible for preparing this report at the request of the company Globalvía Inversiones ("Globalvía"), S.A. in order to provide a brief summary of the current situation regarding the concession of Route 27 San José - Caldera up to the date of issue of this report.

The purpose of this report is to review and give an independent assessment of the condition of the concession from the technical point of view with respect to the conservation and maintenance of the motorway.

This report is not intended to be an exhaustive compilation of all the events from the beginning of the concession until today.

For the preparation of this report TYPSA has used the following sources

- Information provided by the Concessionaire
- APSA 2016 report
- INES Ingenieros Consultores 2014 report
- INSUMA reports
- TYPSA's expertise



2. CURRENT CONDITION OF THE INFRASTRUCTURE

2.1. DESCRIPTION OF THE CONCESSION

The concession starts at Km 0+000 in the San Jose sector and ends at Km 76+800 in the Caldera sector. The corridor has 3 different sections. Section I is characterized by being located in an urban sector and runs from km 0+000 to km14+200, this being the only stretch of the concession with three lanes in each direction. Section II goes from Ciudad Colón to Orotina, from Km14+200 to

Km 53+000 and Section III goes from Orotina to Caldera starting at Km 53+000 and ending at Km 76+800, both with one lane in each direction, changing to two lanes in each direction in areas of interchanges and with slow lanes where there is a steep gradient.

It has an open toll system with 4 tolls on the main carriageway and 5 on slip roads, using both manual and electronic payment.

The duration of the Concession Contract is 25 years and 6 months, starting on 9 January 2008.

The concession is divided into 3 sections, which are described below:

2.1.1. Section I San Jose - Ciudad Colón

Section I has a length of 14.2 km. The works were carried out on the Prospero Fernandez motorway, going from the southeast corner of La Sabana Park to the Colón interchange. Work on this section began in 2008 and ended in June 2009. The works consisted of improvement of the existing four lanes of the road (two in each direction) and extending it to six lanes in the stretch between the Circunvalación (The "Ringroad") and Multiplaza interchanges. The interchanges constructed were: Circunvalación, Montealegre, Multiplaza, Guachipelin and Santa Ana. Only acceleration and deceleration lanes were included at the Pavas and Escazú interchanges.

The section also includes 18 bus stops, 5 bridges, 9 over-and underpasses, and 6 pedestrian crossings. The toll on the Escazu main carriageway is located at Km 4+200 with 28 toll lanes (14 in each direction).

As for the pavements, the most notable activities carried out were:

- Reinstatement of the existing pavement, which is rigid from the start to station 3+600. The rest of the section has a flexible pavement.
- Construction of new pavement on the expansion of 3 lanes per direction in the stretch between the Circunvalación and Escazú interchanges.
- Construction of new pavement on the one-lane extension of the Vía Circunvalación (Ringroad).
- Construction of new pavement on the nine marginal roads, bus bays and main toll area.

2.1.2. Section II: Colón-Orotina

Section II has a length of 38.8 km. Construction of this section began in 2008 and was opened in January 2010. The works consist of the construction of a new motorway that starts at the end of the old Prospero Fernández motorway (Colón Interchange) to Orotina. The interchanges included in the scope are: Ciudad Colón, San Rafael, Guácima, Siquiaries, Turrúcares, Atenas, Balsa, Escobal and Orotina. Construction of the following radial routes is also included:

- Radial Coyol (km 22+300) provides access to El Coyol and Highway 1 (InterAmerican)
- Radial Turrúcares (km 26+500) provides access to Turrúcanes and to La Garita
- Radial Atenas (km 31+500) provides access to Atenas

- Radial Escobal (km 42+100) provides access to Escobal and to Turrubares

The carriageway in general has one lane per direction, changing to two lanes per direction at interchanges and with a slow lane where there is a steep gradient.

This is a stretch of mountain road with a complicated terrain. It is remarkably heterogeneous in geotechnical terms on some stretches, since it runs on the northern slope of the Central Valley, with various geotechnical solutions for containing the slopes. All interchanges in the typical section have 4 lanes, 3.65 m wide with shoulders of 1.80 m, with concrete New Jersey type dividing barrier. It has 6 major bridges and 23 overpasses. The section has 2 trunk toll areas (San Rafael and Atenas) and 8 tolls on ramps, for a total of 42 collection booths. Also in this section there are 4 radial routes (7,880 metres in length) that communicate with major towns or roads.

As for the pavements, the activities were:

- Construction of new pavement in the entire section
- Construction of new pavement in toll areas.

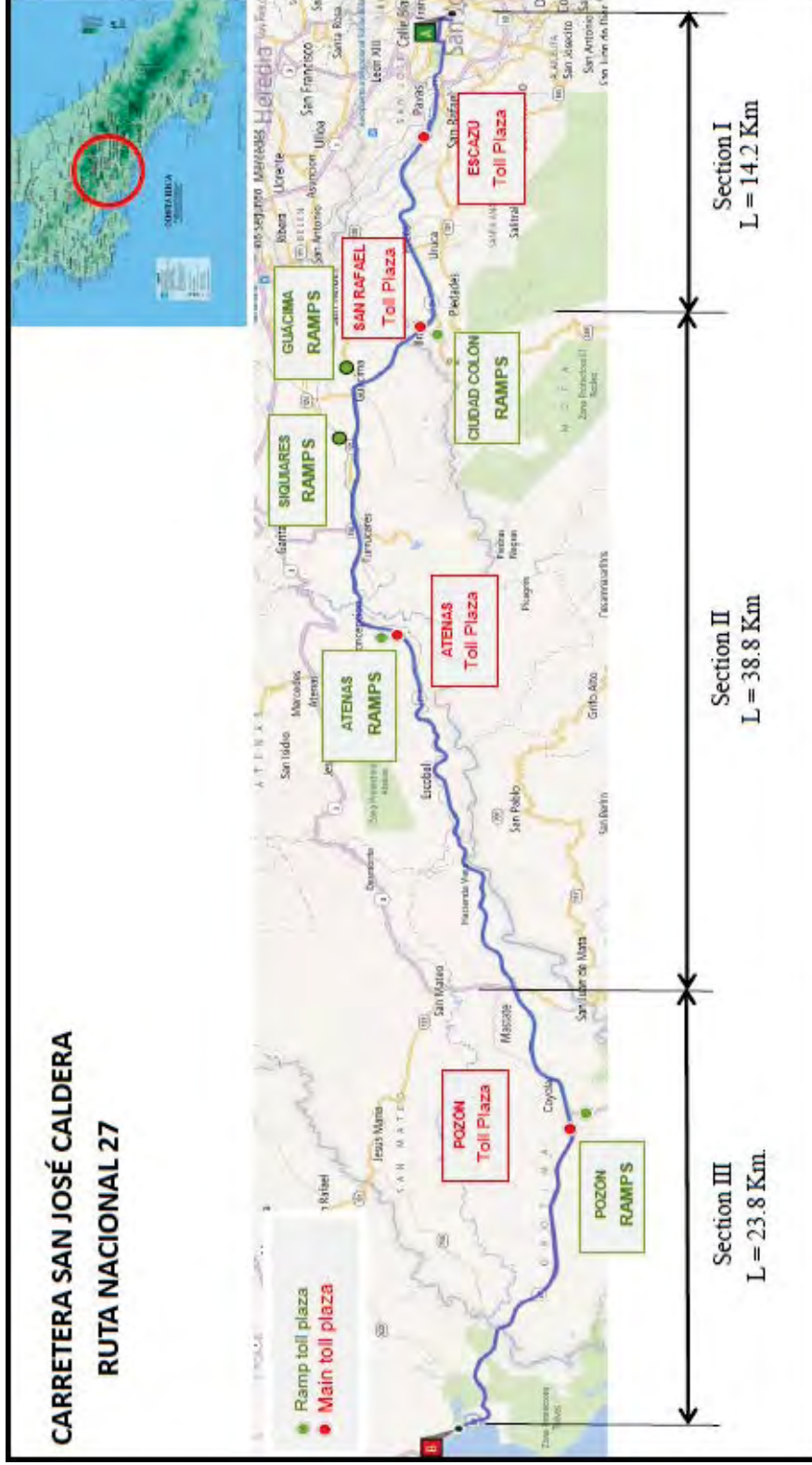
2.1.3. Section III: Orotina - San José de la Caldera

Section III has a length of 23.8 km., from the Orotina interchange to the Mata de Limón Interchange. The construction began in September 2008 and it opened in June 2009, consisting of improvements in the existing road of one lane per direction.

It has 32 bus bays, 1 major bridge, 1 pedestrian bridge and 11 overpasses. The section has the mainlane toll plaza of Pozón and 2 toll areas located on ramps (both ramps on the interchange with Route 34) for a total of 15 collection booths.

As to the pavements, the activities were:

- Reinstatement of the existing flexible type pavement.
- Construction of new pavement on the five marginal routes, bus bays and new pavement on the toll area at the Pozón interchange.



Map of the concession, including position of toll stations

2.2. "IN SITU" ANALYSIS OF THE CONCESSION

A field visit was made between 23 and 27 May 2016 to assess the current condition of the road.

Annex 1 of this report contains more details of the outcome of the visit, as well as a series of data and comments provided by staff that operate the concession and that have been corroborated with the corresponding documentation.

Preparing this report, a field review has been done of the following elements: pavements, slopes, structures, horizontal signing, vertical signing in toll areas, control buildings, safety barriers, drainage, etc.

A video recording of the road was also made during the visit, which is attached in annex 2 of this report.

The state of the road along the entire length of the concession is in general good.

The state of the road pavement is good and it was possible to check the activities of reinstatement being carried out. These actions consisted of profiling/patching and replacement of asphalt laid in previous operations. The reinforcement operations conducted in 2015 and the areas scheduled for 2016 have been sampled, and the state of the road pavement has been checked in these areas.

A surface inspection does not reveal any stretch that is structurally unsound. Specific areas have been detected where there has been some exudation and loss of texture (e.g. toll areas). The Concessionaire has scheduled these works in this year. The overall cost for pavement rehabilitation, detailed in 2016 Maintenance Plan, is 4.74 M\$

No areas have been detected with serious depressions or ruts. Only on one stretch of about 100 metres located at Km. 64.9 in both directions, were longitudinal cracks seen which displayed some vertical displacement in both directions, in a line close to the road shoulders. It is located in a platform area with a low embankment that has a drain crossing through it.

Typsa stated that the concessionaire complies KPIs required and pavement reinforcement/renovation operations have been carried out through patching and asphalt overlays. Pavement condition surveys are monitored yearly and singularity sections must be monitored and controlled in order to repair if is necessary.

There did not seem to be any areas where water accumulated on the edge of the road.

Sections have been seen where there has been some recent patching as part of the reinforcement campaign for 2016.

The resurfacing and patching campaign for 2016 has already been planned, with the stretches defined according to the study of the road pavement done by the company APSA.

The lack of regularity can be seen on the major bridges (5), where the pavement is the top of the concrete slab of the structure and is not an asphalt mixture. The Concessionaire is not responsible

for maintaining these structures. It has not negative impact on Ruta 27 operations and it only affects users comfort.

With regard to the conditions of stability of the cuttings, there is in general no exceptionally high geotechnical risk since the road has been constructed and been in service for several years during which the slopes have been monitored and in most cases the required stabilization and maintenance work has in each particular case been completed. It is important to note the depth of the previous studies carried out for the stabilization work, which allowed the most appropriate solutions to be defined for each problematic point.

However, there are still some points that may require additional stabilization works, depending on how the behaviour of the slopes evolves, especially under the regional conditions of rainfall and seismic activity. These areas are in particular located along the stretch between Atenas and Orotina.

With regard to the structures, during the visit by TYPESA, a complete tour of the field has been carried out, with stops for a brief review of 48 structures.

The conclusion that was reached corroborates the results of the most recent inspection campaign (December 2014. INES Ingenieros Consultores [Consultant Engineers]): the general condition of these structures is characterized by minor defects that do not compromise their short-term strength. Despite this, several minor repairs are being carried out as routine maintenance, and, the Major Maintenance Plan considers 4.5 M\$ for several structural repairs along the lifecycle of the asset

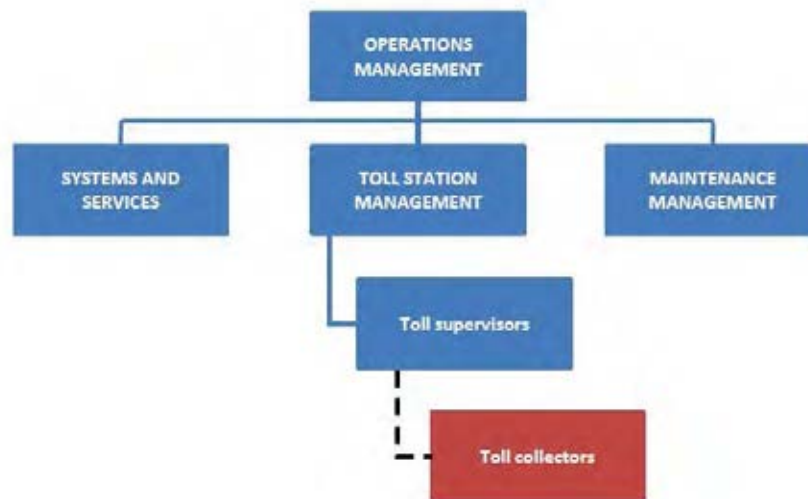
In most of the cases this damage could start to affect durability and, consequently, maintenance must be planned for the medium term, with the exception of some special cases which require immediate action.

The toll areas are well maintained with the buildings and facilities in reasonably good condition.

The toll stations are organized as follows:

A toll management team and toll supervisors are on duty 24 hours a day. They are Globalvia staff.

The toll collection staff are subcontracted.



Organization of the tolls

There are 5 toll rates based on vehicle classification.

The toll can be paid in two ways; manually, in cash, and automatically using the Quick Pass system

Globalvia has the following procedures in place for appropriate toll management:

- Toll Management Manual: guidelines for correct toll collection management and supervision at the toll station
- Toll Station Manager's Procedure Manual: guide to help with the daily, weekly or monthly tasks to be carried out by the Toll Station Manager.
- Supervisor's Procedure Manual: guide to help the Toll Supervisor do his job and improve employee information in order to optimize internal working relationships within the Company; external relationships with the motorway user; and relationships with the public in general.
- Toll Lane Process Manual to facilitate processes in the jobs to be done by the Toll Collector, as well as to improve employee information in order to optimize internal working relationships within the Company; external relationships with the motorway user; and relationships with the public in general.

Typsa has reviewed Globalvia toll collection process, systems, and auditing system. We have analyzed the above procedures, organization and implemented equipment. These are described in:

- Toll systems Maintenance Plan procedure.

In our opinion, Globalvia has enough staff, adequate equipment and mechanisms in place to manage the toll stations properly. The resources available are reasonable and there is sufficient

provision for modernisation and renewal in 2018/2019 in order to satisfy contract requirements and to provide users an adequate level of service.

In general, the state of the road is good (based on the following scale: excellent, good, fair, poor)

2.3. ANALYSIS OF THE CONDITION SURVEYS PERFORMED

2.3.1. Plan for condition survey of the road pavement

In accordance with paragraph 2.15.2 of the Concession Contract, the Concessionaire must maintain the state of the road pavements within the values listed below, during the entire period of the concession

The plan for condition survey on the pavement is as follows:

Parameter to be inspected	Frequency	Inspection method	Acceptance criteria	Last inspection	Currently in compliance (Y/N)	Comments
General inspection of state of pavement	Yearly	Visual	List of cracks and flaws	Visual inspection 2015	Y	
Cracking	Yearly	Measurement	Max 15%/Km	Visual inspection 2015	Y	
Regularity (average 5 values IRI ₂₀₀)	Yearly	Condition survey	3.5 m/Km	January 2016	Y	
Skid resistance	Yearly	Condition survey	Min 0.55 on slopes > 6% and intersections 0.45 on straight stretches with slope < 6%	January 2016	Y	Condition survey was measured with the Grip Tester MK 2 instead British Pendulum, which is the equipment required. Anyway, there has been no penalty.
Detachment	Yearly	Measurement	0%	Visual inspection 2015	Y	
Potholes	Yearly	Measurement	0%	Visual inspection 2015	Y	
Ruts	Yearly	Condition survey	Max 15mm and not more than 50 m/km	January 2016	Y	

Table 1.- Plan for condition surveys of road pavements

The last condition surveys performed on the pavements has been reviewed and analyzed in the paragraph 2.3.2.

Currently, the Concessionaire complies the required KPIs (key performance indicators) above mentioned.

2.3.1.1 International Roughness Index (IRI)

With respect to surface roughness, the road pavement in service must maintain an IRI value of 3.5 m/Km or less in stretches of 500 m. Conservation measures must be taken before the moving average of 5 stretches of 200m exceeds an IRI of 3.5 m/Km.

2.3.1.2 Ruts

These are depressions present in the wearing course along the areas used by vehicle tyres, because of traffic channelling, overloaded vehicles, structural defects or the instability of the subgrade. Maximum allowed: 15 mm and not more than 50 m/Km.

2.3.1.3 Cracking

There must be no more than 15% of the surface affected per kilometre. Very serious cracks that can cause structural damage to the surface must be controlled and major corrective actions must be taken, consisting of replacing the whole surface in the affected area.

- Very severe crocodile skin type cracking: at most 10% of the area may be affected by cracks per kilometre.
- Very severe transverse and longitudinal cracks: a maximum of 10% of the area may be affected per kilometre.

2.3.1.4 Detachment of aggregates

Not allowed

2.3.1.5 Open potholes

None

2.3.1.6 Skid resistance

A minimum friction coefficient of 0.55 on gradients of more than 6% and at intersections, and 0.45 on straight stretches with gradients of less than 6%.

The assessment of skid resistance will be done by dividing the road into Sectors of 5 (five) Km in which measurements will be taken of Skid Resistance in tangent and in curve, using the T.R.R.L. pendulum, following the standard A.S.T.M. E303-69.

2.3.1.7 Surface Deformation of Asphalt Pavements

It is not allowed in any part of the asphalt pavement for there to be any corrugations (series of ripples formed by ridges and depressions perpendicular to the direction of traffic), swelling (bulge or lift located on the pavement), or subsidence (depression or lowering of the pavement). It is also not acceptable for there to be any kind of exudation of the asphalt.

2.3.1.8 Shoulders

Open ruts or drops of more than 1 cm will not be allowed. The latter includes the joint between the wearing course and the shoulder.

2.3.2 Analysis of the condition surveys performed on the pavements

2.3.2.1 Regularity. IRI

From the last condition survey, done in January 2016, it can be concluded that on lanes 1, 2, 3, 4, 5 and 6 of the expressway and the lanes of the Atenas and Coyol radial routes, no IRI value every 500 metres is over 3.5 m/km. Similarly the IRI values of the moving average of 5 sections of 200m are below 3.5 m/km. Therefore, both the expressway and the radial routes meet the required IRI indicator.

2.3.2.2 Skid resistance

The last assessment of skid resistance was performed in January 2016. Friction was measured with the equipment called the Grip Tester MK 2 (the same equipment used every year since the concession began).

This equipment gave the longitudinal Skid Resistance defined by the "Grip Number" (GN) index excluding the singularities such as tolls, bridges etc. and averaging the value of the GN every 200 metres. At the same time, the GN values were correlated with the SCRIMEq by means of an equation used in Chile¹.

One can appreciate from this report that no kind of correlation has been established between the Grip Tester and the British Pendulum, which is the equipment required under the Concession Contract for measuring the thresholds of acceptance of the indicators, so it cannot be deduced whether it complies with the indicator. However, it should be noted that, according to information provided by the Concessionaire, there has been no penalty in this regard.

There are several correlations between the devices that are more useful in the area of roads, such as: the Griptester, the SCRIM and the British Pendulum. Below are some of the correlations that have been encountered between the friction value obtained using the Griptester (Grip Number or GN) and the British Pendulum (coefficient of friction or BPN).

¹ SCRIMEq = 0.21 + 0.883*GN. Procedure for Homologation of Measures of Slip Resistance and Macrotecture. Technical Document TM - 021-07". Pontifical Catholic University of Chile, Echaveguren T et al (2007)

- $GN = 0.01 * BPN - 0.13^2$
- $GN = 0.012 * BPN - 0.08^3$
- $BPN = K_1 GN$, where $K_1 = 115.3$ (simplified expression, eliminating the effect of texture)⁴

When applying these, one can appreciate the disparity of correlated BPN values, giving with the same GN value, a very good BPN friction value (high skid resistance) and a low value (poor skid resistance) depending on the formula used for the correlation.

That is why it is recommended for the Concessionaire to use its own methods to establish a correlation factor between the measuring equipment used (in this case Grip Tester) and to do comparative tests with the British Pendulum.

Independently of the correlation between the Grip Tester and the British Pendulum, an analysis has been done of the state of the wearing course on the basis of the Grip Number results obtained. The research report LM-PI-PV-IN-27B-05 has been taken as a reference for assessing the skid resistance of road pavements done by the National Laboratory of Materials and Structural Models of the University of Costa Rica.

Based on the above and setting the value of 0.5 as a threshold limit, it is estimated that there are 131 km of road out of a total of 244 km-that are below 0.5, so it is recommended to perform the comparison proposed above.

2.3.2.3 Ruts

From the condition surveys done in January 2016, it is concluded that both the expressway and the radial routes comply with the threshold (maximum allowed: 15 mm and no more than 50 m/Km).

2.3.2.4 Support capacity. Deflections

Although no thresholds are required for indicators of the road pavement's structural capacity, the concessionaire does it for the purpose of planning interventions to reinforce the structure of the road pavement.

The most recent results are those from the falling weight deflectometer record of November 2015, in Annex B of the Pavement Maintenance Plan of the San José - Caldera. Motorway. Report 15-002-01 by APSA.

The results from the deflectometer show the need for structural reinstatement of the radial routes of Coyol and Atenas and an upcoming need for structural reinstatement in some stretches of the

² 2005 International Surface Friction Conference in New Zealand.

³ Research report LM-PI-PV-IN-27B-05 of regulations for assessing surface slip resistance of road surfaces. Researcher Eng. Fabricio Leiva. Lanamme. University of Costa Rica

⁴ Equations of correlation of measurement of slip resistance between GripTester and British Pendulum. Construction Engineering Magazine Vol. 19 No. 2, August 2004. Authors: Hernan de Solminihac, Marcelo Bustos, Tomás Echaveguren, Andrés Caroca

expressway. These conditions have already been taken into account by the Concessionaire and referred to in its conservation plan.

2.3.2.5 Cracking, Open Potholes, Detachments of Aggregates, Surface Deformation and Shoulders

These damages are assessed through visual inspection by the Concessionaire's engineers. The yearly operating report for 2015 suggests that there is compliance

- Cracking: No stretch exceeds 15% of the surface affected by cracking per kilometre. In the condition survey of 2015, the values for cracking of the 3.85 km of the Coyal Radial are close to the threshold limit, so actions are planned for the coming years (the first kilometre was acted on in 2015).
- Very severe cracks (crocodile cracks, transverse and longitudinal) do not exceed 10% of the area affected with cracks per kilometre, except for the stretch from the Coyal Radial, so action is planned for the coming years (the first kilometre was acted on in 2015). In stretches with very severe cracks, these have been sealed and repaired.
- Detachments of aggregate, open potholes and other surface deformations: no kind of damage has been detected, since the Concessionaire makes these repairs immediately as part of corrective maintenance.
- In 2015 inspection, there was evidence in some stretches of exudation so action is proposed to scrape out and resurface in the coming years. The Concessionaire has already been done part of the works in 2015 and scheduled to complete them in 2016.

2.3.2. Structures

As regards the structures, periodic inspections have been done as part of the current plan for major inspections to December 2014 (reports prepared by the company INES Ingenieros Consultores⁵).

According to the Inspections Plan presented for 2015, the chapter on Structures has three sub-items:

- Inspection of the general condition every two years
- Fortnightly condition inspection (meaning a general tour of the roadway)
- Yearly inspection of paintwork and protection (painted elements meaning: handrails and safety barriers)

⁵ These reports contain background from previous inspection reports prepared by the company "Camacho & Mora, Consulting Engineers" in December 2010

GLOBALVIA
MANTENIMIENTO OPERARIO PREVENTIVO
PLAN DE INSPECCIONES DEL

NÚMERO	ELEMENTO	FRECUENCIA	TIPO DE INSPECCIÓN	EPO	LIBERACIÓN	ENERO	FEBRERO	MARZO	ABRIL	MAYO	JUNIO	JULIO	AGOSTO	SEPTIEMBRE	OCTUBRE	NOVIEMBRE	DICIEMBRE		
06	INSPECCIÓN (INSTALACIÓN)	Inspección general	Trimestral	SI	Visual														
		Inspección de detalles	Al estado de la Carretera		Visual														
		Medición de Bases	Al estado de la Carretera		Medición														
		Medición de bases	Al estado de la Carretera		Medición														
		Inspección de detalles	Al estado de la Carretera		Visual														
		Inspección de detalles	Al estado de la Carretera		Visual														
07	INSPECCIÓN (BAGUDO)	Inspección general	Anual	SI	Visual														
		Medición de bases	Al estado de la Carretera		Visual														
		Medición de bases	Al estado de la Carretera		Visual														
		Medición de bases	Al estado de la Carretera		Visual														
08	INSPECCIÓN (BAGUDO)	Inspección general	2 años	NO	Visual														
		Medición de bases	Al estado de la Carretera		Visual														
09	INSPECCIÓN (BAGUDO)	Inspección general	Anual	SI	Visual														
		Medición de bases	Al estado de la Carretera		Visual														
10	INSPECCIÓN (BAGUDO)	Inspección general	Anual	SI	Visual														
		Medición de bases	Al estado de la Carretera		Visual														
11	INSPECCIÓN VERTICAL	Inspección general	Trimestral	SI	Visual														
		Medición de bases	Al estado de la Carretera		Visual														
		Medición de bases	Al estado de la Carretera		Visual														

Inspección por parte del Contratista con el CMR.
 Inspección por parte de GLOBALVIA.

Reproducción prohibida © GLOBALVIA / Reproduktion forstbiden Página 32 de 65

The 2014 inspection reports propose a frequency of inspection as follows:

- Basic inspections every 15 months
- Major detailed inspections every 60 months

Therefore, a frequency of 2 years is considered adequate. In fact, this frequency compares with the provisions of "The manual for bridge evaluation-AASTHO", which details the scope of the initial and routine inspections, in-depth inspections of damages, critical fractures, underwater inspections, special inspections (sections 4.2.1 to 4.2.5 of the fourth section); providing criteria for the frequency of inspections.

Thus, paragraph 4.3 States that "each bridge should be inspected at regular intervals not exceeding 24 months". This legal basis justifies the proposed frequency established.

2.4. ANALYSIS OF RENEWALS

2.4.1. Pavements

For asphalt pavement, renewal activities consist of placing layers of asphalt or replacing courses, as follows:

- Asphalt layer: consists of placing a layer of asphalt of from 4 to 7 cm. thick on the road to improve the structural capacity of the same.

- Replacing an asphalt course: consists of profiling the existing course and replacing it with a new mix.

The actions carried out between 2011 and 2015 have focused mainly on profiling and replacing layers of reinforcement of between 4 and 6 cm. Also, in specific stretches, profiling and replacing with larger thickness (between 10 to 25 cm).

The requirements for these actions have been based on periodic studies contracted out to the company APSA.

2.4.2. Slopes

As part of the maintenance plan for 2015 it was planned to deal with the slopes that are considered to require improvements. Below is a list of the sites and jobs that were worked on by the concessionaire in 2015.

- Work on the slope at Km. 21+450. Executed the construction of a gabion wall to complement the existing one.
- Work on the slope at Km. 22+500, a ramp for the Siquiara interchange. Worked on the slope that runs parallel to the ramp using a procedure that entails soil nailing work, with placement of drains, structural meshes and anti-erosion geomembrane.
- Work on the slope at Km. 38+650. For this slope the work includes soil nailing, placement of drains, shotcrete and anti-erosion meshes.
- Work on the slope at Km. 40+750. On this site the work consists of the installation of soil nailing, with placement of drains, structural meshes and anti-erosion geomembrane.
- Work on the slope at Km. 44+400. On this site the works done consist of drilling drains and vertical drilling to analyse the infill and the slopes.
- Work on the slope at Km. 45+100. Earthmoving work was finished with berms to improve the slopes and improvements implemented for handling waters with the construction of covered ditches and placement of anti-erosion geomembrane.
- Work on the slope at Km. 45+800. It is recommended to construct a wall of soil nailing. Work on the slope at Km. 46+400. Concluding the soil nailing works, with placement of drains and shotcrete 80 m in length and 30 m in height.

A few pages have been included in annex 5 which, in addition to other information, detail the measures of stabilization carried out on each slope.

2.4.3. Structures

It should be noted preliminarily that in all cases these are original structures (except in three cases where there have been extensions to the original structure: Bridge over the Circunvalación [Ring Road] Interchange at Km 2+100; Bridge over the River Tiribi at Km 2+800 and bridge over the River Agres at Km 5+800). No program of renewal has been undertaken as such; the 2014

inspection reports prescribed a set of actions to be carried out in the short term (see section 7.3). None of these actions are critical and they will be carried out over the next months.

Work has been done on painting the safety barriers (on the Major Bridges, for example) and replacing expansion joints (also on the major bridges of Virrilla and Salitral, where the metal comb type joints have been replaced by seals of reinforced elastomer⁶).

In other matters, some cases have been detected of actions taken on structures, such as the placement of putlog holes in the front wall. This is a corrective measure in those cases in which the system for draining the backfill is ineffective, either because it clogs up or for some other reason (see for example the Top Level of the Circunvalación Interchange at Km 2+100).

Finally, routine maintenance operations are in fact performed by the team in question:

Routine maintenance actions

- ✓ Cleaning the road surface, ditches, etc.
- ✓ Removal of harmful vegetation
- ✓ Localized repairs to the pavement
- ✓ Localized repairs to access embankments and the protection of these (gabions, rockfill, gutters, ditches, among other measures)
- ✓ Removal of graffiti from walls
- ✓ Painting elements of containment

Partial. Alignment and repair of containment systems

PM Repair of small chips and small breakages caused by accidents, etc.

PM Repair or replacement of elements of the equipment as a result of accidents.

PM Repair of concrete in very localized damaged areas.

3. ANALYSIS OF THE CONTRACTUAL DOCUMENTATION

3.1. INTRODUCTION

An analysis has been done of the following documents:

- Public works concession contract (The "Contract" or the "Concession Contract") with public services for the San José - Caldera highway project signed between Autopistas del Sol (The "Concessionaire") as the concession Company of the highway) and Consejo Nacional de Concesiones, that is the National Concessions Council (hereinafter referred to as the 'Licensing Administration' or CNC).
- Request For Proposal (the "RFP") for the concession of public service works on the San José - Caldera highway (The "Route 27")

The main conclusions are discussed at a preliminary level, after the analysis of the information from these documents, considering that the Concession is in an operational stage.

⁶ In this regard it is pointed out that all the operations are conducted by a team of 6 people (dedicated to "miscellaneous works"), who were previously trained by a company that specializes in joints.

3.2. CONCESSION CONTRACT

3.2.1. Introduction

The object of the Contract is the provision of services of design, planning, financing, construction, renewal, widening, repair, maintenance and conservation of Route 27, the San José - Caldera highway, with a total length of 76.8 km from the west of the city of San Jose to Puerto Caldera in the province of Puntarenas, areas of basic services, complementary services, and special services as well as its operation and maintenance and return to the State at the end of the concession period, in exchange for the fees collected from users (toll revenue and operating income) and contributions from the State

The 10 chapters of the Concession Contract systematically and comprehensively describe the purpose of the contract and the rights and obligations of the Parties

The contract starts with 209 definitions that give the meaning of the terms used throughout the Contract.

The Contract assigns to the Concessionaire, at its expense and risk, all the actions necessary to meet its obligations.

The Concession is in the Operation and Maintenance phase

3.2.2. Applicable law

The legal description used for the object of the Contract is the concession of public works, using public services regulated by the Ley General de Concesiones de Obras Públicas con Servicios Públicos, (The "LCOP"), that is the Law on the Concession of Public Works using Public Services. The Contract does not transfer ownership of the works and property in the public domain that are affected by the Contract, nor the judicial authority of the Licensing Administration or of the Institutions of the State of Costa Rica.

The Law of Administrative Contracts and its respective regulations additionally apply, as well as the General Public Administration Law.

The area covered by the concession comprises land owned by the State, which is needed for the development of the work described in chapter II of the Contract.

3.2.3. Dates of award and winning bidder

- 7 August 2003: award to COVISA,
- 13 August 2004: approval of Addendum N° 2 to the Contract
- 6 January 2005: COVISA and CNC (National Concessions Council) sign a letter of intent for the assignment of the Contract,
- 22 June 2005 and 7 July 2005: COVISA requested CNC to provide authorization of the assignment of the contract.
- 29 November 2005; the Comptroller General of the Republic authorised the assignment in

favour of the current Consortium

On 11, 12 and 13 January 2006, it is published in the Official Journal 'La Gaceta' that COVISA and its partners will assign the rights and obligations arising from the Concession Contract to Autopistas del Sol formed by the companies IP Promotora de Infraestructuras, S.A., Itinere CR Valle del Sun, S.A., Infraestructuras SDC, Costa Rica S.A., M & S D I – M & S Desarrollos Internacionales, S.A, all of these companies are nowadays directly or indirectly owned 100% by Globalvia.

3.2.4. Documents that form part of the contract

Clause 1.4 of the Concession Contract thoroughly details all the documents that form part of the contract: applicable laws and regulations, administrative and technical documents, bid of the successful bidder, records of inspection of the works, technical standards, etc.

The Laws, Regulations and legal Standards additionally applied are defined.

In the event of discrepancy between the documents, precedence will be given to the Law and Regulations governing any document, the Contract will take precedence over the RFP and the RFP over any other document not mentioned in this paragraph.

3.2.5. Ownership of the works affected by the concession

Except in the cases expressly excepted by the Law, the Regulations, the RFP and the Contract, the Republic of Costa Rica is and shall at all times be the owner of the works to be built and incorporated into the area covered by this concession, as well as the improvements carried out thereto, as the construction progresses.

3.2.6. Term of the Concession

The maximum term of the concession is twenty-five and a half years (25 years and 6 months), starting from the Start Order for any sections of the Project that is January 9th 2008.

The contract can be terminated early when the Present Value of Toll Revenues reaches the Total Income from the Concession as it is explained in more detail in section 3.2.8.5 of the report. The term therefore varies depending on the revenues stream.

This period may only be extended in the cases indicated in article 57 of the LCOP and in the Contract, as well as for the purpose of readjusting the financial balance of the Contract and up to a maximum of 50 years.

3.2.7. Concessionaire's obligations in the O & M phase

The Concessionaire will be responsible for carrying out proper maintenance of the highway self-performed by the Concessionaire, as well as any ancillary works, in accordance with the terms of The Contract. To do this, it will propose a conservation and maintenance program for maintaining the structure of the carriageway of the road in good condition, along with complementary and associated works, so that the conditions of safety and comfort are optimal.

The Contract comprehensively defines all the activities to be carried out and establishes the values to be met regarding the pavement indicators.

In our opinion, the compliance with the indicators for the preservation of standards as well as for congestion at toll stations defined in the Contract, must not present any problems for the Concessionaire. In addition any pecuniary sanctions that may arise can be avoided with the correction of the event and should not be of any significant importance.

The Concessionaire tells us that up to date it has not received any sanctions in this respect since the Project Completion Date has been achieved in any of the three stretches.

Application and collection of fines relating to the operation, clause 6.4.4, have a maximum yearly limit of 1% of the income from tolls for the current year.

It should be pointed out that the concessionaire must pay the Licensing Administration annually as reimbursement of the costs of inspection and control of the Contract 1% of the gross revenue generated in Colones for the concession granted during the previous calendar year (prior year's toll revenue)

On the other hand, the Concessionaire is entitled to an annual Road Safety Premium when the circumstances indicated in clause 3.9.5.1 arise. The premium translates into a tariff increase, which cannot be accumulated and will be applied and calculated for each year.

With respect to the obligations for the structures and bridges on the stretch, a number of clarifications should be made, insofar as the Concessionaire is not responsible for the maintenance of all the structures.

Thus, of all the structures on the San José - Caldera stretch, only those in Section 2, Ciudad Colón Km 14+030 to Orotina Km 52+920, would be structures that are strictly associated with the construction phase, 2010.

An exception to the above would be the major bridges (referred to in the following table), which were not constructed in 2010, but in earlier years (1997-2000) and responsibility for their maintenance rests with the Ministry of Public Works and Transportation (Government of Costa Rica).

Km	NAME	YEAR OF EXECUTION	Nº OF SPANS	LENGTH
16+300	VIRRILLA	1998-2000	3	252
21+800	CIRUELAS	1997	3	40-50-40
30+200	RIO GRANDE	2000	3	294
46+460	CONCEPCION	2000	3	79-132-79
48+060	SALITRAL	1997	3	48-60-48

Article 2.2.2 of the Concession Contract stated the following in relation to the major bridges in section 2

"This section must be built in its entirety by the Concessionaire, in accordance with the construction plans, special specifications, General Specifications CR-77 and other requirements of the contract.

Not included in this is the construction of five (5) major bridges that the Administration is currently building by contract, on the understanding that the maintenance and operation of these structures will be the responsibility of the Concessionaire.

The obligation of maintenance and operation of the largest bridges includes, among other things, general cleaning, signage, drain maintenance, barriers, joints and wearing course. Not included as maintenance are the replacement of structural elements, the solution of problems with the foundations or supporting beams, so any works to be carried out in this regard will be performed at the expense of the Licensing Administration, and may be executed by the Concessionaire, as long as there is agreement between the parties and the formalities required by the administrative order and this agreement are complied with.

The Concessionaire is not responsible for structural damage to such works. If damage occurs for structural reasons or circumstances not attributable to any fault of the Concessionaire, and if as a consequence of the said damage, the volume of traffic or the operation of the road is affected, the Concessionaire shall have the right to resort to mechanisms to restore the financial balance.

Having said that, with regard to the remaining structures (sections 1 [0+000 - 14+030] and 3 [52+920 - 76+647 end]), the Concessionaire will limit itself to those that have contractual maintenance requirements. Furthermore, some of the structures in sections 1 & 3 were extended with the partial use of sub-structures and superstructures during the phase of works (reference year 2010): those corresponding to Km 2+100 (Circunvalación Interchange); Km 2+800 (River Tiribi) and Km 5+800 (River Agres).

It may be noted, therefore, that there are structures that have been inspected previously and would not strictly come under the Concession Contract, as well as structures that theoretically would come within the scope of the maintenance and have not been previously inspected. These are specified in the following tables.


TYPE	Km	NAME	YEAR EXEC.	N° OF SPANS	LENGTH
PI	3+820	Trejos Montealegre Interchange	2009	1	9.4
PI	9+500	Villareal underpass		1	10.2
PI	10+75+0	Corrogres underpass		2	4.90-6.90
PI	11+060	Santa Ana-Belen intersection		2	5.50-5.50
PI	11+700	Uruca underpass		1	4.86
PS	11+820	Animal underpass destroyed			
PI	12+100	hacienda del sol underpass		1	9.4
PI	12+850	River Oro underpass		1	4.9
PI	76+400	Mata De Limón x		1	6.36

Table of structures inspected but out of scope

TYPE	Km	NAME	YEAR OF EXECUTION
	2+580	Existing structure to be maintained	
PI	22+450	Coyol branch	
PS	36+900	La Perfecta overpass	2013-2014
	55+500	Existing bridge to be preserved	


Table of structures not inspected but within scope

In fact, to sum up, we are talking about the following groups:




SECTION 1: 0+000 -14+030

- TOTAL NUMBER OF STRUCTURES IN THE STRETCH: 23
- STRUCTURES LISTED BUT NOT IN THE SCOPE → 8
- STRUCTURES IN THE SCOPE BUT NOT LISTED → 1
- **TOTAL NUMBER OF STRUCTURES IN THE SCOPE: 15**



SECTION 2: 14+030 - 52+920

- TOTAL NUMBER OF STRUCTURES IN THE STRETCH: 38
- MAJOR BRIDGES → 5/5 → LIMITED SCOPE
- STRUCTURES IN THE SCOPE BUT NOT LISTED → 2
- **TOTAL NUMBER OF STRUCTURES IN THE SCOPE: 33**



SECTION 3: 52+920-76+647

- TOTAL NUMBER OF STRUCTURES IN THE STRETCH: 11
- STRUCTURES LISTED BUT NOT IN THE SCOPE → 1
- STRUCTURES IN THE SCOPE BUT NOT LISTED → 1
- **TOTAL NUMBER OF STRUCTURES IN THE SCOPE: 10**

“In the scope” means “number of structures Globalvia is responsible for”

3.2.8. Financial terms of the Contract

3.2.8.1. Financial rights and obligations of the Concessionaire

The Concessionaire undertakes to have the financial resources to execute the works of construction, reinstatement, operation and maintenance in their entirety during the concession period.

The Concessionaire may conduct any financial transaction to ensure it has the necessary resources to operate the concession at all stages

The Concessionaire may entrust, encumber in any way or give under guarantee the revenues resulting from the operation of the concession, as well as any economic consideration offered by the Licensing Administration.

3.2.8.2. Assignment of financial risks

The Concessionaire is exclusively responsible for the risks entailed in estimating the costs of the construction works, equipment and operation and maintenance expenses, those associated with projections of traffic and the corresponding income

Exceptions to this are the cases expressly referred to in the Contract for the readjustment of the Financial Balance of the Contract and as indicated in relation to the Mechanism for Minimum Revenue Guarantee.

3.2.8.3. Economic considerations

The concessionaire will be remunerated from:

- Payments from users, according to the conditions in the bid
- Minimum Revenue Guarantee when applicable,

The Licensing Administration will have a right to a share of the revenues

3.2.8.4. Tariff structure by vehicle type

The maximum tariffs to be applied at the start of the Concession, in US dollars on 29 November 2000, which will be charged in Colóns, are:

▪ Type 1 - light vehicles	(1)	US \$2.70
▪ Type 2 - buses	(1x2)	US \$5.40
▪ Type 3 - HGVs 2-3 axles	(1x2.5)	US \$6.75
▪ Type 4 - HGVs 5 or more axles	(1x6.33)	US \$17.09

This table was modified after the concession contract was formalised and included Type 4- HGVs 4 axles:

▪ Type 1 - light vehicles	(1)	US \$2.70
▪ Type 2 - buses	(1x2)	US \$5.40
▪ Type 3 - HGVs 2-3 axles	(1x2.5)	US \$6.75
▪ Type 4- HGVs 4 axles	(1x4.42)	US \$11.93
▪ Type 5 - HGVs 5 or more axles	(1x6.33)	US \$17.09

These tariffs will be adjusted from time to time in recognition of:

- Changes in the economic environment unrelated to the operation of the highway
- Variations in the urban consumer prices index in the USA
- Offsetting the rounding out applied to payments made in Costa Rican currency
- Devaluation of the Colón against the dollar
- Road safety premium (not cumulative and up to 5% of the tariff)
- Congestion at peak hours, (non-cumulative)
- Mechanisms for the compensation for new investments
- Compensation to the economic-financial balance

The procedure for regulating each of these adjustments is defined in the Concession Contract. Regulation 3.9. Adjustment due to a price index variation of the Concession Contract considers both increases and reductions, unlike the rest of adjustments described in the Contract, which can only be increases

Tariff adjustments will not be approved when there is intended to be a temporary change in the level of service because of planned conservation work.

Discounts are permitted within the commercial policy of the concession, for prepayment, for volume, for frequent use or for other considerations. Any losses that may arise as a result of these policies will be not covered by the Mechanism of Minimum Revenue Guarantee.

During development of the Concession, the Concessionaire may propose alternative solutions to the payment systems, number of stations, locations and/or structure for the collection of tolls under the concession.

The Toll Collection Stations for the Concession are:

- Escazú-Multiplaza
- Radial Ciudad Colón Intersection Brazil
- Ciudad Colón-Radial El Coyol
- Radial Atenas
- Atenas-Orotina
- Pozón-Caldera
- Costanera Sur (Pozón Interchange)
- Siquiaraes (Interchange)
- Guácima (Interchange)

3.2.8.5. Present value of revenues from toll

The Concessionaire quoted in its proposal as the Present Value of Toll Revenues the sum of two hundred and fifty-eight million US dollars (US \$ 258,000,000) on 29 November 2000, based on a dollar cash flow, designed with an inflation rate of 2% and with a 12.5% discount (Actual).

This amount is sufficient to cover all the costs of the investments within the period of the concession, including financial, administrative and maintenance costs, the profit on the quoted investment and any other operating expenses.

For the purposes of calculating the Present Value of Toll Revenues, one must consider the total income without inflation that the Concessionaire will have in respect of tolls or tariffs throughout the period of the concession.

As a consequence of the arbitration award undertaken between CNC and the Concessionaire, , both parties reached an agreement to increase the Present Value of Toll Revenues by US\$ 43,377,209.78, so the new value is now US\$ 301,377,209.78 as in addition it has been established in the Addendum No 7 of the Contract.

The discount rate is also set at $r=11.62\%$ (Current on 29/11/2000)

3.2.8.6. Revenue from the concession

Toll revenues: corresponds to the total revenue that the Concessionaire raises from collecting tolls at the authorized rate, both normal and rush hour

Revenue from General Services: this is the revenue obtained as a result of the operation of commercial services in the rest areas such as restaurant services, petrol stations, sales of souvenirs, maps and others. These revenues are not included for the purposes of calculating the Present Value of the Revenue, nor are they part of the gross income

Revenue from new commercial services: this is revenue from services other than those related to the collection of tolls. These are services requested from the Concessionaire by third parties or that it decides to provide, duly authorized by the Licensing Administration and developed within the right of way of the highway that is the subject of this Concession. (Access to attached properties, improvements to existing legal access, installation of ducts, pipes, cables, fibre optics, towers, advertising, development of commercial or complementary services such as restaurants, petrol stations or any other service)

For these other services the Concessionaire may grant authorization for use of the right of way of the road in favour of third parties. These revenues are not included in the calculation of Present Value of Revenues from tolls.

Income from Compensation paid by the Administration: this is the net compensation granted by the Licensing Administration, if any, such as: minimum guarantee income, road safety premium, etc.

Gross income: revenue generated by the Concessionaire from toll collection and new business services authorized by the Licensing Administration, in accordance with clause 3.4.3 of the Contract, excluding any compensation awarded by the Licensing Administration.

Additional income: this is the total amount of money that exceeds the income estimated by the Administration in a certain period of time, used for the calculation of the share.

Total income: this is all of the income from the Concessionaire, consisting of (i) gross income, (ii) compensation paid by the Administration, and (iii) General services.

The concessionaire shall be remunerated in accordance with the terms of the Contract and shall be entitled to request from the Licensing Administration any amendments to the contractual terms when its economic/financial balance is affected for reasons unrelated to its obligations, in accordance with the provisions of the Contract and with Costa Rican legislation

3.2.8.7. Mechanism of Minimum Revenue Guarantee

Prior to receiving the provisional order to start up the service, the Concessionaire must submit its proposal for Minimum Revenue Guarantee by the State for years 1 to 18 of operation. The final values are set in Addendum No 5:

Year	Minimum Revenue Guarantee (US\$) (base year 2000)	Year	Minimum Revenue Guarantee (US\$) (base year 2000)
2015	28.700.000	2024	44.470.000
2016	30.530.000	2025	45.770.000
2017	32.5230.000	2026	47.200.000
2018	34.700000	20276	48.690.000
2019	37.060.000	20287	50.220.000
2020	39.640.000	2029	51.810.000
2021	40.790.000	2030	53.450.000
2022	41.980.000	2031	54.450.000
2023	43.210.000	2032 (6 months)	27.735.000

Every single year during the operation of the Concession, the Concessionaire has the option to request or not request the Minimum Revenue Guarantee, and if it chooses to request it, it must pay the amount established in order to have a right to this guarantee.

If the Concessionaire chooses to request the Mechanism of Minimum Revenue Guarantee and to pay the corresponding amount for the right (1% of the Minimum Revenue Guarantee for the year), the Licensing Administration will guarantee the specific yearly amount according to the calculation set out in the Contract, which varies yearly according to the figures detailed above between US\$28.7 million in year 1 of the operation and US \$27.735 million for the first half of the 18th year of the concession operation.

In the event that the concession is early terminated for any of the reasons specified in the Contract before the 18 years of operation of the concession, for reasons attributable to the Concessionaire, the latter shall not be entitled to receive the Minimum Revenue Guarantee by the State from the date of termination of the Concession.

The Government of Costa Rica has made a commitment through the National Treasury of the Ministry of Finance, to issue a cash bond for the amount of US\$10.0 million, in order to ensure the payment of the Minimum Revenue Guarantee if the necessary resources were not budgeted and paid on the date established (see regulation 3.7.4., page 179 of the Concession Contract).

3.2.8.8. [Payment for reimbursement of the costs of inspection and control of the contract](#)

The Concessionaire will pay annually to the Licensing Administration, by way of reimbursement of costs of inspection and control of the contract, one per cent (1%) of the gross income generated in Colones for the concession granted during the previous calendar year.

3.2.8.9. [Government Co-Participation in the Concessionaire's Toll Revenues](#)

The Government has the right to co-participate in toll revenues, if the toll revenues for the prior year ended are greater than the estimate of the expected toll revenues for the current year, in

accordance with the table of partnership defined in the offer and the methodology described in section 3.13 of the Contract. The co-participation needs to be determined by the appointed Operation Inspector Engineer and adjusted for inflation. The Government would receive 50% of toll revenues in excess of the predicted revenues. Any applicable co-participation payments are due within the first 15 days of the following year

3.2.8.10. New investments agreed between the Administration and the Concessionaire

If during the term of the concession, the work proves insufficient for the provision of the service at the levels defined in the Concession Contract and it is considered best to expand or improve it on the initiative of the Licensing Administration or the Concessionaire, a further agreement will be signed complementary to the Concession Contract

When the additional investment is wholly or partially paid with an increase in the toll rates, they must be adjusted in proportion to this increase in the table relating to the Minimum Revenue Guarantee.

There are two types of investment:

- **Specific investments:** Consubstantial Investments refer to the expansions of the Ciudad Colón - Orotina stretch to 4 lanes, the Orotina - Caldera 4-lane extension, and expansion of the San José - Ciudad Colón stretch to 6 lanes. The cost of these works shall not be included as part of the limit of 25% of the total amount of the Concessionaire's investment, established in article 48.2 of the Concessions Law.

These investments will depend on actual demand of the project, when a degree of congestion of 70% ideal saturation flow or more is reached.

The calculation of this maximum value shall be obtained by applying the procedures of the Highway Capacity Manual 1997, 2000 or later version, published by the US "Transportation Research Board" and described in Contract regulation 2.13.3 Functional Designing, but considering the adjustments for operating conditions in Costa Rica. Therefore, it must be taken into account that in Costa Rica the ideal saturation flow of a motorway is 2,200 light vehicles per hour per lane, and that the ideal saturation flow of a dual carriageway (one lane per direction), is 3,400 light vehicles per hour in both directions (see clause 2.18 of the concession contract).

According to section 3.20.3 of the Concession Contract, the Licensor will offset the construction of Consubstantial Investments through an increase in tariffs; an increase in the term of the concession; an increase in the Present Value of revenues from tolls of the Concession requested by the Winning Bidder in its Economic Offer; with a contribution from the State, which may be made once only or every year, a combination of the above or any other mechanism provided for in the relevant legislation

If the parties cannot agree how to implement a Consubstantial Investment through failure to meet any of the criteria, the Licensing Administration may, for reasons of public interest, in any case unilaterally require the Concessionaire to make the respective Consubstantial Investment. In this case the Concessionaire can be compensated only through direct

contribution from the State. Unless the Licensing Administration and the Concessionaire agree otherwise, the contribution from the State must be made once only.

Before demanding that the Concessionaire make a Consubstantial Investment, the Licensing Administration must have sufficient budgetary resources to meet the respective expenditure

The deadline for the Licensing Administration to order this type of Consubstantial Investment is up to 2 years before the expiry of the term of the concession.

- **New investments:** All works not covered by the Technical Conditions of the Contract.

Such investments shall, in accordance with the provisions of clause 3.14, be classified as New Investments Agreed between the Licensing Administration and the Concessionaire, and New Investments Required by the Licensing Administration. These works will require an amendment to the object of the contract, and their cost may not exceed 25% of the total amount of the Concessionaire's investment.

The deadline for the Licensing Administration to order this type of New Investments is up to 2 years before the expiry of the term of the concession.

Current condition of consubstantial investments (specific investments)

Considering the information shared by the Concessionaire to TYPSA, and according to the Contract, the maximum degree of saturation there would have to be 1,540 (70% over 2.200) light vehicles per hour per lane on sections where there are several lanes in each direction, and 1,190 light vehicles per hour per lane on sections with 1 lane in each direction.

If it is anticipated that there will be early congestion during the operation of any stretch, intersection or interchange, the Concessionaire must conduct the necessary technical studies and submit a technical/economic proposal to the Licensing Administration.

In 2013 the concessionaire submitted a preliminary proposal for road widening to the Licensing Administration. As can be seen in the table below, this proposal anticipated the estimated year where the contractual degree of congestion, (70% of the ideal saturation flow), could be reached.

Section	Lane	Year
1. Escazú	San José - Caldera	2015
	Caldera - San José	2015
2. Multiplaza - Santa Ana	San José - Caldera	2021
	Caldera - San José	2015
3. Santa Ana - Ciudad Colón	San José - Caldera	2023
	Caldera - San José	2023
4. Ciudad Colón - Atenas	San José - Caldera	2026
	Caldera - San José	2024
5. Atenas - Orotina	San José - Caldera	2032
	Caldera - San José	2032
6. Orotina - Pozón	San José - Caldera	2033
	Caldera - San José	2029

Since then, the National Concessions Council has been in possession of this information and had been studying it until 13 May 2016, when, having verified the road's saturation level, it agreed to undertake the study on road widening, instructing the Technical Secretariat to carry out reviews and preliminary studies to assess the concessionaire's proposal. The Technical Secretariat will have to start to prepare a preliminary budget (covering land acquisition, environmental aspects etc.) prioritizing works that facilitate better traffic flow. To date, TYPSA is not aware of the expected timing for the release of the National Concessions Council's findings of its review, study, or a budget associated with potential expansion works.

Moreover, an analysis based on 2016 observed traffic at AM peak and with the expected growth, enables to estimate the degree of congestion for the base case in the three main sections corresponding with the toll plazas (not ramps): Escazú, San Rafael, Atenas and Pozón. For each section the equivalent vehicles hour per lane were calculated for each year; and this figure is compared with the ideal saturation flow of the section. The results are summarized as follows:

Year	Vequ. / lane AM Peak				% over capacity, degree of congestion			
	Escazú	San Rafael	Atenas	Pozón	Escazú	San Rafael	Atenas	Pozón
2016	1 582	1 552	640	592	72%	97%	40%	37%
2017	1 660	1 692	702	617	75%	106%	44%	39%
2018	1 739	1 831	763	643	79%	114%	48%	40%
2019	1 611	1 396	774	656	73%	87%	48%	41%
2020	1 666	1 511	839	682	76%	94%	52%	43%

2021	1 712	1 588	891	703	78%	99%	56%	44%
2022	1 768	1 687	942	725	80%	105%	59%	45%
2023	1 776	1 674	714	650	81%	105%	45%	41%
2024	1 992	966	741	660	91%	60%	46%	41%
2025	2 047	1 028	775	674	93%	64%	48%	42%
2026	2 098	1 091	804	691	95%	68%	50%	43%
2027	2 150	1 153	833	707	98%	72%	52%	44%
2028	2 201	1 216	862	723	100%	76%	54%	45%
2029	2 253	1 279	891	740	102%	80%	56%	46%
2030	2 304	1 341	920	756	105%	84%	58%	47%
2031	2 338	1 388	938	768	106%	87%	59%	48%
2032	2 373	1 434	956	780	108%	90%	60%	49%
2033	2 407	1 480	975	793	109%	93%	61%	50%

Source: Traffic advisor's report

For the Escazú section, the expected demand is higher than ideal saturation flow on 2028, and, according with the contract, a widening is needed since 2016 to maintain an acceptable level of service.

San Rafael section is a bit different because it's expected a drop in demand when the section I of San José-San Ramon improvement is finished, and another additional drop after the Radial Santa Ana is finished. However, it's expected to be always around ideal saturation flow with a low level of service if not additional measures were taken.

Red shadowed cells show years over ideal saturation flow. Orange shadowed cells show years over 70% ideal saturation flow.

[j1] There is a provision in the concessionaire's Collector's Manual for placing toll collectors at the entrance to the toll plaza to help manage congestion charging manually at special times (Holy Week, holiday departures, etc.). In addition, to mitigate possible congestion on the sections identified in the table, messages are sent via the social networks for users to plan their travel better, avoiding peak hours. On long weekends, measures are put in place to reverse the direction of travel towards San Jose. Reversibility applies to the lanes between Pozón and Ciudad Colón. All lanes are directed to San José (west to east). Notices and frequencies are posted at <https://twitter.com/autopdelso1>

This is a provisional palliative measure, which is not considered to be the ultimate solution but which helps relieve congestion on public holidays.

The Concessionaire has no other alternatives for reducing congestion.

3.2.8.11. General rights and obligations of the Awarding Authority

The Awarding Authority shall have the rights and obligations that are stated in the LCOP (Law Regulating the Concession of Public Works), the Regulations, the Request For Proposals and this Contract.

The Awarding Authority will supervise the terms of the Contract in all its stages via competent technical bodies and an external Regulatory Agency that will monitor strict fulfilment of the conditions, specifications, standards and deadlines set forth in the Contract for the execution of the work or the operation of the services granted.

The Awarding Authority will grant the ITEO (Technical Inspection for the duration of the Civil Works) the authority to intervene directly to ensure the proper execution and maintenance of the works and, in general terms, fulfilment of the Contract during this stage. Inspection of the works shall be maintained throughout the entire concession period.

3.2.8.12. Project Funding

The Concessionaire is required to have the financial resources necessary to carry out all the construction, improvement, operation and maintenance work of the roadway and shall assume the financial obligations and associated risks.

The Concessionaire may perform any financial transaction necessary for the execution of the work in order to have the necessary resources during all its stages according to the service and quality standards set forth in the Contract and in the Request For Proposal. These shall not require authorisation by the Awarding Authority, with the exceptions set forth in the LCOP, in the Contract and in the Request For Proposal.

3.2.8.13. Guarantees that can be submitted by the Concessionaire

The Concessionaire shall be authorised to set up a trust, charge in any way or submit as a guarantee the income received from the operation of the concession, as well as any economic compensation offered by the Awarding Authority, under the terms and conditions established in this Agreement, to guarantee the financial obligations required to fulfil the Contract.

The unfulfilment of the conditions required by the financial institutions will not be considered as unfulfilment as per the Awarding Authority, unless, after a summary administrative procedure, the Awarding Authority decides that this circumstance endangers the Concession financially, which, if demonstrated shall be considered a serious breach affecting the eventual final decision on the Concession.

The Concessionaire must also present the commitment of the contributions to be made by share capital, identify the shareholder that will provide the share capital and the anticipated schedule for the contributions. These contributions must be sufficient to satisfy the requirements of the financial institutions that will fund the Project.

The Awarding Authority shall not be held responsible or take on any risk as regards cost estimates for the construction work, equipment, operation and maintenance, traffic estimates used by the

Concessionaire to determine the financial viability of the business, except as regards the Mechanism of Minimum Income Guarantee.

3.2.8.14. Reports to be presented by the Concessionaire

Monthly Reports

- Vehicle traffic per hour, including waiting time and daily and monthly traffic in each direction and classified by vehicle type.
- Vehicle traffic per hour, expressed in equivalent vehicles, according to the pertinent equivalence factors for each section of the roadway.

Quarterly Reports

- Statistical information on daily accidents.

Six-monthly Reports

- Daily accidents, indicating the direction, cause and time.
- Fulfilment of the Maintenance Plan
- Amount of work executed and unit prices incurred.
- Fulfilment of the maintenance schedule.

Annual Reports

- Pavement monitoring; compliance with indicators (IRI, rutting, surface cracking, potholes, skid resistance, condition of drains and other auxiliary work).
- Operation: reporting road traffic volume on each of its main sections and at the established control points, accident statistics.
- Monthly revenue from toll booths certified by an external auditor.

This information will be used to calculate the corresponding Present Value of Revenues from Tolls, the eventual payment of Minimum Income Guarantee and awarding the Roadway Safety Prize, if applicable.

The Concessionaire must notify the Awarding Authority immediately if it cannot fulfil its financial obligations.

The Concessionaire must notify the Awarding Authority of any changes to its Share capital.

After auditing its annual financial statement, the Concessionaire will submit an audited gross income certificate, which will be used to calculate the payment for reimbursement of the costs of inspection and control of the Contract mentioned in section 3.2.8.8 of this report.

3.2.8.15. Economic rights of the Concessionaire

The Concessionaire shall be paid according to the terms of this Agreement and shall have the right to ask the Awarding Authority to change the terms of the Contract when the economic and

financial balance is affected for reasons not associated with its obligations; all of the above as set forth in this Agreement and in Costa Rican legislation.

Readjustment of the Financial Balance of the Contract

The Concessionaire may ask the Awarding Authority to change the terms and conditions of the Contract with the aim of re-establishing the economic-financial balance in place on the date the Contract came into force if it is affected or altered by any of the following causes, among others:

- As the direct and particular consequence of measures or actions taken unilaterally by the State, its Institutions and Municipalities.
- For acts of God or force majeure that compromise the financial capacity of the Concessionaire to continue fulfilling its obligations.
- Foreseeable conditions that have not been resolved by applying the insurance policies that the Contract refers to.

The request can be submitted at any time for the duration of the concession. If the Awarding Authority considers that the effects on or alterations of the alleged economic and financial conditions are sufficiently proven, the two parties will agree to changes they deem convenient, following the basic principles established in the Request For Proposal and this Contract. If an agreement is not reached, the decision will be submitted to arbitration as set forth in this Agreement.

The State shall adjust the economic balance of the Contract if there are any changes in the conditions and requirements for protection of the environment issued by government bodies that result in a significant increase in Agreement costs.

Likewise, the State shall re-establish the financial balance of the Contract to compensate for the application of measures or policies or omissions of state obligations, including new laws or regulations that impose additional costs, fees or taxes that have a negative effect on the profitability of Concessionaire operations.

The purpose of adjusting the financial balance of the Contract will be to re-establish the economic and financial balance in place on the date the Contract came into force. This will take place if it is affected or altered by any of the reasons set forth in this Agreement and the Concessionaire verifies that it is not directly or indirectly responsible for the situation, that the situation is out of control and that there is a negative impact on the financial condition it was in at the start of the Contract.

The financial imbalance of the Contract will be compensated by the following:

- an increase in fees,
- prolongation of the concession period,
- an increase in the Current Present Value of Revenue from Tolls,
- a contribution from the State at one time or yearly,

any other mechanism provided for in current legislation.

3.2.8.16. Insurance during the Operation and Maintenance stage

- General liability policy for finished work
- Civil liability insurance for the operating period
- Automobile insurance
- Insurance required by law, including occupational risk insurance.

Insofar as allowed by market conditions, the insurance policies must be issued in US dollars.

The policies must contain explicit mention of the automatic renewal clauses and the impossibility of the Concessionaire cancelling or ending the insurance without written approval by the Awarding Authority.

The beneficiary of the all risks insurance policies for existing works will be the Awarding Authority, which can only use the compensation amounts to rebuild or repair the civil works that are affected and to re-establish Concession operations and services.

The beneficiary of the civil liability insurance policies for the operating period shall be the person affected by the damage incurred, as applicable.

Not underwriting, paying or renewing any of these policies will constitute a serious fault, which will provide the right to terminate the Contract after establishing an administrative procedure for that purpose.

3.2.8.17. Guarantees in force during the O&M stage

Environmental guarantee of operation: guarantee of the environmental obligations that must be fulfilled by the Concessionaire according to the Concession Contract, the Environmental Impact Study and the documents that are included in the administrative dossier of SETENA (National Technical Secretary for the Environment) No. 545-98.

Environmental obligations:

- Maintain an Environmental guarantee of operation. (Annex 7)
- Maintain an Environmental Management Plan. San José - Caldera roadway project has an Environmental Management Plan (see section 10)
- Maintain and deliver Environmental monitoring reports. Every month, an independent Environmental Consultant (GEOAMBIENTE, S.A.) submits a report in accordance with National Environmental Technical Secretariat format and content requirements (see section 10)

There are no more environmental obligations

Operation guarantee: 5% of the estimated Operation and Maintenance costs, per year, valid for the entire duration.

Both guarantees are needed for the entire duration of the concession and they are renewed annually

The operation guarantees may be executed when the Concessionaire refuses to cancel or not cancel the amounts corresponding to the penalty clause or fines within the respective deadlines.

The table in Annex 7 shows that the Concessionaire has provided the guarantees and is in compliance with the terms of the contract.

3.2.8.18. Penalty system during Operation

The Awarding Authority may impose penalties during the period of operation for the following:

- a) Unauthorised total or partial voluntary interruption of the service. Up to US \$50,000/ day
- b) Collection of toll fares in excess of those authorized. US \$100,000 per event
- c) Traffic jams in the toll collection stations, US \$ 5,000/ day
- d) Submission of information that is not true or correct US \$10,000/event
- e) Non-fulfilment of payment commitments to the Administration US \$10,000/day
- f) Failure to Maintain standards US \$1,000/day
- g) Non-compliance with instructions from the Inspection Engineer US \$1,000/day

There will be a maximum yearly total for the application and collection of the fines referred to in this clause, equivalent to 1% of the revenue from tolls for that year. In excess of that limit, each time additional fines amount to ten thousand dollars, the fine will be automatically replaced by subtracting one day from the total concession period, up to a maximum of three months that can be subtracted.

The fines will not be considered an **operational** expense or cost of the Concessionaire for purposes of financial balance or fee adjustment.

According to the Concessionaire, the project has never been penalized for toll queue waiting time. (TEC's). No penalties have been applied since the beginning of operation. This time is permanently monitored. Improvements have been made in order to always comply with this requirement.

The toll queue waiting time (TEC) report for the first six months of 2016 has been reviewed and the following results have been extracted:

- TEC Escazu = 0.57 minutes
- TEC Ciudad Colón = 0.65 minutes
- TEC San Rafael = 0.31 minutes
- TEC Guácima = 0.07 minutes
- TEC Siquiaries = 0,17 minutes
- TEC Rampa Atenas = 0.28 minutes
- TEC Atenas = 0.34 minutes
- TEC Pozón = 0.20 minutes
- TEC Rampa Pozón = 0.33 minutes

(0.5 minutes = 30 seconds)

The results show that, at all the toll areas analysed, the waiting times are much shorter than the 5 minutes set out in the Concession Contract.

There should be no indicator non-compliances if the concession is properly managed.

3.2.8.19. Act of God or force majeure

Lack of fulfilment of any of the obligations derived from the Contract shall not be considered a breach of the Contract if the situation is due to circumstances that cannot be controlled by the Concessionaire and are due to an Act of God or force majeure.

For a breach of the Contract to be attributed to an Act of God or force majeure, the event must be extraordinary, unexpected, inevitable and beyond the control of both parties.

When the Concessionaire requests that the Awarding Authority extend the deadline for work completion, the latter shall verify the facts and items as indicated in the fast-track procedures regulated in Book II of the General Law of Public Administration.

If there are discrepancies regarding the validity of the extension or the deadline set by the Awarding Authority, the Concessionaire may submit this decision to an arbitration procedure.

For all purposes, any judicial, administrative or legal order or decision that impedes compliance by the Concessionaire of its contract obligations within the anticipated deadline shall be considered as an Act of God or force majeure, as long as the circumstance is not a result of malice or fault of the Concessionaire. Should an order or decision of this nature be presented, the Concessionaire shall not be penalised or fined by the Awarding Authority for delays or non-fulfilment of its obligations as set forth in this Agreement. In addition, if the impossibility of compliance were to result in damages to the Concessionaire, the latter will receive compensation for said damages by direct payment according to the rules governing the re-establishment of the economic and financial balance, as set forth in Clause 3.15 of this Agreement.

3.2.8.20. Temporary suspension of the concession

Construction work or operation of the concession can only be interrupted temporarily, whether partially or completely, under the following circumstances:

- Due to an Act of God or force majeure that prevents the service from being provided temporarily.
- If requested by the Awarding Authority for appropriately verified reasons of public interest, in which case it shall compensate the Concessionaire directly to maintain the economic balance of the Contract, according to the rules established in the Request For Proposal and in the Contract.
- In the cases requested by the Concessionaire, as set forth in the LCOP.

During temporary suspension, the Awarding Authority may only suspend the rights of the Concessionaire that are associated with the cause of the suspension.

3.2.8.21. Termination of the concession

The Contract may be terminated for the following reasons:

- If the guarantees set forth in the Request For Proposal and in the Contract are not established or re-established.
- Any serious breach in the obligations of the Concessionaire derived from the Request For Proposal and the Contract.

The announcement of Agreement termination must be preceded by an administrative process that respects the rules of said process. The Awarding Authority shall be authorised to execute the guarantees in its possession once termination of the Contract has been officially announced in its administrative headquarters.

3.2.8.22. Cancellation of the concession

The Concession may be cancelled for the following reasons:

- Expiration of the period agreed to or if the Concessionaire has reached the Present Value of Revenue from Tolls quoted in its bid, whichever occurs first.
- The impossibility of compliance resulting from measures taken by the State Authorities.
- Government take over for reasons of public interest.
- A mutual agreement between the Awarding Authority and the Concessionaire, requiring previous approval from the Concessionaire's creditors, if applicable.
- Termination due to serious breach of Concessionaire obligations as set forth in the Request For Proposal and in the Contract.
- Concessionaire bankruptcy, in which case the provisions contained in Articles 61 and 62 of the LCOP will be applied.
- Due to an Act of God or force majeure that impedes construction or provision of the service definitively under terms the same as or similar to those of the Contract. Likewise, the Awarding Authority or the Concessionaire may request that the Contract be terminated in the event of an Act of God or force majeure that impedes compliance with the obligations set forth in the Contract lasting more than 180 continuous calendar days or more than 270 non-continuous calendar days within a period of 2 years.

In such cases, the mechanism provided in Clause 8.12 of the Contract must be applied before cancelling the Concession.

Delivery of rights, goods and equipment

All rights, goods and equipment associated with the Concession, whether transferred with it or acquired or built during the corresponding period, must be returned to the Awarding Authority, free of charges and at no cost at the cancellation of the Concession, regardless of the cause, **in good conditions of operation and use.**

Effects of cancellation due to expiry or because the Concessionaire has reached the Present Value of Revenues from Tolls

When the Concession is cancelled due to expiry or because the Concessionaire has reached the Present Value of Revenues from Tolls quoted in its bid, the Concessionaire shall deliver the rights, equipment and goods of the Concession to the Awarding Authority, in good conditions of use, operation and maintenance, except for normal wear due to use and free of charges or entries and at no cost to the latter.

Government Take Over of the Concession

The unilateral decision from the government to take over the Concession for reasons of public interest is an inalienable right of the Awarding Authority when there are justifiable reasons to take charge of the work or provide the service directly.

Government take over of the Concession must depend on a reasoned decision of the competent body or civil servant and according to due process principles and the procedures set forth in the LCOP, LGAP and in this Agreement.

Effects of the Cancellation for reasons out of the Concessionaire's control

If Concession cancellation cannot be attributed to the Concessionaire or to an Act of God or force majeure, the Concessionaire will have the right to receive as compensation the expenses and costs that it has incurred in, minus accumulated depreciation at the time of the cancellation, plus 50% of the income before taxes not earned due to loss of profit. All of the above as set forth in Clause 8.14 and a compensation for the costs that may have been incurred in, including legal costs, taxes or contract or financial costs due to early termination and duly demonstrated.

Effects of cancellation due to non-fulfilment of the Concessionaire

If cancellation is due to non-fulfilment by the Concessionaire, the Guarantee Trust procedure established in Clause 8.11 must be applied to provide Concession continuity and protect the rights of the creditors.

If the Guarantee Trust procedure is unable to obtain a new successful bidder, the Awarding Authority will cancel the Guarantee Trust as the only compensation, the costs and expenses paid minus the depreciation accumulated at the time of cancellation. All of the above according to the provisions in Clause 8.14 and deducting from that payment the amount corresponding to damages to the Awarding Authority caused by Concessionaire non-fulfilment for the amount that could not be covered by executing the guarantees.

Effects of agreement cancellation due to an Act of God or force majeure

When Agreement cancellation is due to an Act of God or force majeure, the Awarding Authority shall pay compensation exclusively for the costs and expenses actually incurred minus the depreciation accumulated at the time of the Act of God or force majeure. All of the above according to the provisions in Clause 8.14, as well as all other legal, contract, tax or financial costs not contemplated in the investment value and resulting from cancellation, which must be duly demonstrated as set forth in paragraph three of Article 11 of the law on Administrative Contracts.

If an Act of God or force majeure causes the destruction or permanent disablement of the investments made, the Awarding Authority shall be exempt from having to compensate the Concessionaire if the latter is to blame for not having provided the insurance it is obliged to take out for this purpose and of which the Awarding Authority would be the beneficiary. If this situation occurs, the Concessionaire must prove to the Awarding Authority that the reasons presented by the Insurer for not making the insurance payments are not the fault of the Concessionaire, in which case the compensation set forth in this clause will be applied.

Comptroller approval

Any settlement in favour of the Concessionaire or its creditors resulting from compensation for cancellation of the Concession will require approval of the General Comptroller of the Republic for it to be valid.

Guarantee Trust

To safeguard the interests of the creditors, the Awarding Authority shall authorise the Concessionaire to establish a Guarantee Trust that covers one hundred percent of the shares that make up the Concessionaire's social capital, so they can be transferred in trust property as part of the guarantees to be granted for the funding needed by the Concessionaire to execute the project.

As trustors, the Concessionaire's shareholders will transfer the ownership of the shares to the guarantee trust. The trustee must be a national bank, which shall only be able to use the shares in strict compliance with the purposes of the trust. The Concessionaire's creditors shall be the beneficiaries.

Effects of Concession cancellation versus the creditors

The Concessionaire will always be liable to its creditors and shall be able to dispose freely of any compensation that, by law and in accordance with the terms and conditions of this Agreement, corresponds to guarantee the debts to its creditors.

Neither the Awarding Authority or the State of Costa Rica shall be responsible, whether directly or indirectly, for the credit obligations and debts incurred by the Concessionaire.

The Awarding Authority understands the importance of the creditors for the success of the Project and shall take the creditors' interests into account in the event of Agreement cancellation, within its legal limitations. The Awarding Authority will safeguard service continuity and the protection of user and creditor rights at all times. To this end, it will start the legal procedures intended to contract a new Concessionaire, who will take final charge of the obligations of the previous Concessionaire including those of the creditors, as far as economically possible.

The cancellation of the Concession due to expiry of the concession period will automatically cancel any other agreement signed by the Concessionaire, unless the Awarding Authority decides to prolong them.

Calculation of the compensation amount for early cancellation

If the Concession is cancelled before the time is due, the calculation of costs and expenses actually incurred will include the expenses and investments of the investment approved by the Awarding Authority and verified by the same.

The depreciation will be calculated linearly according to the type of asset as described in Clause 8.14 of the Contract.

3.2.8.23. Solution of disputes and applicable legislation

The Contract shall be governed by the standards and principles of the administrative legal system of Costa Rica.

The Parties agree that the differences or conflicts that arise between them shall be mandatorily solved as follows and in the following order of precedence:

They will be resolved before an administrative authority by the administrative procedures regulated by the Contract or the General Law of Public Administration, as stated in the Contract or the law, except in the cases where the Contract or the Law for the Concession of Public Works expressly authorises the Parties to submit the matter to arbitration without having exhausted the administrative route. Starting an arbitration procedure authorised by the Contract does not suspend the rights of the Awarding Authority, the potential execution of its administrative acts or its absolute authority.

Any other difference associated with the Contract, its execution, non-fulfilment, termination or calculation of damages, as well as challenges to administrative decisions that can only be resolved in court because the administrative route has been exhausted, will be resolved by reconciliation or arbitration.

Reconciliation

As regards matters that cannot be resolved before an administrative authority according to the terms and conditions of the Contract, after adhering to an arbitration process, the Parties may optionally use a reconciliation process to remedy any controversy regarding the Contract that cannot be solved according to its rules and procedures, or in cases where the Parties differ in their interpretation.

The conciliator or the Technical Reconciliation Committee is made up of one or more professionals who are experts in the matter, appointed by the Parties by mutual agreement and who can count on the necessary consultants, in which case they will be paid by the Party that requires them.

Arbitration clause

Any controversy associated with the Contract, whether it refers to the interpretation, fulfilment, execution, termination or compensation and that cannot be solved before an administrative authority using the procedures set forth in the Contract, or, having been resolved, leads to a court proceeding because the administrative route has been exhausted or reconciliation has not been

achieved, can be submitted to a mandatory arbitration procedure which will be regulated by the Law on the Alternate Resolution of Conflicts No. 7727 as an alternative solution.

The Contract shall include the authorisation of the Executive Branch for arbitration, in compliance with section 3) of Article 27 of the LGAP (Executive Decree No. 151-MOPT dated 24 November of 2003 and published in Official State Journal No. 9 on 14 January 2004).

Arbitration procedure and characteristics

The arbitration shall be legal arbitration and subject to Costa Rican legislation. The site of arbitration will be San José, Costa Rica. The language of arbitration shall be Spanish and should a Party require translation to the Spanish language, it shall cover the corresponding costs.

Insofar as they are permitted by the Law on the Alternate Resolution of Conflicts and Promotion of Social Peace No. 7727 and adjust to the items mentioned above, the arbitration procedure and rules will be established by the aforementioned law and, of compatible, by the rules of the Centre for Arbitration of the Costa Rican Chamber of Commerce, or by the Rules of the Centre for Arbitration of the American Chamber of Commerce (AMCHAM), or by the rules of the International Chamber of Commerce (ICC). If no agreement is reached between the Parties as to which Arbitration Centre rules should be applied, the rules of the International Chamber of Commerce will be applied.

Exception to the dispute settlement procedure

Affairs that have to be resolved by the ARESEP by law or are governed by that body are exempted from the provisions in this Chapter. (Public Service Regulating Authority)

Taxation

The Awarding Authority recognises that, as stated in the corresponding Request For Proposal and as an essential specification that binds the Parties involved, this Agreement shall enjoy all the taxation benefits mentioned in Article 44 of the General Law on the Concession of Public Works with Public Services, No. 7762, dated 22 May 1998 and in force at the time the bid was awarded.

The Concessionaire and any direct or indirect subcontractor for the Project shall enjoy the tax scheme applied to the Contract, as set forth in this Clause.

Regardless of the right of exemption from any other tax that may be applied to this Agreement at present or in the future according to applicable legislation, it will be exempted from the following taxes:

- customs duties for imports,
- 1% tax stated in Law 6946,
- excise tax,
- sales tax,
- single fuel tax,
- any other tax on local purchases or on the importation of goods needed to execute the concession work or provide services.

The application of Article 44 of the LGCOP to this Concession was decided by the Treasury Department in communication DVM-517-01, dated 31 October 2001 and communication from the General Directorate for Direct Taxation that appears in Appendix 7 of the Contract.

4. ANALYSIS OF PENALTIES OR BONUSES

The penalties for non-fulfilment or reduction in the standards for maintenance, signage and services are included in the Contract.

These penalties will be imposed by the corresponding Department of the Technical Secretariat if the problem continues after the preventive time period granted by the Inspection Engineer for the Concessionaire to solve the problem.

There have not been any penalties for non-fulfilment or reduction in the standards for maintenance, signage and services for the period of time the Concession has been operating.

According to the provisions in section number 3.9.5.1 of the Contract, incentives are established (Road Safety Award) for the reduction in the number of accidents causing injuries or deaths over consecutive years. The bonus varies between 1% and 5%. This incentive has not been awarded since the roadway came into service in 2010.

If the concession is properly managed there should be no cause for non-compliances with measured indicators)

5. TRAFFIC ANALYSIS

The traffic on this section has the following characteristics:

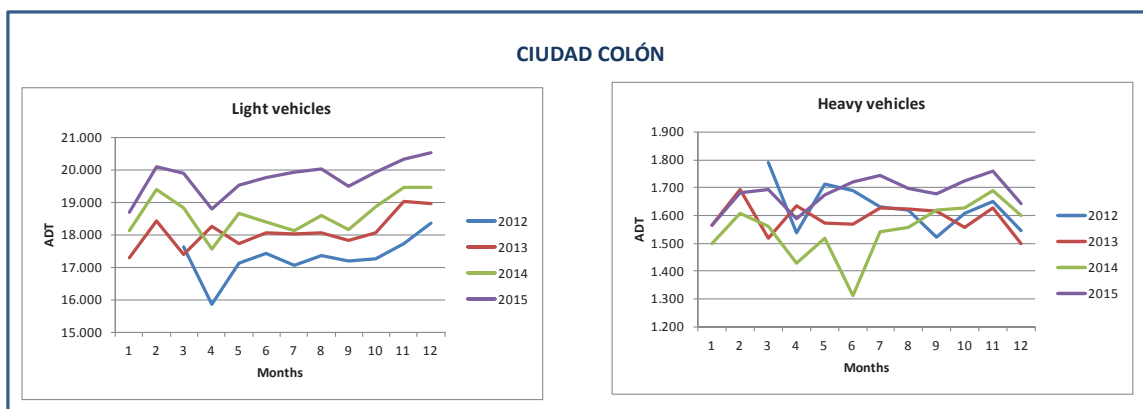
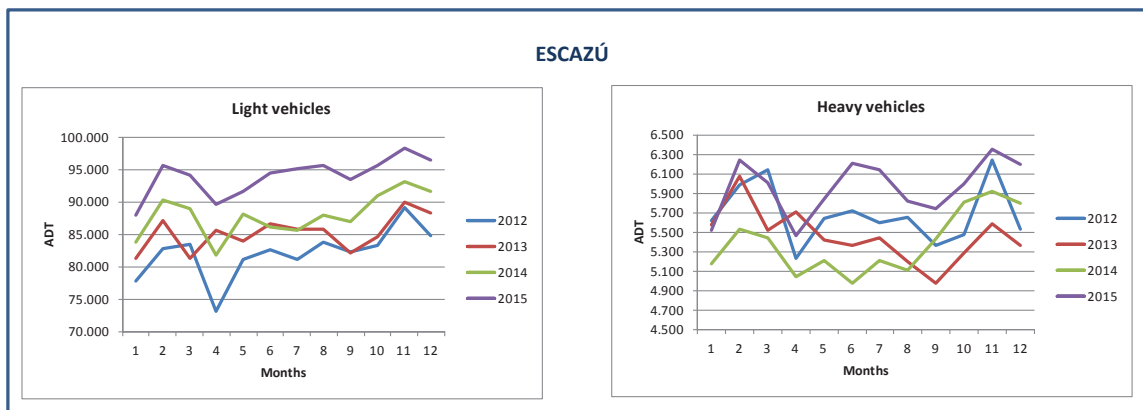
- The behaviour and distribution of the traffic on the first 14 kilometres of the road correspond to an urban roadway, with peak traffic in the morning and afternoons of workdays, traffic jams due to lack of capacity in the climb to "Alto de las Palomas" on workday mornings and at several points on Friday afternoons or in the event of minor accidents, special events or traffic on adjacent roads. So far in 2016, traffic increase from the year before has been approximately 5%, with very frequent traffic jams, especially on Fridays.
- The middle section, built recently, is a mountain road with traffic flow and user characteristics completely different from the urban section.
- The last section (from the Pozón junction with the Pacífica Fernández National Route 34 to the Port of Caldera) is quite flat, with less traffic and a large number of trucks moving merchandise to and from the port.
- The roadway connects San José with the Port of Caldera and the provinces of Puntarenas and Guanacaste, so it has a fixed amount of traffic of goods and people every day.
- In addition, it is an access route to beach areas (especially the junction with Route 34) so traffic to the beaches is heavy on Friday afternoons and Saturday mornings, as well as return traffic on Sunday afternoons. Similar situations occur in the dry season (December to March)

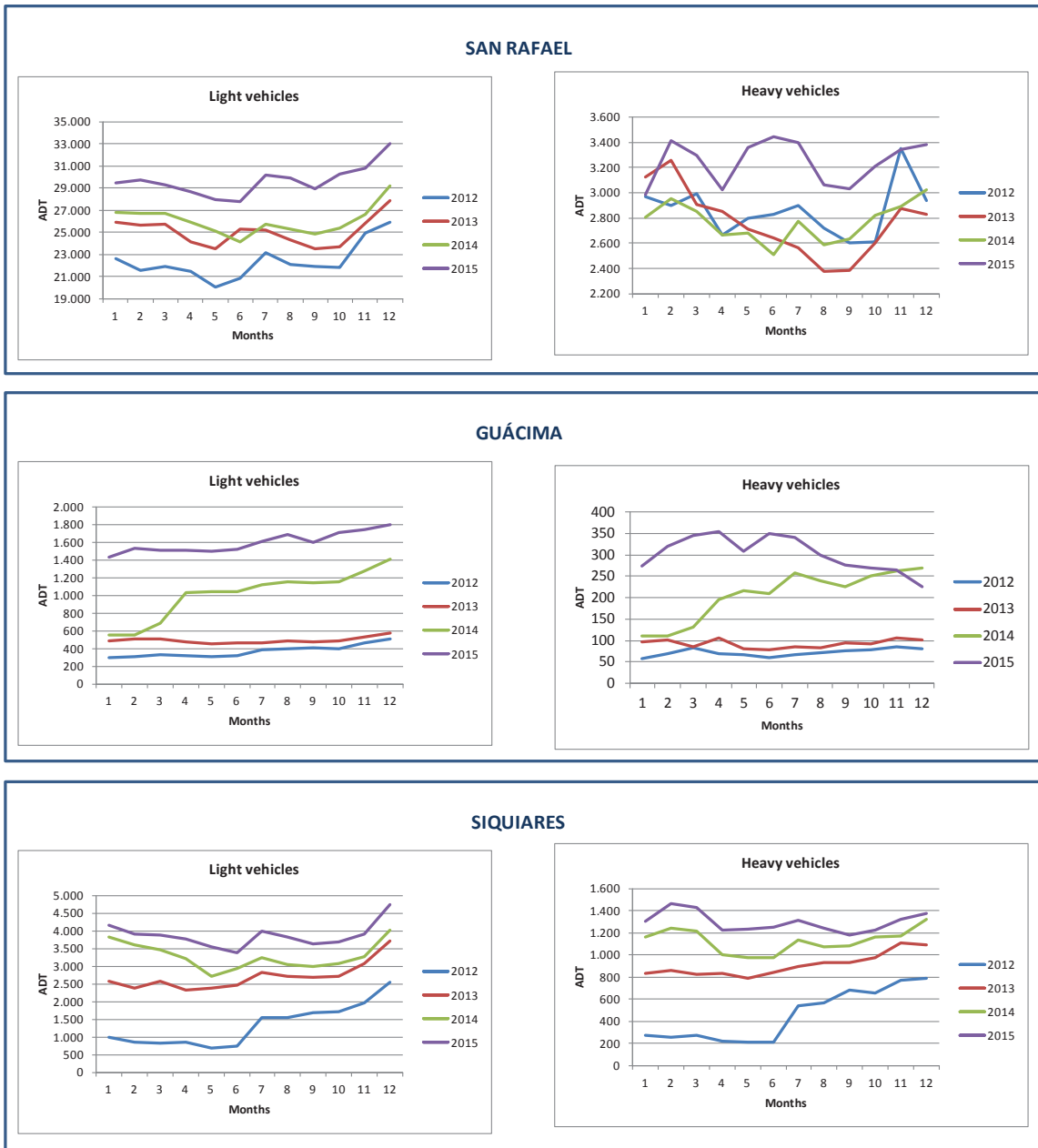
and in other vacation periods, such as Easter, New Year's, school vacations in July and long weekends in general.

Estación	ESCAZU	CIUDAD COLON	SAN RAFAEL	GUÁCIMA	SIQUIARES	RAMPA ATENAS	ATENAS	POZON	RAMPA POZON
2009	53.465	0	0	0	0	0	0	6.093	0
2010	69.795	0	15.213	0	976	2.473	12.591	12.012	2.631
2011	81.778	0	20.907	280	1.065	2.811	14.735	14.611	2.790
2012	87.825	18.928	25.217	442	1.792	2.774	16.293	15.367	3.049
2013	90.653	19.677	27.832	585	3.615	3.185	17.506	16.164	3.107
2014	93.366	20.175	28.803	1.224	4.413	3.633	18.190	16.629	3.200
2015	99.971	21.432	32.913	1.896	5.170	4.109	19.993	18.063	3.544

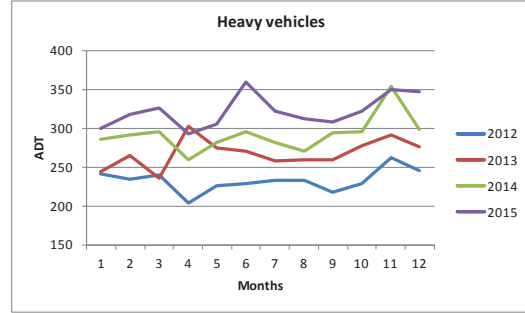
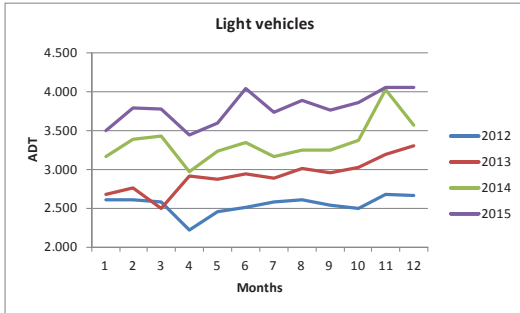
Traffic history per year

The graphs below show the evolution of traffic at each station, in the last years, differentiating between light and heavy vehicles

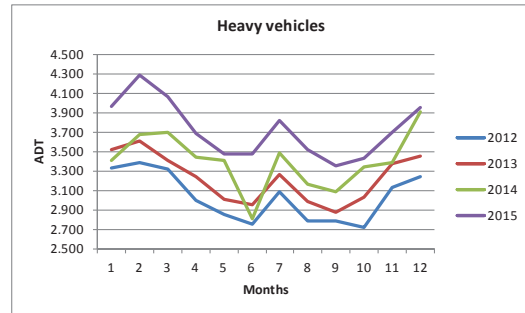
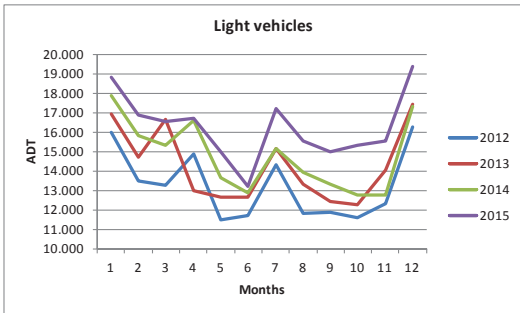




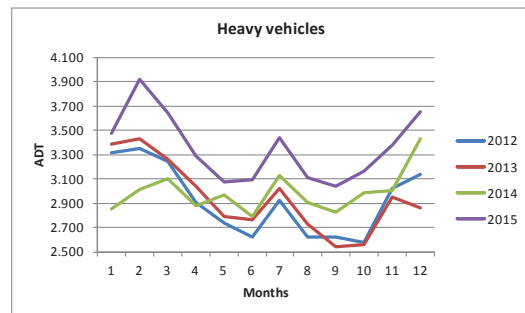
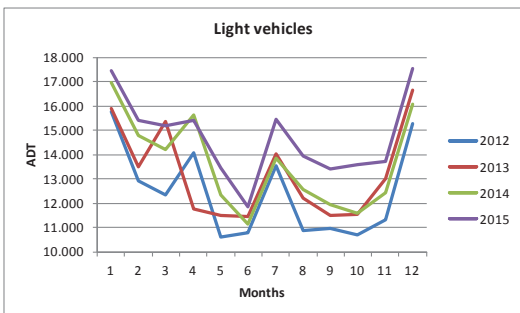
RAMPA ATENAS

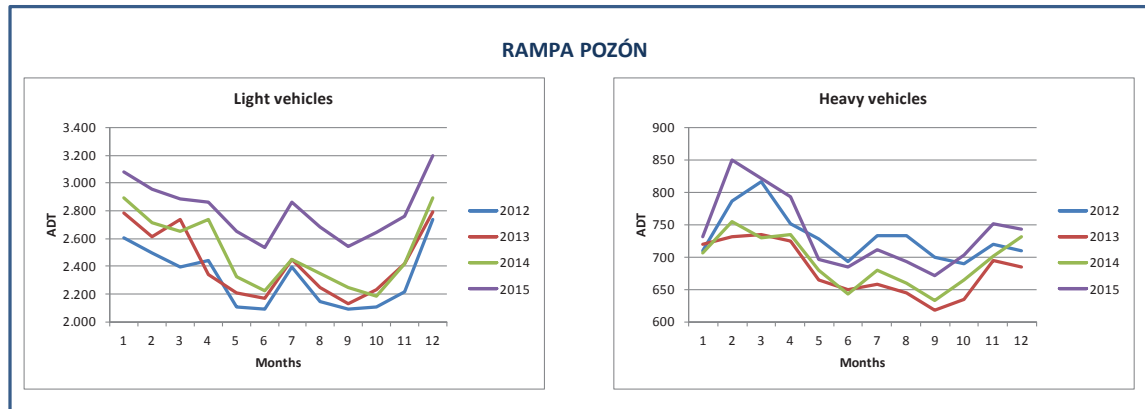


ATENAS



POZÓN





The road may not be capable to cope with the traffic increase anticipated in traffic studies. The preliminary study to enlarge the roadway to 4 lanes is underway. Until now, a cost and time estimation has not been prepared.

The increase rates are presented below:

ESCAZÚ				
	2012	2013	2014	2015
ADT				
Light	82.141	85.197	87.978	93.996
Heavy	5.685	5.456	5.388	5.959
Total	87.826	90.653	93.366	99.955
% Increase				
Light		3,6%	3,2%	6,4%
Heavy		-4,2%	-1,3%	9,6%
Total		3,1%	2,9%	6,6%

CIUDAD COLON				
	2012	2013	2014	2015
ADT				
Light	14.698	18.087	18.629	19.750
Heavy	1.385	1.590	1.547	1.681
Total	16.084	19.677	20.175	21.431
% Increase				
Light		18,7%	2,9%	5,7%
Heavy		12,9%	-2,8%	8,0%
Total		18,3%	2,5%	5,9%

SAN RAFAEL				
	2012	2013	2014	2015
ADT				
Light	22.360	25.074	26.037	29.677
Heavy	2.857	2.758	2.766	3.244
Total	25.217	27.832	28.803	32.921
% Increase				
Light		10,8%	3,7%	12,3%
Heavy		-3,6%	0,3%	14,7%
Total		9,4%	3,4%	12,5%

GUÁCIMA				
	2012	2013	2014	2015
ADT				
Light	370	493	1.017	1.594
Heavy	72	92	207	302
Total	442	585	1.224	1.897
% Increase				
Light		24,9%	51,5%	36,2%
Heavy		22,2%	55,4%	31,5%
Total		24,5%	52,2%	35,5%

SIQUIARES				
	2012	2013	2014	2015
ADT				
Light	1.338	2.704	3.287	3.874
Heavy	454	911	1.127	1.297
Total	1.792	3.615	4.413	5.171
% Increase				
Light		50,5%	17,7%	15,2%
Heavy		50,1%	19,2%	13,1%
Total		50,4%	18,1%	14,7%

RAMPA ATENAS				
	2012	2013	2014	2015
ADT				
Light	2.541	2.917	3.341	3.787
Heavy	233	268	292	322
Total	2.774	3.185	3.633	4.109
% Increase				
Light		12,9%	12,7%	11,8%
Heavy		12,9%	8,2%	9,3%
Total		12,9%	12,3%	11,6%

ATENAS				
	2012	2013	2014	2015
ADT				
Light	13.259	14.280	14.787	16.273
Heavy	3.034	3.227	3.403	3.725
Total	16.293	17.506	18.190	19.998
% Increase				
Light		7,1%	3,4%	9,1%
Heavy		6,0%	5,2%	8,6%
Total		6,9%	3,8%	9,0%

POZON				
	2012	2013	2014	2015
ADT				
Light	12.444	13.220	13.636	14.711
Heavy	2.923	2.944	2.993	3.355
Total	15.367	16.164	16.629	18.067
% Increase				
Light		5,9%	3,1%	7,3%
Heavy		0,7%	1,6%	10,8%
Total		4,9%	2,8%	8,0%

RAMPA_POZON				
	2012	2013	2014	2015
ADT				
Light	2.318	2.428	2.507	2.806
Heavy	731	680	693	737
Total	3.049	3.107	3.200	3.543
% Increase				
Light		4,5%	3,2%	10,7%
Heavy		-7,5%	1,9%	5,9%
Total		1,9%	2,9%	9,7%

The table below shows the growth rates used to design the pavement rehabilitation. The values are over-estimated to be on the safe side.

Year	Rate of Increase	Year	Rate of Increase
2015	10.00%	2027	4.50%
2016	4.00%	2028	4.50%
2017	4.60%	2029	4.50%
2018	4.90%	2030	4.50%
2019	4.70%	2031	4.50%
2020	4.30%	2032	4.50%
2021	4.60%	2033	4.50%

Year	Rate of Increase	Year	Rate of Increase
2022	4.60%	2034	4.50%
2023	4.50%	2035	4.50%
2024	4.50%	2036	4.50%
2025	4.50%	2037	4.50%
2026	4.60%	2038	4.50%

Rates of traffic increase. Source: APSA 2016 report

6. ANALYSIS OF OPERATION AND MAINTENANCE WORK

The Administration has appointed a supervisor to control and inspect the operation of the Concession and the maintenance and conservation work. The functions of the Operation Inspection Engineer (ITEO) include verifying fulfilment of technical standards of maintenance and operation, controlling compliance with fee collection regulations, verifying compliance with the economic conditions of the proposal, technical verification of pavement and structure maintenance, detecting delays or breaches of Concessionaire obligations, etc., as set forth in section number 2.16.7.4 of the Contract.

The ITEO verifies that the Operational Plan of the Concession, as regards the organisation of staff, means and machinery used for periodic maintenance, conservation, operation, inspections and measurements comply with the requests of the Authority.

The Routine Maintenance Plan detailed in the Operational Plan meets the requirements established in section number 2.15 of the Contract.

From the analysis, we conclude that the Concessionaire fulfils the annual Maintenance Plan.

6.1. ORGANIZATIONAL STRUCTURE AND MEANS

The Concessionaire has the following human resources working in shifts to carry out roadway operation:

- 1 technical supervisor on an 8-hour shift
- 2 field inspectors on 8-hour shifts
- 9 patrol men 2-3 individuals on 8-hour shifts
- 1 head of the control centre on an 8-hour shift
- 4 control centre operators: 1 person on an 8-hour shift
- 1 assistant in the control centre: 1 person on an 8-hour shift
- 4 crane operator posts

- 1 team consisting of 1 supervisor + 5 workers on 8-hour shifts for periodic maintenance tasks.
- 4 teams consisting of 1 supervisor + 5 workers on 8-hour shifts for routine maintenance. When necessary, another team on an 8-hour shift is added.

The Control and Operations Centre is located in the Escazú office building at KP 4+050, which is equipped with audiovisual equipment and other systems to monitor the road 24/7 all year with a closed circuit television network (CCTV).

The Control and Operations Centre has the equipment and staff necessary and capable of taking care of emergencies on rotating shifts as well as attending to users and any incidents that may occur. CCO is supported by several roadway teams along the route working constantly on patrols and travel assistance.

A platform crane and a heavy vehicle crane are also available to move vehicles.

The road is monitored by 33 cameras, which are controlled remotely from the Control Centre.

Section number 2.12 of the Contract establishes the obligation of the Concessionaire to build a toll station to charge tolls in both directions. As stated by the Concessionaire, the Board of Directors of the CNC has decided not to build that toll station due to the lack of expropriations.

The number and the training of the staff dedicated to roadway operation must be sufficient to fulfil the various obligations that derive from the Contract. Most of the staff is contracted directly, except for staff performing surveillance and collecting tolls who are contracted through Eulen and STT.

The machinery mentioned by the Concessionaire in the Operation Plan fulfils the minimum requirements demanded in the Contract for operation. Part of the machinery (crane, platform crane, sweeper, back hoe, etc.) are owned by the Concessionaire, while the rest is contracted specifically for campaigns.

Therefore the Concessionaire has properly covered (as regards organisation of the staff, means and machinery) all Maintenance, Operation and Surveillance operations, as required by the Awarding Authority.

There are sufficient people in the team and the team members have ample experience in concession management as well as support from the central Globalvia team.

6.2. SUBCONTRACTS: MEANS AVAILABLE AND COSTS

6.2.1. EULEN SECURITY Contract

Date 15-04-09

Purpose: Security and physical surveillance service for the Escazú, Ciudad Colón and Pozón Orontina toll stations

Duration: 1 year, extendable

Schedule: 24/7 all year

Budget: 10,685,750.00 colons per month. If the Concessionaire needs to contract more posts or less, the cost of the service will be adapted according to the unit prices defined in the contract.

Addendum No. 1

Date 07-12-09

Purpose: Expansion of the security and physical surveillance service to the Atenas, San Rafael and Siquiaraes toll stations and toll collection service.

Schedule: 24/7 all year

Addendum No. 2

Date 10-03-10

Purpose: Expansion of the security and physical surveillance service to the Atenas, San Rafael and Siquiaraes toll stations and toll collection service.

Schedule: 24/7 all year

Addendum No. 3

Date 08-07-10

Purpose: Expansion of the security and physical surveillance service at kilometre points 37+000, 47+000 and 48+500.

Schedule: 24/7 all year

Budget: 3,600,000 colons per month

6.2.2. STT GROUP DE CR SOCIEDAD ANÓNIMA Contract

Date 18-10-12

Purpose: Toll collection service at the Escazú, Ciudad Colón, San Rafael, Atenas and Pozón toll stations.

Duration: 1 year, extendable

Schedule: 24/7 all year

Budget: The price of the service will be established according to the number of staff required by the Concessionaire and the hours of service required in each period and toll station, according to the unit prices in colons stated in the contract.

6.2.3. CONSTRUCTORA HERNAN SOLIS Contract

Date 22-06-2015

Purpose: Special maintenance services for the San José - Caldera roadway, consisting in reinforcing the highway with layers of hot asphalt mix.

Budget: Maximum of \$3,719,460.

6.2.4. EMERGENCIAS MÉDICAS DEL CONTINENTE, S.A. Contract

Date 01-06-2009

Purpose: First aid services and paramedic attention for emergencies. This includes a Medical Emergencies technician, a Medical Emergencies assistant and the equipment necessary to provide the first aid service and paramedic assistance.

Budget: \$6,950.

6.2.5. Other contracts

In addition to these permanent subcontracts, the following are subcontracted according to needs:

Slopes

- Geotechnical consultancy: Insuma
- Hydraulics consultancy: DEHC
- Construction companies: Rodio Swiss-borring, Geosis, Geointer, Geofortis

Machinery leasing

- Construction companies: Hermanos Brenes, Hernández y Mártins, Grupo Orosi, Constructora Meco
- Crane service: Trans Fox (Dempster Cranes and platforms), Grúas Orotina (platforms)

Structures

- Structural analysis: INES Ingenieros, Camacho y Mora

Pavement

- Studies: APSA, Intevía, Acciona Ingeniería, Rauros ZM
- Construction companies: Constructora Hernán Solís, Constructora Meco, Grupo Orosi, COPROSA, Asfaltos CBZ, Constructora Aval, Conansa.

Laboratories: Vieto & Asociados, Castro y de la Torre, LGC, Cacisa, Insuma

Paramedics: Medical emergencies, pre-hospital assistance and replacement of medical material

Systems (spare parts): Automatic System, Magnetic, MAPS, Groupex 4, Sick.

7. ANALYSIS OF PROPOSED RENEWALS

7.1. PAVEMENT

7.1.1. Pavement Maintenance Plan

The Maintenance Plan proposed by the Concessionaire considers 2 intervention criteria: fulfilment of the indicated quality and service requirements and the need for reinforcement in 2020, when a structural reinforcement will be required as mentioned in the original design. (The original design

proposed laying the pavement in two stages; the first would take place during the final stage of concession preparation and the second would be a foreseeable structural reinforcement in 2020).

The Concessionaire ordered a study to update the Pavement Maintenance Plan from APSA, performed in March 2016.

APSA has used the AASHTO method to estimate the structural reinforcement, estimating the calculation of the effective structural number using criteria from non-destructive tests and the calculation of the required structural number based on the design period, the equivalent traffic axle loads, homogeneous sections and initial and final serviceability.

The document was prepared taking into account the impact deflectometry carried out in January 2015, the Pavement Maintenance Plan presented in 2013, the evaluation of functional indicators performed in January 2016, the technical visit to the area on 18 and 19 February 2016, the list of activities performed in 2015 and the traffic information.

According to the APSA study, the cost of the structural reinforcement needed in 2020 (using ESALS accumulated until 2038) is 20.7 M\$ (2013 prices). This investment is the set of pavement renewal for the 2019-2026 period.

The maintenance activities proposed to the Concessionaire to fulfil the appropriate service levels are:

- Structural reinforcement: This consists in reinforcing the structure by laying a layer of asphalt mixture of the thickness calculated by the AASHTO design method.
- Patching asphalt pavement: This consists in patching or replacing any parts of the asphalt pavement structure that are severely deteriorated when the damage affects either the asphalt layer or the base and underlying layers. The procedure is applied to repair areas that present wear originated by cracks in the various asphalt layers and/or weakening of the base and/or underlying layers.
- Asphalt sealing: This is done by applying asphalt grout sealing with a maximum thickness of 1 cm.
- Milling and asphalt re-coating over existing asphalt: This consists in milling to a certain thickness and placing a minimum 5-cm layer of asphalt over the resulting structure.

The conclusions were:

- *Section II requires the most structural reinforcement, since a large part of this section passes through a mountain pass. Lengthwise underlying drains are recommended to lower the water table. The effect of these underlying drains will have to be known later to update the structural assessment of the pavement and adjust the thicknesses of the reinforcement, if needed.*
- *The Coyal Ring Road needs the most structural reinforcement, since it is located on terrain with an average CBR of 1.9% for the subgrade. Reinforcement thicknesses of 10-16 cm are therefore necessary to support the traffic anticipated until 2020. The structural reinforcement after that year will be 16-17 cm. In addition, this ring road has become an important centre of development, which will undoubtedly have a significant effect on anticipated traffic and required reinforcement thicknesses.*

- *Fibreglass mesh is recommended to reinforce the bituminous mixtures used in the reinforced sections, since the bitumen is heterogeneous and the mixtures are susceptible to deformation (noticeable rutting), in addition to the premature cracking that appears in certain areas of the Concession.*
- *Certain sections presented exudation and there were sections with an equivalent SCRIM under 0.5. It is proposed that sections with exudation be milled and re-coated and slurry seal asphalt be placed on sections with SCRIM under 0.5.*
- *A sharp drop in traffic has been detected in section 3 due to the change in the growth rates used in 2013 versus 2016. It is recommended that the Concession update the traffic report and the load equivalence factors.*
- *It is also recommended to update the current visual inspection methods and perform them with specialised equipment instead of manually to improve damage monitoring accuracy and avoid subjective assessments.*

The Time Schedule, the work amounts and the amounts for the Maintenance Plan are detailed in Appendix D of said report.

7.1.2. Analysis of the measures proposed

- The maintenance measures proposed by the Concessionaire consist in augmenting the asphalt pavement to renovate the structural reinforcement and placing asphalt sealing, milling and re-coating the wearing course with asphalt where surface renewal is required.
- The short-term measures (2016-2018) proposed by the Concessionaire are considered adequate and meet the reinforcement requirements to comply with the indicators. However, the 2-stage, reinforcement per layer construction procedure should be studied, since it may be more advisable to carry out the reinforcement measures per sections and in a single stage.
- We believe that the measures taken in later years (2020-2023), that is, the reinforcement that was calculated for reinforcement year 2020 using the EAs accumulated until 2038 should be delayed. It is assumed that the structural conditions of the pavement will be better for the renovation campaign proposed for 2016-2018 and therefore the second renovation campaign will not need to be put in place so soon thereafter. Therefore, it is advisable to postpone these measures to 2024-2027, based on future studies of pavement maintenance. It is also advisable to study the 2-3 stage layer-based reinforcement construction produce, since it may be better to perform the reinforcement measures in a single stage.
- The per-lane axle distribution factors in sections with 2 or more lanes in each direction, used in the report (0.06 on the inner lane and 0.94 on the outer lane in section with 2 lanes in each direction and 0.06 on the inner lane, 0.12 in the middle lane and 0.82 on the outer lane in sections with 3 lanes in each direction), does not seem to be the most appropriate for this road. As found in the field visit, the heavy vehicles drive along all the lanes, both inner and outer. Since the Maintenance Plan proposes augmenting both lanes with the reinforcement thickness of the outer lane carrying the higher load, this new load distribution, which is more in line with the real situation, will optimise and reduce the

reinforcement and renovation measures. The length of the indicated sections represents 30% of the total length.

- It is therefore recommended that the pavement renewal program be adjusted for the future. In spite of that, the plan and frequency for the proposed paving measures may be changed, depending on routine maintenance work, the results of the periodic measurements, updated traffic requirements and equivalent truck factors, which may indicate that the measures should be advanced or delayed, while always guaranteeing that the required indicators are met.

It is advisable to watch and control the areas where there are backfilled embankments (e.g., km 44) and carry out a special study to assess their behaviour and propose their renewal if necessary.

7.2. CUTS

There are points that may require additional stabilising work, depending on evolution of the embankments, especially under the rain and seismic conditions that affect the region. This is especially true of the areas located in the section between Atenas and Orotina.

The chart below has been provided by the Concessionaire and shows the measures to be taken next:

Embankment		Anticipated measures
Initial PK	Final PK	
14+200	14+700	Concrete laid
16+500	16+900	Concrete laid in areas missing material due to erosion
21+320	21+500	Continue wall of gabions
22+400		Extend anti-erosion mesh (70 m)
27+400		Place anti-erosion mesh after repairing existing boulders
30+540		Expanding right of way to terrace embankment
36+100	36+120	Elimination of rock cantilever and terracing of upper area
36+300	36+600	Topographic control and TDR
37+200	37+300	Reshaping the embankment and repairing unstable areas
37+500	38+000	Reconstruction of the embankment with spaced berms
38+400	39+000	Placement of anti-erosion mesh on left-side embankment. Topographic control and TDR
40+700	40+900	Replace missing concrete laid at the end of the embankment
44+800	44+900	Reconstruction of the embankment with 7 berms measuring 7 m high
45+050	45+300	Reconstruction of the left-side embankment with 3 spaced berms. Concrete laid on right-side
46+150	46+800	Soil nailing on the sections of decomposed rock. Topographic control
47+380	47+600	Topographic control

7.3. STRUCTURES

The results of the field visit performed by TYPASA draw a contrast between the conclusions and maintenance requirements derived from the 2014 inspection. Thus, as already mentioned in Section 2.2, in most cases, the damage or wear affects durability and should be dealt with in the mid-term (therefore, its priority can be conditioned by subjective Concessionaire criteria); with the exception of a series of short-term requirements that are properly set forth in the inspection reports referred to repeatedly (December 2014).

Specifically for smaller bridges⁷:

Short-term renewals	
1	Pavas interchange (status index <40). Measures on structural cracks
2	Structure retaining barriers KP 2+600
3	Joint sealing and crack injections in pedestrian walkways (4 at KPs 0+314/ 6+100/ 9+800/ 12+760)
4	Geometrical repair of deformed components in water channels
5	Surveillance of the Segundo River Bridge
6	Replacement of horizontal signage ⁸ Escobal Interchange OP(KP 42+150) and La Rita UP (KP 60+700) i/retro-reflectors
7	Sealing the cracks in the bulwarks and cracks caused by differential seating in the flanges in the Orotina Interchange UP, Coyolar Interchange OP, Calle Loros Interchange OP, Pozón Interchange UP, Calle Huacas Interchange UP, Salinas Interchange UP and End Interchange UP.
8	Foundation samples in La Rita UP (KP 60+700) to rule out caving ⁹
9	Special inspection Calle Loros Interchange OP (KP 63+920)
10	Investigation of cracks in Tiribi and Agres River Bridge piles
11	Investigation with removal of markers at Hacienda UP and Oro River (and also at Mata de Limón Railway UP)
12	Control of missing alignment at Ruta Turrubares OP

The Annual Work Plan 2015 of the Concessionaire mentions a sub-item called "Corrective Maintenance (bridge rehabilitation) that is established "as needed" and does not specify any previous measures or any heavy maintenance measures that may be programmed.

ITEM	ACTIVIDAD	Enero	Febrero	Marzo	Abril	Mayo	Junio	Julio	Agosto	Septiembre	Octubre	Noviembre	Diciembre	Según Necesidad (*)
4.0	ESTRUCTURAS (puentes, pasos a desnivel, estructuras mayores, puentes peatonales)													
4.1	MANTENIMIENTO PREVENTIVO													
4.1.1	Inspección y pintura de barandas de puentes													
4.2	MANTENIMIENTO CORRECTIVO													
4.2.1	Rehabilitación de puentes													

⁷ In any event, it is advisable for the Concession Holder to revise each and every detailed main inspection report from 2014 in case there have been any omissions of specific measure required in the short-term. Likewise, the restriction of maintenance and preservation obligations regarding the larger bridges, as set forth in Section 3.2.7, should not be forgotten.

⁸ Acronyms: OP (Overpass); UP (Underpass)

⁹ This could be done immediately since work is already being executed

Short-term measures and programmable heavy maintenance (replacement of expansion joints due to end of useful life, checking anti-earthquake supports and devices) need to be specified so they can be translated into a justified and detailed investment amount (See Section 8.2.3).

According to the multi-annual investment program mentioned in Section 8.2.3, dedicated to maintenance and conservation measures on damage affecting durability and containing mid-term proposals, the surplus from the structure rehabilitation chapter does not require the specification required by short-term measures.

7.4. OTHER ITEMS

The rest of the items, such as vertical signage, horizontal signage, safety barriers, enclosures, beaconing, etc. do not have a maintenance plan as such. They are included in the heavy maintenance measures that are planned and programmed according to the results of the periodic inspections included in the annual Inspection Plan.

According to Globalvia staff, the horizontal signage replacement campaign (paint and retro-reflectors) was already planned for 2016.

8. COST ANALYSIS

8.1. COSTS OF PERIODIC AND ROUTINE MAINTENANCE

8.1.1. Operation and maintenance cost analysis

The operation and maintenance costs provided by the Concessionaire were analysed and assessed based on ratios, comparing the ratios obtained for the project with normal toll highway ratios.

Breakdown by TASK	
TOTAL OPEX COSTS	10,788.68
Routine maintenance	3,937.03
P STAFF	3,259.77
M MATERIALS	366.66
S SUBCONTRACTS	310.60
O OTHER	
Operation	5,360.68
P STAFF	-
M MATERIALS	638.48
S SUBCONTRACTS	3,073.36
OS TOLL COLLECTION (STT)	2,125.38
OS CLEANING	22.51
OS OTHERS Toll Operation (EULEN)	865.14
OS SERVICE AREAS	9.98
OS OPERATION VALIDATION / TOLL CONTROL	50.35
O OTHER	1,648.83
OT TOLL COLLECTION MANAGEMENT (electronic toll Commissions cards and guarantees)	399,006.59
OS OTHERS Toll Operation (EULEN)	275,664.71
OS OTHERS Toll Operation (EULEN)	405,568.34
OT OPERATION EXPENSES (Electricity supply)	568,590.48
STRUCTURE	1,490.97

Operation and maintenance costs annually in thousands of USD at constant 2016 values

An intermediate international figure for toll highway operation and routine maintenance ranges between \$ 55,000 and \$77,000 per km of single roadway/year.

A maximum value for this type of highway would be approximately \$100,000 per km of single roadway/year.

In this case:

- Operation: \$54 thousand per km of roadway and year
- Routine maintenance: \$39 thousand per km of roadway and year
- Structure: \$15 thousand per km of roadway and year

Thus, operation and routine maintenance costs represent \$108 thousand per km roadway/ year. Therefore, in this case, the costs can be considered high.

This seems to be appropriate taking into account the following characteristics of the road:

- The highway carries heavy traffic, which affects operation costs, since the heavier the traffic, the greater the need for resources.
- The permanent staff structure (e.g. the concession manager, administrative staff, machinery...) accounts for 14% of the operation and maintenance costs.
- The road has 9 toll stations, which results in an increase in operation costs since the toll collection costs increase the overall operation costs.
- In addition, the toll stations have a 24 hour physical security service 365 days a year
- Furthermore, the road has slope stabilization problems, which require more works to prevent or mitigate the consequences of possible landslides, increasing routine maintenance costs.
- The Concessionaire provides a vehicle rescue and relief service and 24-hour emergency medical services 365 days a year.

8.1.2. Operation and maintenance costs for the years remaining in the concession

	2017	2018	2019	2020	2021	2022
TOTAL OPEX COSTS (2016 k\$)	10.788,68	10.843,99	10.896,39	10.951,06	11.004,46	11.056,83
ROUTINE MAINTENANCE	3.937,03	3.937,03	3.937,03	3.937,03	3.937,03	3.937,03
OPERATION	5.360,68	5.415,99	5.468,39	5.523,06	5.576,46	5.628,83
STRUCTURE	1.490,97	1.490,97	1.490,97	1.490,97	1.490,97	1.490,97

	2023	2024	2025	2026	2027	2028
ROUTINE MAINTENANCE	11.108,34	11.159,15	11.209,48	11.259,45	11.309,04	11.358,29
OPERATION	3.937,03	3.937,03	3.937,03	3.937,03	3.937,03	3.937,03
STRUCTURE	5.680,34	5.731,15	5.781,48	5.831,45	5.881,03	5.930,29
STRUCTURE	1.490,97	1.490,97	1.490,97	1.490,97	1.490,97	1.490,97

	2029	2030	2031	2032	2033
ROUTINE MAINTENANCE	11.407,22	11.455,92	11.504,40	11.552,71	11.600,85
OPERATION	3.937,03	3.937,03	3.937,03	3.937,03	3.937,03
STRUCTURE	5.979,22	6.027,91	6.076,40	6.124,71	6.172,85
STRUCTURE	1.490,97	1.490,97	1.490,97	1.490,97	1.490,97

The Concessionaire has confirmed that operation and maintenance costs included in this report coincide with those that appear in the economic-financial model.

8.2. COSTS OF RENEWALS

8.2.1. Pavement

The Maintenance Plan contains the detailed amounts of all the work to be performed per lane.

According to the report, the cost of the Maintenance Plan for the expressway is \$49,835,946, in addition to \$1,907,648 for underlying drainage and \$3,501,032 for the Coyal Ring Road and \$1,736,984 for the Atenas Ring Road, for a total of \$56,981,610 (2016 prices). This cost is estimated in the measures to be taken between 2016 and 2038.

The following updates and changes have been made:

- Since the Concession is expected to end in 2033, the costs for the period 2034 to 2038 have been subtracted.
- The investment in underlying drain installation work has been updated to \$1,125,151.50 (\$800,000 for work awarded in 2016 and \$325,000 pending for 2017).
- The investment in pavement in 2016 is shown in the approved 2016 budget.

Therefore, the cost of the Maintenance Plan, inflation-adjusted to 2013 prices is as follows: \$40,102,155.60 for the expressway, in addition to \$1,040,695.10 for underlying drainage and \$2,609,764.12 for the Coyal Ring Road and \$1,164,855.51 for the Atenas Ring Road, for a total of \$44,917,471 (2013 prices).

The estimated unit costs per unit of work are appropriate and in line with market prices.

The total cost coincides with the investment program provided by the Concessionaire and is appropriate to satisfy the scope of the measures and comply with the status and technical requirements of the Concession.

8.2.2. Cuts

The investment plan provided by the Concessionaire features a significant investment in measures for cut slopes in 2016. From 2016 on, the investment drops drastically and measures are only planned every 2 years. The measures to replace drainage items are interspersed between the measures to be performed on embankments.

The interpretation is that all the important measures performed on cuts will be carried out this year and only small maintenance measures will be taken in upcoming years.

The approximate amount proposed is \$5,800,000 and is considered adequate.

8.2.3. Structures

The total amount of investment for the remaining 18 years of the concession exceeds \$5,274,689, broken down as follows:

STRUCTURES	5.274.689
Joints	284.689
Bearings	450.000
Structural Repairs	4.540.000

A distinction must be made to evaluate the coherence of the amount intended for joints. On the one hand, there are structures that currently have expansion joints (some 10 structures and bridges in all).

The estimated useful life for these joints is 4 years and the total length of the joints is approximately 850 linear meters.

Assuming an average cost of some \$300 per linear meter of joint (reinforced elastomer and rubber profile), the total would be approximately the same as the cost anticipated by the Concessionaire and therefore valid.

That said, the rest of the structures present systematic damage due to lack of watertightness between the brace beam and the stirrup. The inspection reports mention measures taken to treat these "joints", most of which have appeared in the road pavement.

Therefore, in view of the amounts in the table above, these measures are not contained in the chapter on Structure Joints, but rather in the chapter on Structural Repairs.

Thus, the amount assigned to Structural Repairs totals \$4,540,000. If this amount is put into perspective from the point of view of total deck surface (21,150 m² of smaller bridges), the investment ratio per square meter of deck is \$215/m²; which is reasonable for the intended purpose.

8.2.4. Tolls

The investment plan provided by the Concessionaire states \$12,014,000 (in 2013 prices) over 2018, 2019, 2028 and 2029 for toll renewals.

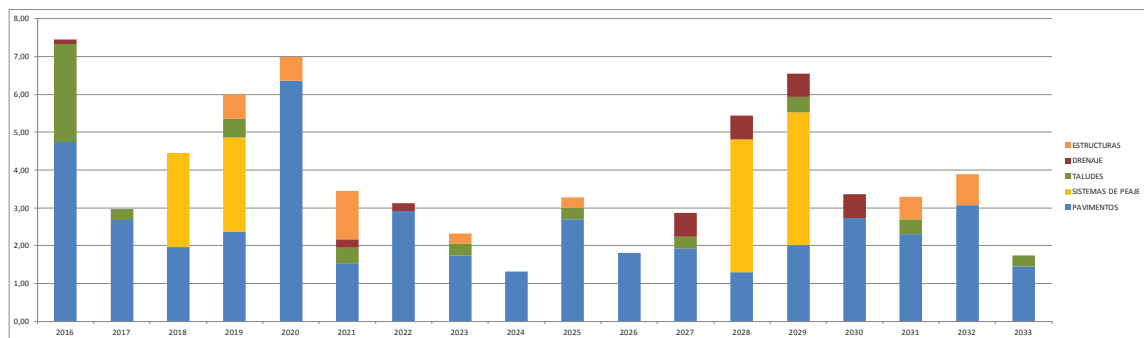
Using the usual costs for these types of tolls as reference, the budget considered in the investment plan seems more than enough.

8.2.5. Costs of renewals for the years remaining in the concession

CAPEX Ruta 27 - Rev: 2016
\$2.013

	2016	2017	2018	2019	2020	2021	2022	2023	2024	
PAVEMENTS	4,74	2,68	1,97	2,36	6,36	1,54	2,91	1,75	1,31	
TOLLS	0,00	0,00	2,49	2,49	0,00	0,00	0,00	0,00	0,00	
STRUCTURES										
Joints	0,000	0,000	0,000	0,070	0,004	0,000	0,000	0,000	0,043	
Bearings	0	0	0	0	0	0	0	0	0	
Structural Repairs	0	0	0	0,64125	0,64125	1,2825	0	0,275	0	
CUTS										
Shotcrete	2,597	0,3	0	0,5	0	0,4	0	0,3	0	
DRAINAJE										
Replacement	0,118					0,22	0,22			
TOTAL	7,456	2,976	4,457	6,066	7,001	3,444	3,130	2,320	1,353	
	2025	2026	2027	2028	2029	2030	2031	2032	2033	
PAVEMENTS	2,70	1,81	1,94	1,30	2,01	2,73	2,30	3,06	1,45	44.917.471
TOLLS	0,00	0,00	0,00	3,52	3,52	0,00	0,00	0,00	0,00	12.014.000
STRUCTURES										5.274.689
Joints	0,000	0,070	0,028	0,000	0,000	0,000	0,000	0,000	0,070	284.689
Bearings	0,45	0	0	0	0	0	0	0	0	450.000
Structural Repairs	0,275	0,000		0	0	0	0,6	0,825	0	4.540.000
CUTS										5.796.877
Shotcrete	0,3	0	0,3	0	0,4	0	0,4	0	0,3	5.796.877
DRAINAJE										3.055.500
Replacement			0,625	0,625	0,63	0,625				3.055.500
TOTAL	3,729	1,881	2,888	5,441	6,554	3,359	3,297	3,888	1,819	71.058.537

Costs or renewals in thousands of USD at constant 2013 values



The Concessionaire has confirmed that the costs of renewals included in this report coincide with those that appear in the economic-financial model.

It is of our opinion that the Major Maintenance Reserve account is not strictly necessary in this particular case, due to the key fact this Concession is a fully operating asset and given the predominance of light, as opposed to heavy, vehicle traffic. As a result, the Concession is not subject to significant maintenance or uncertainties regarding incomes and expenses.

Although the pavement investments in some years show slightly greater peaks to a certain extent, we think this could be managed through the yearly budget since the rest of the O&M costs and traffic revenues are well-known and controlled.

9. ROAD SAFETY

In 2011, Route 27 was in 7th place for the number of fatal accidents, in 2013 in 6th place and possibly it is now in an even better position.

According to data from COSEVI, human factors and drivers' disrespect are present in 92% of the cases of deceased on site on their roads (166 of the total of 180 in 2016).

**Costa Rica: Deceased on site and *possible cause.
Period 2010-2016**

Possible cause	Year						**2016
	2010	2011	2012	2013	2014	2015	
Excess speed	85	83	89	79	95	104	62
Invading other lanes	29	58	75	49	78	70	26
Reckless driving	13	27	38	45	49	57	15
Pedestrian recklessness	54	57	61	53	52	55	26
Recklessness - motorcyclists	3	0	0	13	18	33	16
Inebriation	24	28	30	18	20	31	10
Recklessness - cyclists	14	12	17	10	12	23	9
Ignoring signs	11	9	13	5	8	6	2
Mechanical failure	11	3	7	4	7	5	5
Others	47	0	0	5	9	14	6
Unknown	7	12	0	7	11	0	3
Total	298	289	330	288	359	398	180

Source: Cosevi: Area of research and statistics, own material based in DGPT registry. Notes: * possible cause is subjective, since it is the traffic officer's assessment. ** Provisional data up to 31 May 2016

The road is properly maintained and there are currently no risk factors for users. Therefore, the current cause of accidents is human error, not the condition of the road or a lack of safety measures.

Following regulations, all the necessary measures have been implemented, and a few more have been added:

- Reinforcement of signage, horizontal, vertical , message panels.
- Testing the implementation of a radar speed trap around the Escazú toll to notify users of their speed at that point.
- Placing additional, cat's eyes, (reflective raised pavement markers), along the route.
- Placing rumble strips along the Quickpass lanes to slow down drivers.
- Micro-milling localised areas to further increase friction.
- Improving superelevation on dangerous curves.

Other actions were also carried out to prevent accidents and improve road safety, both together with COSEVI and individually:

- Programme "Safe Companies"
- TV advertisements
- Radio campaigns "Advice from Globalvia Route 27"
- Programme "Bolsa Viajera"
- Free vehicle inspection
- Awareness campaigns on social media

The tables below show the evolution in recent years of accidents on each section comparing them to evolution of ADT

Years	2011	2012	2013	2014	2015
Accidents Section 1	61	74	74	75	71
Ratio (accidents/km)	4.3	5.2	5.2	5.3	5
IMD Section 1	56432	63177	66866	67268	71460

Ratio accidents/km and evolution of accidents vs evolution ADT: Section 1

Years	2011	2012	2013	2014	2015
Accidents Section 2	102	31	42	46	48
Ratio (accidents/km)	2.6	0.8	1.1	1.2	1.2
IMD Section 2	15769	19355	20921	21861	21486

Ratio accidents/km and evolution of accidents vs evolution ADT: Section 2

Years	2011	2012	2013	2014	2015
Accidents Section 3	63	19	19	26	13
Ratio (accidents/km)	2.6	0.8	0.8	1.1	0.5
IMD Section 3	9776	11855	12738	12581	12614

Ratio accidents/km and evolution of accidents vs evolution ADT: Section 3

Compared to other routes, there are no official statistics comparing national roads. In August 2012, COSEVI published the “Estudio de distribución espacial de accidentes de tránsito con víctimas en el cantón de San José” (study of traffic accidents with victims in the San José region by areas)

(<https://www.csv.go.cr/documents/10179/10905/An%C3%A1lisis+espacial+de+accidentes+de+tr%C3%A1nsito.pdf/f162fb7d-f57e-49d0-8366-67277733faac>)

The study shows that:

- Route 1 has the greatest number of accidents but the percentage of the total number of accidents is unknown.
- Route 27 accounts for 2% of national road accidents in the region.
- Route 104 accounts for 12.5% of all national route accidents in the region.

Also, comparing the results of COSEVI’s study to the real data on Route 27 shown in the tables above, we can see that Route 27, namely Section 1, which is the closest to San José, has a considerably lower accidents per km ratio than Route 1, whose ratio is 30 accidents per km, or Route 104, whose ratio is 23.

10. ENVIRONMENTAL ANALYSIS

Globalvia has the ISO 14001:2004 certification and maintains its social commitment. It is aware of the concern of the population about sustainable development and the repercussions its activities may have on the environment. Therefore, the company intends to achieve a balance between its various activities and environmental protection, by implementing an environmental management system.

The San José - Caldera roadway project has prepared an Environmental Management Plan, whereby technical analyses will be performed to determine the current environmental situation and enable the prediction of potentially positive and negative impacts caused by project construction and operation.

Every month, an independent Environmental Consultant submits a report in accordance with National Environmental Technical Secretariat format and content requirements. These reports contain information on the condition of the project and of the physical and human environment as well as information on the application of mitigation measures contained in the project’s environmental management plan and the efficiency of these measures or any modifications to increase their efficiency.

Having reviewed the environmental monitoring reports for the current year, we confirm that instances of non-conformance or non-compliance with the proposed environmental recommendations have not been found in any of them.

11. ANALYSIS OF THE OCCUPATIONAL HEALTH PLAN

The Concessionaire has prepared an Occupational Health Plan as required by Costa Rican legislation.

It has also established an Emergency Plan that includes the measures to be taken by all the workers in the event of the main types of emergencies that might affect the environment, worker health and safety or the health and safety of roadway users.

12. INSURANCE ANALYSIS

According to section number 1.9.7.2 of the Administrative Bases, the Concessionaire shall contract and pay for the insurance policies listed below for the duration of the Concession.

Not underwriting, paying or renewing any of these policies will constitute a serious fault, which will provide the right to terminate the Contract after establishing an administrative procedure for that purpose.

Civil liability insurance The Concessionaire shall take the necessary precautions to prevent injuries to third parties and staff working on the project. It must also take all the necessary precautions to prevent injuries to persons or damage to third party property for the duration of the Concession.

According with the contract, during the period of Concession, the Concessionaire must present civil liability insurance policies for a minimum of US\$3,000,000 per event and an annual aggregate limit of US\$10,000,000 as Combined Single Limit coverage with a maximum deductible of 10% per event.

The Concessionaire has underwritten and paid a civil liability insurance policy with MAPFRE to face these contingencies for an amount which covers the minimum required.

Comprehensive Insurance for Existing Works The Concessionaire must submit a Comprehensive Insurance Policy to the CNC that includes coverage for catastrophic risks such as tremor, earthquake, flooding, landslides, hurricanes, tornadoes, volcanic eruption, etc. This insurance will have an Insured First Loss Limit equal to the Maximum Loss Limit (MLL) calculated for each section of the work that is finished (this includes existing projects, as well as the new projects performed by the Concessionaire). The insured limit must never be less than 25% of the total value of the replacement of finished work.

The insurance policy must include a maximum deductible of 2% of the total value of the work.

This insurance policy must be paid in cash and be valid from the time the CNC delivers the existing infrastructure to the end date of the concession.

The Concessionaire has underwritten an insurance policy with MAPFRE to face these contingencies.

Automobile insurance The Concessionaire must underwrite a civil liability insurance policy for motorised vehicles that are driven or parked in the Concession area.

The Concessionaire has underwritten the vehicle insurance policies with Oceanica de Seguros.

13. CONCLUSIONS

13.1. ANALYSIS OF THE CONCESSION STATUS

13.1.1. On-site analysis of the Concession

As an overall evaluation, the condition of the pavement is good and the renewals can be verified. These measures have consisted in smoothing and repairing potholes and replacing parts of the asphalt layer placed during previous campaigns. Samples have been taken of the reinforcement campaign performed in 2015 and of the areas to be affected in 2016, to verify the condition of the pavement in those areas.

Specific areas with exudation and loss of texture (e.g., pedestrian areas) have been detected, that the Concessionaire will be working on.

Typsa stated that the concessionaire complies KPIs required and pavement reinforcement/renovation operations have been carried out through patching and asphalt overlays. Pavement condition surveys are monitored yearly and singularity sections must be monitored and controlled in order to repair if is necessary.

In general, cleared and levelled areas do not present an exceptionally high geo-technical risk. In most cases the stabilisation and maintenance work required by each case has already been performed. Nonetheless, there are still some points that may require additional stabilisation work, depending on the state of evolution of embankments, especially given the rainfall and earthquake conditions of this region.

As regards the structures, the conclusions of the visit upholds the results of the most recent inspection campaign (December 2014. INES Ingenieros Consultores): the general condition of the structures is one of mild damage that does not compromise their resistance capacity in the short term.

In the large majority of cases, the damage may affect durability potentially and therefore require maintenance measures in the medium term, with the exception of specific cases that require short-term measures.

The toll areas are properly maintained, with buildings and facilities that are in reasonably good condition.

In general terms, the Concession is in good condition (based on the following scale: excellent, good, fair, poor).

13.1.2. Analysis of measurements

The Annual Operation Report of 2015 describes compliance with the indicators.

Skid resistance has been obtained with the Grip Tester from the beginning of the Concession. No correlation has been established between the Grip Tester and the British Pendulum, which is the equipment required by the Contract to measure the acceptance thresholds; therefore, compliance with the indicators cannot be confirmed. It is recommended that the Concessionaire use means of its own to establish a correlation factor between the measurement equipment being used (the Grip Tester, in this case) and perform comparative tests with the British Pendulum.

According to the information provided by the Concessionaire, no penalties have been received in this regard.

Apart from the periodic inspections in structures, there was a main inspection in December 2014 by the INES Ingenieros Consultores company.

13.1.3. Analysis of the renewals

As regards the pavement, these measures have consisted in smoothing/filling potholes and replacing the asphalt layer placed in previous campaigns. Samples have been taken of the reinforcement campaign performed in 2015 and of the areas to be affected in 2016, to verify the condition of the pavement in those areas.

Given the fact that many of the embankments would be unstable without the proper treatment, the cuts have been monitored for a number of service years, during which the stabilisation and maintenance work required by each case has already been carried out. The quality of the studies carried out previously should be highlighted, since they have enabled the most appropriate solutions for each problem.

Regarding the renewals in structures, the safety barriers have been painted (e.g., on the larger bridges) and the expansion joints have been replaced (e.g., on the large Virrilla and Salitral bridges; where the metal comb type joints have been replaced with reinforced elastomer joints). Also, the Major Maintenance Plan includes 5.27 M\$ for joints, bearings and other repairs.

Cases of measures taken on structures have been detected, such as putlog holes in the front wall of abutments//bulwarks. This measure corrects cases where the drainage system for backfilling is not efficient due to saturation or other reasons.

13.2. ANALYSIS OF THE CONTRACT DOCUMENTS

The analysis of the contract documents reveals a roadway concession for a maximum period of 25 1/2 years within the legal framework of Costa Rica. The contract stipulates that once the new construction and renovation work of previous years is completed, the Concessionaire is responsible for effective maintenance of the roadway object of the Concession and all complementary work.

The concession period varies depending on revenue (revenues from commercial services are included in addition to toll revenues; see clause 3.4 of the Contract) and the concession ends when the return on investment is achieved. Recent growth in traffic may mean that the maximum concession period mentioned is not reached.

According to the contract conditions, the Contract proposes a conservation and maintenance program to keep the structure of the carriageway surface in good condition, as well as complementary and ancillary works to maintain safety and comfort conditions at optimal levels.

All the activities to be performed and their requirements are described in depth in the contract, with special mention of the values to be met by the pavement indicators.

Compliance with the maintenance indicators for standards and traffic at the Toll Stations must not present any difficulties for the Concessionaire. Likewise, the economic penalties that may derive from non-fulfilment can generally be avoided by correcting the situation and should not be of significance.

The Concessionaire informs that no penalty of this type has been received to date.

The annual maximum for the application and collection of operational fines, found in Clause 6.4.4 is 1% of the toll revenue during the current year.

It must be noted that the Concessionaire must pay the Awarding Authority an annual amount to reimburse contract inspection and control expenses. This amount will be 1% of the gross income generated by the Concession in colons during the previous calendar year.

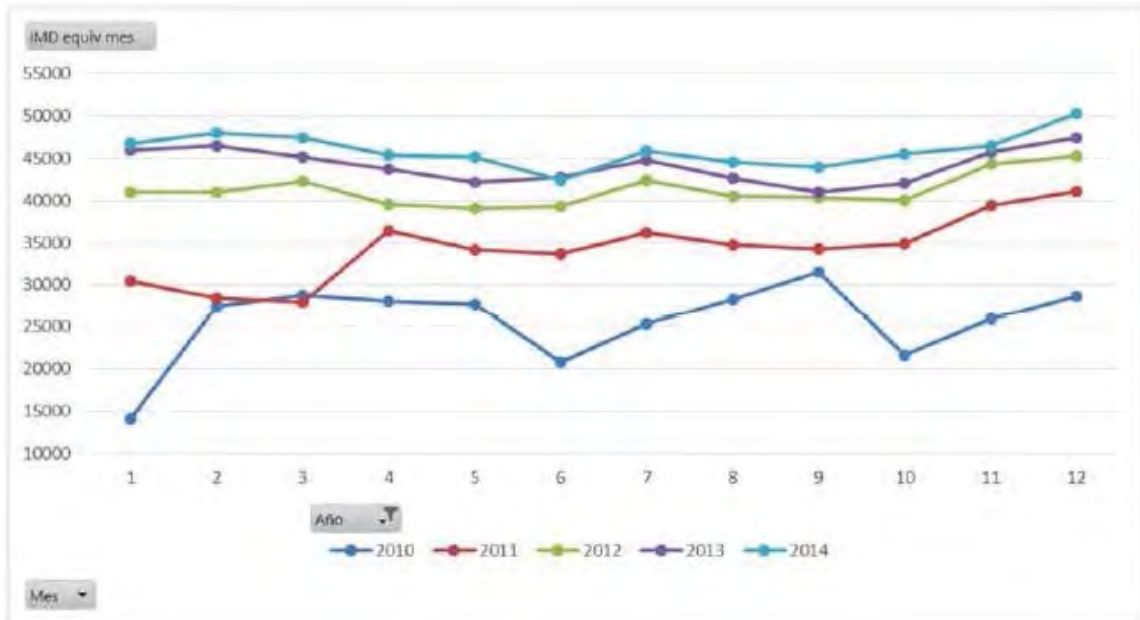
On the other hand, the Concessionaire has the right to an annual Roadway Safety Award if the conditions indicated in Clause 3.9.5 are met. The award translates into a fee increase that cannot be accumulated and is calculated and applied each year.

The contract mentions the possibility of signing a new agreement to undertake new investments that may be necessary due to insufficient roadway capacity.

It also regulates the guarantees, insurance policies, possible readjustments of economic balance, Concession termination and cancellation decision-making processes, Minimum Income Guarantee and the process to monitor the degree of fulfilment of the contract obligations.

13.3. TRAFFIC ANALYSIS

As shown in the chart below, the traffic tends to increase year after year.



Traffic chart per year

The road may not be capable to cope with the traffic increase anticipated in traffic studies. The preliminary study to enlarge the roadway to 4 lanes is underway.

13.4. ANALYSIS OF CONSERVATION AND MAINTENANCE

From the analysis, it can be concluded that the Concessionaire complies with the annual Inspection Plan.

This is confirmed by the fact that the Concessionaire has not been penalised since the beginning of Concession operations.

13.5. ANALYSIS OF RENOVATION OPERATIONS

13.5.1. Pavement

The short-term measures (2016-2018) proposed by the Concessionaire are considered adequate and meet the reinforcement requirements to comply with the indicators.

It is our opinion that the measures anticipated for the future (2020-2030) should be postponed. It appears evident that the renovation campaign proposed for 2016-2018 will improve the structural conditions of the pavement to such an extent as to deem unnecessary a second renovation campaign in such a short time. Therefore, it is advisable to postpone these future measures to 2024-2027.

It is advisable to study the 2-3 stage reinforcement construction procedure, since reinforcement per section in a single stage may be more highly recommendable.

The axle-per-lane distribution factors on sections with 2 or more lanes in each direction that are used in the report must be appropriate for the roadway in question. Considering that the maintenance plan proposes augmenting both lanes to the reinforcement thickness of the outer lane with the highest load, the new load-per-lane distribution will involve optimisation and less reinforcement and renovation measures. The length of the indicated sections is 30% of the total length.

The pavement renovation plan should be adjusted accordingly for the future. In spite of that, the plan and frequency for the proposed paving measures may be changed, depending on routine maintenance work, the results of the periodic measurements, updated traffic requirements and equivalent truck factors, which may indicate that the measures should be advanced or delayed, while always guaranteeing that the required indicators are met.

13.5.2. Cuts

In general, despite the factors indicated, the conditions of stability of the cuttings of the section do not involve an exceptionally high geotechnical risk. This is because although owing to the determinants indicated without suitable treatment many of them would be unstable, as the road has already been built and after some years in service during which the slopes have been monitored in most cases the works of stabilisation and maintenance required by each particular case have already been carried out. The depth of the prior studies carried out for the stabilisation works should be pointed out; they have allowed the adoption of the most suitable solutions to each problematical point.

Nevertheless, there are cuts that may require additional stabilising work on slopes, depending on evolution of the stability of the slopes, especially under the rain and seismic conditions that affect the region. This is especially true of the areas located in the section between Atenas and Orotina.

In addition maintenance works have to be continued in order to retire from the road, small rock falls and debris falls.

13.5.3. Structures

In general terms, structure maintenance requirements include medium-term measures on damage that affects structure durability, with the exception of a group of specific cases that require short-term measures.

These latter exceptions are not specified in the Maintenance Plan or translate into specific reserves for investment in the Investment Program. Nonetheless, the amount dedicated multi-annually to structure renovation is sufficient to identify and deal with them, along with the rest of the non-routine maintenance operations.

In sum, the measures performed on structures to date have been routine maintenance measures of a certain magnitude and heavy in some cases. These have been both preventive (periodic planning of inspection campaigns) and corrective (painting safety barriers, replacing expansion joints and introducing putlogs for backfill draining).

13.6. ECONOMIC ANALYSIS OF THE CONCESSION

13.6.1. Analysis of penalties and bonuses

There have not been any penalties for non-fulfilment or reduction in the standards for maintenance, signage and services for the period of time the Concession has been operating.

Incentives (Roadway Safety Award) have been established for the reduction in the number of traffic accidents with injuries or deaths between consecutive years; however, incentives of this kind have not been awarded since the road came into service in 2010.

If the concession is properly managed there should be no cause for non-compliances with measured indicators).

13.6.2. Analysis of Maintenance and Conservation Costs

The considered cost for maintenance and operation is adequate, in accordance with the characteristics of the motorway

13.6.3. Cost of renewals and repairs

The estimated cost for pavement in the Investment Plan provided by the Concessionaire is appropriate and in line with market prices.

The amount dedicated to clearing and levelling and structures is considered appropriate.

The budget dedicated to replacement of tolls is considered more than enough.

For all of the above, it is considered that the total cost set forth in the Investment Plan provided by the Concessionaire is appropriate to satisfy the scope of measures required and to comply with the status and technical requirements of the Concession.

13.7. ENVIRONMENTAL ANALYSIS

Globalvia has been awarded the ISO 14001:2004 certificate.

The San José-Caldera roadway project has an Environmental Management Plan in place.

Monitoring reports are prepared monthly, the last of which was submitted for April 2016.

13.8. ANALYSIS OF THE OCCUPATIONAL HEALTH PLAN

The Concessionaire complies with current Occupational Risk Prevention regulations.

13.9. ANALYSIS OF INSURANCE

The Concessionaire has unwritten currently valid insurance policies as mandated by Chapter 4 of the contract and section number 1.9.7 of the Tender Administrative Bases

ANNEXES

ANNEX 1. VISIT TO THE CONCESSION

A field visit was made between 23rd and 27th May 2016 with the aim of assessing the current condition of the road.

This report includes a series of details and comments provided by the personnel exploiting the concession and which have been corroborated by the corresponding documentation.

This report concentrates on the following aspects:

- Condition of the road surface
- Structures
- Slopes
- Road markings
- Road signs
- Toll areas
- Control buildings
- Safety barriers
- Ditches
- Other

As additional information, a collection of photographs is submitted as Annex 3. These were taken along the route and located by kilometre markers (*Puntos Kilométricos*, PKs) and include a brief commentary under the file name. A video recording has also been made of the whole length of the route in both directions, and this has been included as Annex 2.

Maintenance methods

Personnel:

- 5 maintenance gangs consisting of 5 labourers + 1 foreman; 1 of them specialising in civil engineering and the remainder in cleaning and clearing
- 2 supervision units

Machinery:

- Sweeping and cleaning unit
- Two tow-trucks, one of them capable of transporting heavy goods vehicles and the other only for light vehicles. They provide a basic roadside recovery service.
- 2 mini front-end loaders located at the Atenas base in case of emergencies for removing material from ditches and a platform for minor spillage.
- The remaining machinery for maintenance and resurfacing is contracted specifically for the campaign.

During the visit, it was possible to confirm the presence of the machinery mentioned and the work of at least 2 gangs carrying out work of cleaning and clearing.

Condition of the road surface

- As an overall assessment, the road surface is in good condition; all along the road the sections that have been resurfaced and the potholes that have been filled in during campaigns since 2011 can be seen. A set of samples has been collected of the backup campaign carried out in 2015 and of the areas contemplated for 2016, checking the condition of the road surface in these areas. This can be seen in the collection of photographs.
- No areas have been detected with considerable subsidence or ruts. On only a section of some 100 metres at PK 64.9 in both directions longitudinal cracks with vertical displacement were observed along a line near the verges. This is located in a platform area with a low embankment crossed by a transverse drainage channel.
- The defects most often detected are areas with the loosening of aggregate on the rut layer.
- Areas where water accumulates on the road verges have not been observed.
- Sections included in the backup campaign of supports for 2016 including recent patching have been observed.
- The 2016 campaign for resurfacing and filling in potholes has been planned with the sections defined according to the road surface study carried out by the company APSA.
- The surfacing campaigns are carried out at night, generally from 9.00 h to 5.00 h. The resistance varies between 300 t and 350 t for resurfaced sections and between 200 t and 250 t for filling in potholes.
- The joints of the viaducts and underpasses are in general in good condition, although in some specific ones there were areas where the protective cement was missing; according to information from the Concessionaire their repair has already been planned. These elements are repaired directly by concessionaire personnel.
- Defects in regularity can be seen on the surface of the structures. The paving is on the concrete of the slab of the structure and is not of asphalt mix. The Concessionaire is not liable for the maintenance of these structures.

Slopes

During the field visit the main cuttings of the area were checked, with particular attention being paid to those that have given problems in the past and have required stabilisation works. The data obtained and the observations and interpretations mentioned are presented in a series of detailed files for each cutting unit in Annex 4.

For each file the following information is gathered:

- Prior information available. Summary of the main determinants taken from the documentation analysed.
- Points where observations were made along the field route.

- Current geometry of the slopes.
- Instability processes observed.
- Existing stabilisation methods.
- Actions planned by the Concessionaire.
- General assessment.
- Photographs: the most relevant photos from each unit have been selected.

All the photos taken during the field visit are included in Annex 5 classified by observation points.

The route of the road involves a difference in altitude of some 1,100 m which means adapting it to a series of topographical levels to include steeper sections. It is in these areas where the road shows the most earth movements with cuttings and backfills of considerable height, together with some high viaducts to cross the main ravines. Nevertheless the route has not needed the construction of any tunnel sections.

The most difficult part of the route, where the main cuttings and the main stability problems are to be found, is mainly located between Atenas and Orotina. In this area the hillsides enclose the valley of the Río Grande in the form of a gorge that is more rugged than the rest of the section. Moreover, the presence of the railway more or less parallel to the road hinders the laying of stable slopes in this area.

The aspects that can be listed as factors favouring the instability of the cuttings of the section include the following:

- The volcanic nature of the materials of the substratum that mix materials behaving as soil and as rock, with very different degrees of fracturing and alteration. These materials are very heterogeneous, which means that on the same slope different measures of support, drainage, and geometry are required on specific short excavation sections.
- Even the rocky sections are generally formed by highly fractured rocks that tend to produce falls of irregular blocks; meshes have frequently been placed on them and on occasion treatments of systematic bolting and shotcrete.
- Other areas of volcanic rocks such as tuffs or compact aggregates generally give better stability behaviour to cuttings, although owing to the heterogeneity of the materials localised problems also tend to occur as a result of faults or alteration strips.
- The volcanic materials also include some with characteristics of soils, sometimes with the presence of clays of high plasticity. These areas are not only more susceptible to the formation of rotational slips but also more liable to erosion, which means that they tend to require replanting measures or the placing of anti-erosion meshes, especially on steep slopes.
- In several areas excavation has been carried out of strips of rocks with hydrothermal alteration with the circulation of water with oxides, which have weakened the rock massif. These areas have required stabilisation measures such as shotcrete, bolting, and above all the execution of Californian drains to drain the massif in depth.

- Tropical regions are associated with a greater development of variable charge soils. These soils tend to be rather unstable, owing to which superficial rotational slips tend to be frequent especially at the top of slopes.
- All along the section frequent accumulations of Quaternary soils can be found. These soils mainly correspond to levels of terraces which define some of the areas with a flatter geomorphology. Accumulations of hillside deposits, of foothills, and colluvial deposits can also be found. These deposits are essentially of coarse granulometry with better stability in cuts than other more clayey materials. Nevertheless, if they are cut with steep slopes they may give rise to localised landslides, especially owing to the falling of the coarser elements that remain on the exposed face of the slope.
- Before the road was built slip areas already existed corresponding to slips on the valley sides of the Río Grande. When these areas are cut into by the route of the road they become areas of geotechnical problems that may require stabilisation and terracing measures. Some may be of considerable size such as that shown in the photograph below on the hillside opposite the road at PK 48+000.



Slip located opposite the slip of El Salitral at PK 48+000 of the road.

- The high rainfall of the region is yet another factor that contributes to the instability of the cuttings of the road. It contributes towards diminishing the resistance to cutting of the materials and towards the increase in weight of the unstable mass. It also increases the erosion of the materials of the face of the slope. Very intense rain concentrated in short periods of time, which sometimes occurs, is particularly damaging.
- The high seismicity of the region can also be mentioned as a further factor affecting instability.

Although it is not one of the natural determinants related to geology and geotechnics, it can be considered that one of the reasons that has had a great effect on the instability of the cuttings of the road has been the small strip of expropriation available for the execution of the road works, together with the presence of other existing works near the road such as the railway line. This limited space has led to the need to use steep slopes which have turned out to be unstable in some cases. Moreover, this limitation has prevented the stabilisation of the slopes by means of terracing with hard shoulders and slopes laid in some areas in which this would be recommendable. For this reason it has been necessary to build measures of stabilisation by means

of other systems such as systematic bolting, shotcrete, or meshes; although these have been efficient in some cases this has not been the case in others despite their greater cost. Indeed, in some cuttings in which it has finally been possible to increase their gradient by further excavation, a sufficient level of stability has been achieved without the need for costly works of stabilisation. As far as the project of the new doubling of the road is concerned, the plan seems to be that of systematically laying more slopes, provided that the existing hillsides allow this, in those areas in which this is necessary. This determination is supported by the profound knowledge of the geology and geotechnics of the cuttings of the route that has been acquired during the construction and maintenance of the road.

In general, despite the factors indicated the conditions of stability of the cuttings of the section do not involve an exceptionally high geotechnical risk. This is because although owing to the determinants indicated without suitable treatment many of them would be unstable, as the road has already been built and after some years in service during which the slopes have been monitored in most cases the works of stabilisation and maintenance required by each particular case have already been carried out. The depth of the prior studies carried out for the stabilisation works should be pointed out; they have allowed the adoption of the most suitable solutions to each problematical point.

Nevertheless, some points still remain that may require additional work of stabilisation depending on the evolution of the behaviour of the slopes, in particular under the rainfall and seismicity conditions of the region. These areas are located in particular on the section indicated between Atenas and Orotina.

Road markings

These are generally in good condition although areas have been detected where they are worn, especially in toll areas and at junctions and access lanes or roads within the interchanges.

According to Globalvia personnel the replacement of the road markings has been planned for the 2016 campaign to include both paint and cat's eyes.

Road signs

These are also in good general condition although some have been seen to be very faded; these must be replaced during the campaign that has been planned.

Sign gantries and electronic panels (PMV):

At the moment the original gantries of tubular metal are being replaced by others of a metal post-and-beam structure. This is justified because of their greater resistance, but during the visit it was not recorded that the originals had failed or had any detectable problem.

There are 8 electronic panels that are controlled at all times by cameras, their information is updated according to the state of the traffic and they inform of nearby incidents, hold-ups, or advise caution owing to adverse weather conditions or other circumstances.

Safety barriers

The metallic barriers are of the flex beam type and are in general in a good condition of repair. No sections in poor condition have been detected on the main route. Some minor deteriorations on the edges of the section or unimportant deformations have however been observed at some points in areas of interchanges or secondary roads.

These barriers are maintained by one of the gangs of the Concessionaire.

The concrete barriers are in good general condition. No section liable to be replaced has been observed.

Longitudinal and transverse drainage elements

These are in general well maintained and clean. It is estimated that 90% of the length of the ditches have recently been cleaned; some sections still remain pending especially on Sector III together with specific areas affected by material sliding down slopes.

Installations

In the interchange and toll areas there are lighting posts and posts with monitoring cameras. They are in good condition and the lighting was observed during one of the days at dusk.

The Concessionaire comments that at one of the interchanges lighting with LEDs has been installed as an experiment and that it is planned to gradually replace the remainder in the near future owing to the good results obtained.

Bus bays

In general these are in a good state of repair both regarding the paving, the signposts, and the bus shelters.

Some specific areas have been detected with worn road markings or signs in poor condition. According to the Globalvia personnel a campaign to renovate the signs has been planned that will be put into practice shortly.

They also indicate that Globalvia is partly responsible for the maintenance of the bus shelters. It is unknown which of them are of transferred competence.

Weigh stations

Globalvia has installed two weighing appliances in the slow lane in areas of two lanes in each direction, one for each direction of the traffic. These are mobile appliances that are installed on the section during the hours considered suitable for each day.

A statistical control of heavy goods vehicles is carried out from Monday to Saturday.

These are dynamic control appliances in which the vehicles must slow down to pass at 5 km/h; coming to a standstill is not necessary.

They are marked on the road with cones and specific signs and auxiliary personnel is available to facilitate the manoeuvres. There is also a weighing manager who controls the device and executes the weighing.

There is also a third mobile weighing station that carries out static weighing for each of the axles of the vehicle.

Tolls

There are 4 toll areas on the route, with the nearest to San José being the main one with the highest traffic density.

- PK 4+200. Escazú Toll
- PK 17+100. San Rafael Toll
- PK 32+000. Atenas Toll
- PK 59+200. Pozón Toll

In addition there are 5 entry/exit tolls on main interchanges.

- PK 14+200. Ciudad Colón Interchange
- PK 19+300 – 19+600. Guacima Interchange
- PK 22+600 – 22+800. Siquiara Interchange
- PK 31+450 – 31+500. Atenas Interchange
- PK 59+750 – 60+250. Pozón Interchange

Two supervisors are working 24 h a day, one controlling the main toll in Escazú and the other responsible for the remainder of the tolls. All of them are manned by Globalvia personnel.

The toll operators are subcontracted.

There are 5 different prices according to vehicle type:

- Light
- Buses / minibuses >10 seats
- Trucks with 2-3 axles
- Trucks with 4 axles
- Trucks with 5 axles or more

The toll can be paid in two ways, either manually in cash or automatically by means of the Quick Pass system. Payment by credit card is not permitted.

The Quick Pass device is not associated specifically with number plates or tariffs. It has an automatic allocation system with tariffs suggested by frequency. According to the explanations given by the Globalvia personnel, when the device accumulates 10 payments with the same tariff it is allocated that category of habitual use. When a payment associated with another vehicle category is made, the system identifies this as an incident and this payment will subsequently be validated manually, revising the videos recorded and checking that the payment has been made according to the category of the vehicle that has passed. At that moment the system resets itself

and 10 payments with the same tariff must once again be counted for a habitual tariff to be allocated.

According to current data the percentages of the use of the both systems are as follows:

- Escazú toll: 48-50% use of Quick Pass
- San Rafael toll: 48% use of Quick Pass
- Atenas and Pozón tolls: 36% - 38% use of Quick Pass

These percentages have gradually increased over the years and owing to this the use of the number of booths used for each payment system has been adjusted and adapted. Likewise some of the manual booths have recently been equipped with the automatic system and are known as mixed booths. The active payment method (manual/automatic/both) is shown on the electronic panel located on the upper part of the display. This system aims to reduce the number of vehicles who have to reverse and manoeuvre in the event of an error in the reading of the automatic device, either owing to failure to pay or to other reasons.

Printed tickets with a colour code according to the toll tariff are available for use in specific cases of technical failure or power supply problems. All payments made in this way are subsequently introduced into the system.

The habitual incidents that may occur in the automatic payment booths are errors in the reading of the device, passing through with no intention of paying, and passing through at excessive speed. In the manual payment booths the most frequent incident is the lack of money for payment; as has been mentioned payment by credit card is not possible. In these cases a reasonable waiting time is given to confirm that the user really cannot make the payment. Once this time has passed the user is allowed through on a temporary 24 h "loan". If this period passes without the user paying the toll, the incident is transferred to the validation department and is subsequently processed as a non-payment.

A series of vehicles are exempt from paying the toll, such as emergency vehicles and those of the traffic police, secret police, and other bodies. Most of these can be identified by stickers, number plates, and printed passes. The passage of all exempt vehicles is reflected in a specific report during each shift and is later checked individually.

Toll count control:

- Escazú toll: some 90,000 vehicles per day
- San Rafael toll: some 30,000 vehicles per day
- Atenas and Pozón tolls: some 16,000 – 20,000 vehicles per day

On the toll approach section cones are placed on the line marking the separation of the direction of the traffic so that it is possible to adjust the booths according to traffic density in each direction.

Validation centre:

This is made up of a team of 4 external operators and a supervisor of Globalvia supervisor. The personnel are in charge of revising all incidents detected by the toll booth personnel or the automatic payment system all through the day. Some 3,000 incidents are processed daily.

In order to do so they have the automatic data obtained during the operations of payment, the identification of the vehicle type, videos recorded, and manual reports of the operators. To be precise, for the passage of each vehicle they will have three photos and the video.

Control centre

- It is located in the main services building in the Escazú toll area.
- It is managed by 3 technicians and the systems manager.
- The management process used is that of Indra, which controls all the operational elements of the dual carriageway: cameras, gauging stations, weather stations, and MTV information panels.
- It has 4 large screens and 6 medium-sized ones for displaying images from the security cameras.
- The cameras are installed all along the route; there are 33 of them of 360° vision of which 4 operate by solar energy. They have an approximate range of 1 km.
- There are 32 gauging stations, 4 at each interchange.
- The buildings are also supervised both inside and outside.
- There is a continuous follow-up of the rainfall registers. As from 0.3 ml of precipitation the warning traffic lights light up and a warning message is displayed on the electronic panels.

Counting rooms

This room contains the safes and the archway with the money from the takings, together with the terminals to carry out the counting at the end of each working day. The room has security systems, security doors, and video cameras to make recordings at each of the counting posts.

The archway has three security systems for opening: a code, a key, and limited opening hours.

The Escazú toll has 8 counting stations and that of San Rafael has 4.

ANNEX 2. VIDEO RECORDING OF THE ROAD

A video in computerised form of the road recorded during the visit to the dual carriageway is attached.



ANNEX 3. PHOTOGRAPHIC REPORT

ANNEX 4. FILES OF SLOPES

ANNEX 5. PHOTOGRAPHS OF CUTTINGS

ANNEX 6. SYNTHESIS OF THE INFORMATION ANALYSED ON STRUCTURES

ANNEX 7. GUARANTEES IN FORCE DURING THE O&M STAGE

22 ABR 2016
marlene 11.29
CORRESPONDENCIA

3864 DA

Ambiental

**Certificado de Enmienda
De Garantía Ambiental de cumplimiento**

San José, 22 DE ABRIL DEL 2016

Señores:
SECRETARIA TECNICA NACIONAL DEL AMBIENTE (SETENA)
Presente.

Estimados señores:

Referencia:

Nuestra Garantía No. **G050486** de Fecha: 27 de setiembre del 2006

Por cuenta de: AUTOPISTAS DEL SOL S.A.
Por orden de: AUTOPISTAS DEL SOL S.A.
A favor de: SECRETARIA TECNICA NACIONAL DEL AMBIENTE (SETENA)
Por un valor de: USD—2.300.000.00 (DOS MILLONES TRESCIENTOS MIL DOLARES EXACTOS=
Vencimiento: 07 DE MAYO DEL 2016

COPIA

Rogamos tomar nota de que hemos hecho las siguientes modificaciones a nuestra Garantía citada en la referencia:

SU VENCIMIENTO HA SIDO PRORROGADO HASTA EL DIA: **07 DE MAYO DEL 2017**

Otros términos y condiciones permanecen sin cambio.

Con toda consideración nos suscribimos de ustedes, muy atentos y seguros servidores.

Banco de Costa Rica
C.S.E. de Comercio Exterior


BCR COMERCIO EXTERIOR
Jorge Sandoval González
B-3323 N Y E


BCR COMERCIO EXTERIOR
Ronald Guido Bustos
B-3324 N Y E

Aps

Sector I

Certificado de Enmienda De Garantía de cumplimiento

San José, 15 DE ABRIL DEL 2016

Señores:
CONSEJO NACIONAL DE CONCESIONES,
MINISTERIO DE OBRAS PUBLICAS Y TRANSPORTES
Presente.

Estimados señores:

Referencia:

Nuestra Garantía No. **G050901** de Fecha: 22 DE ABRIL DEL 2007

Por cuenta de: AUTOPISTAS DEL SOL S.A.
Por orden de: AUTOPISTAS DEL SOL S.A.
A favor de: CONSEJO NACIONAL DE CONCESIONES,
MINISTERIO DE OBRAS PUBLICAS Y TRANSPORTES
Por un valor de: USD—46.300.00 (CUARENTA Y SEIS MIL TRESCIENTOS DOLARES EXACTOS)
Vencimiento: 07 DE MAYO DEL 2016

COPIA

Rogamos tomar nota de que hemos hecho las siguientes modificaciones a nuestra Garantía citada en la referencia:

SU VENCIMIENTO HA SIDO PROROGADO HASTA EL DIA: **29 DE ABRIL DEL 2017**
AHORA ESTA GARANTIA ES: **GARANTIA DE CUMPLIMIENTO DE EXPLOTACION**

Otros términos y condiciones permanecen sin cambio.

Con toda consideración nos suscribimos de ustedes, muy atentos y seguros servidores,

Banco de Costa Rica
C.S.E. de Comercio Exterior


BCR COMERCIO EXTERIOR
Rafael A. Cascante Vargas
R-3322 N Y F

RECIBIDO CONFORME

Firma: _____
Fecha: _____


Patricia Salas
Firma 1231-B

Aps

Secta II

Certificado de Enmienda De Garantía de cumplimiento de explotación

San José, 15 DE ABRIL DEL 2016

Señores:
CONSEJO NACIONAL DE CONCESIONES,
MINISTERIO DE OBRAS PUBLICAS Y TRANSPORTES
Presente.

Estimados señores:

Referencia:

Nuestra Garantía No. **G051106** de Fecha: 22 DE ENERO DEL 2010

Por cuenta de: AUTOPISTAS DEL SOL S.A.
Por orden de: AUTOPISTAS DEL SOL S.A.
A favor de: CONSEJO NACIONAL DE CONCESIONES,
MINISTERIO DE OBRAS PUBLICAS Y TRANSPORTES
Por un valor de: USD—126.400.00 (CIENTO VEINTISEIS MIL CUATROCIENTOS DOLARES EXACTOS)
Vencimiento: 07 DE MAYO DEL 2016

Rogamos tomar nota de que hemos hecho las siguientes modificaciones a nuestra Garantía citada en la referencia:

SU VENCIMIENTO HA SIDO PRORROGADO HASTA EL DIA: **29 DE ABRIL DEL 2017**

Otros términos y condiciones permanecen sin cambio.

Con toda consideración nos suscribimos de ustedes, muy atentos y seguros servidores,

Banco de Costa Rica
C.S.E. de Comercio Exterior


Rafael A. Casacosta
C. 3322 4112


Patricia Salas
Firma 1231 P

Sector III

Certificado de Enmienda De Garantía de cumplimiento

San José, 15 DE ABRIL DEL 2016

Señores:
CONSEJO NACIONAL DE CONCESIONES,
MINISTERIO DE OBRAS PUBLICAS Y TRANSPORTES
Presente.

Estimados señores:

Referencia:

Nuestra Garantía No. **G050897** de Fecha: 22 DE ABRIL DEL 2009

Por cuenta de: AUTOPISTAS DEL SOL S.A.
Por orden de: AUTOPISTAS DEL SOL S.A.
A favor de: CONSEJO NACIONAL DE CONCESIONES,
MINISTERIO DE OBRAS PUBLICAS Y TRANSPORTES
Por un valor de: USD—77.500,00 (SETENTA Y SIETE MIL QUINIENTOS DOLARES EXACTOS)
Vencimiento: 07 DE MAYO DEL 2016

Rogamos tomar nota de que hemos hecho las siguientes modificaciones a nuestra Garantía citada en la referencia:

SU VENCIMIENTO HA SIDO PROROGADO HASTA EL DIA: **29 DE ABRIL DEL 2017**
AHORA ESTA GARANTIA ES: **GARANTIA DE CUMPLIMIENTO DE EXPLOTACION**

Otros términos y condiciones permanecen sin cambio.

Con toda consideración nos suscribimos de ustedes, muy atentos y seguros servidores,

Banco de Costa Rica
C.S.E. de Comercio Exterior

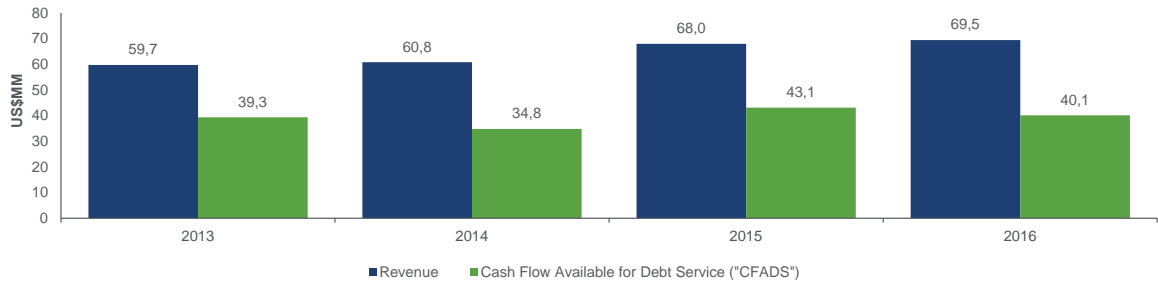

Rafael A. Cascaete Vargas
0-3372 N.Y.E.


Patricia Salas S.
Firma 1231 B

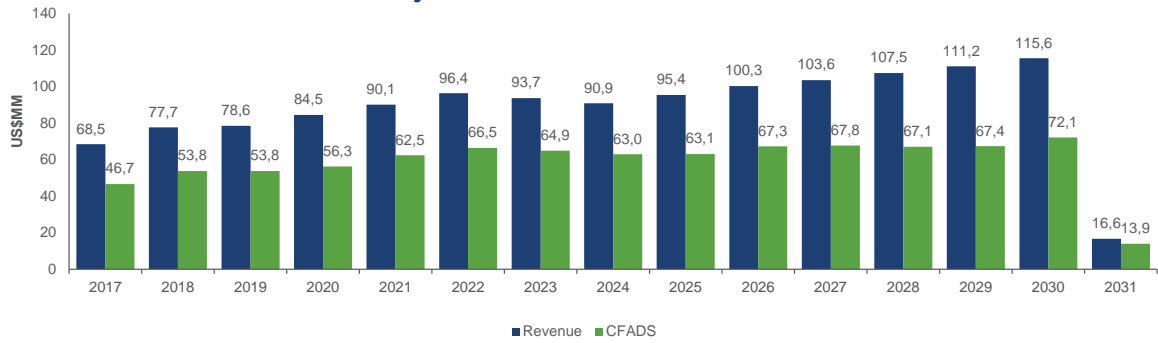
Aps

ANNEX 8. HISTORICAL AND PROJECTED REVENUES AND EXPENDITURES

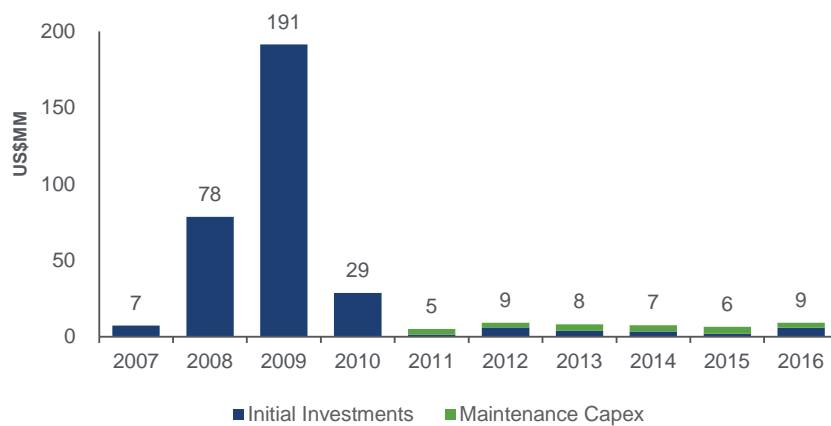
Projected Revenues & CFADS



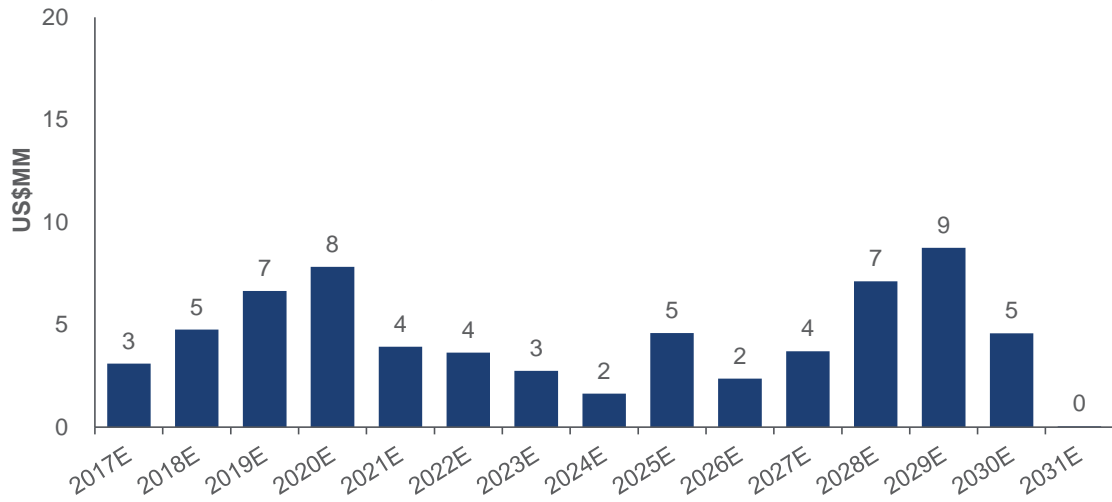
Projected Revenues & CFADS



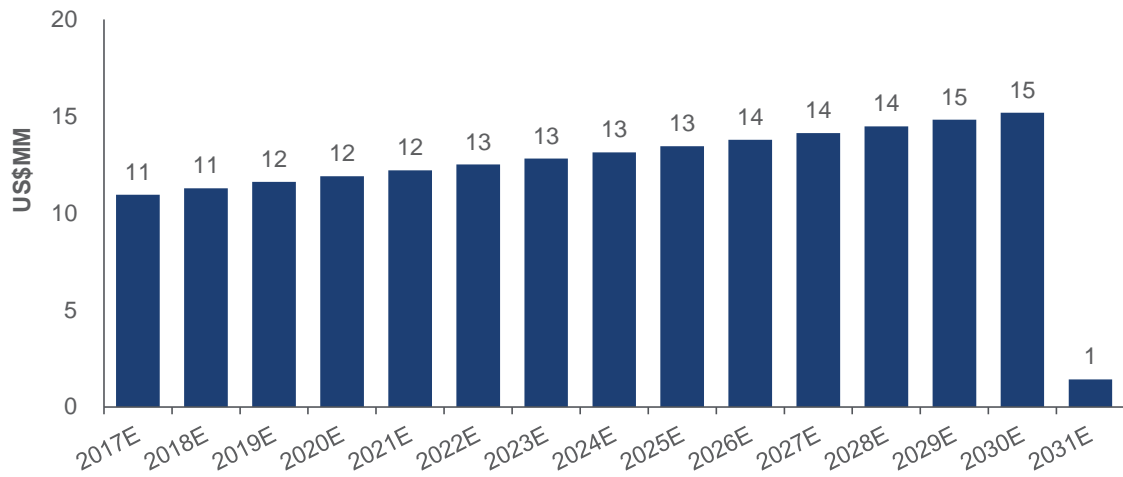
Initial Investments & Historical Maintenance Capex



Projected Maintenance Capex

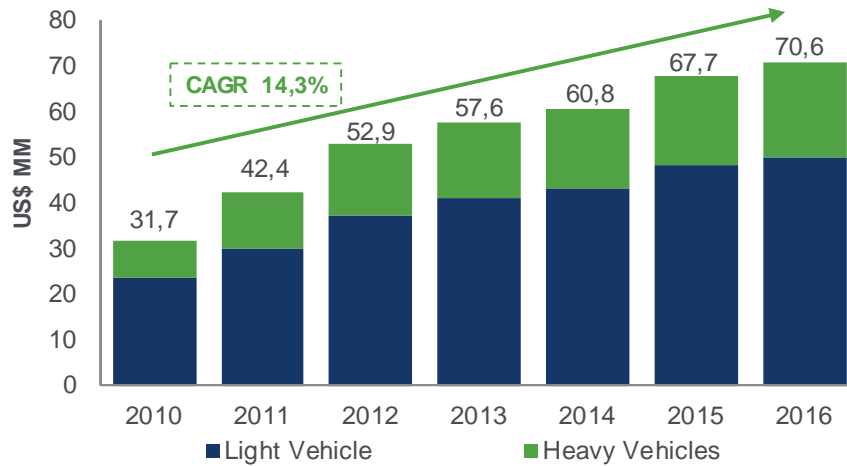


Projected O&M



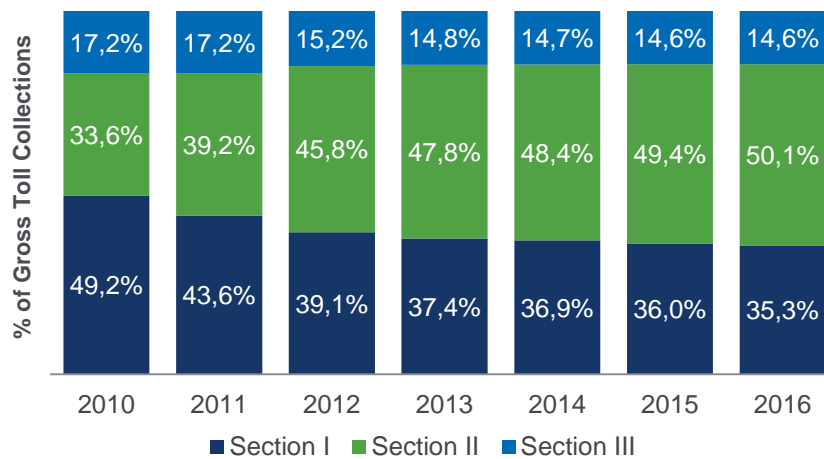
ANNEX 9. OPERATING TRACK RECORD

Steadily Growing Gross Toll Collections



Y-o-Y Growth	34%	25%	9%	6%	11%	4%
--------------	-----	-----	----	----	-----	----

Gross Toll Collections Diversified Across Sections





ANNEX 10. FINANCIAL PROJECTIONS

Financial Projections – Traffic Consultant Base Case

Traffic Projections	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Toll Tariff	\$ 3.74	\$3.84	\$3.93	\$4.01	\$4.09	\$4.17	\$4.26	\$4.34	\$4.43	\$4.52	\$4.61	\$4.70	\$4.79	\$4.89	\$4.99	\$5.09	\$5.19
Cash Flow Statement (US\$MM)																	
(+) Toll Revenue	76	83	79	85	91	96	93	90	94	99	104	110	115	120	123		
(+) Other Revenues	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	0	
(-) Co-participation ⁽¹⁾	(6)	(7)	(2)	(2)	(2)	(2)	(1)				(2)	(3)	(5)	(6)	(7)		
Total Revenues	68	78	79	84	90	96	94	91	95	100	104	107	111	116	117		
(-) O&M	(11)	(11)	(12)	(12)	(12)	(13)	(13)	(13)	(13)	(14)	(14)	(14)	(15)	(15)	(1)		
(-) Insurance	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)		
(-) Capital Expenditures	(3)	(5)	(7)	(8)	(4)	(4)	(3)	(2)	(5)	(2)	(4)	(7)	(9)	(5)	(0)		
(-) Other Expenses	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)		
Total Costs	(17)	(19)	(21)	(23)	(20)	(20)	(19)	(18)	(22)	(20)	(22)	(26)	(28)	(24)	(3)		
+/(-) Net Working Capital Variation	(8)	(1)	0	(0)	(0)	(0)	0	0	0	(0)	(0)	(0)	(0)	(0)	3		
Cash Flow from Operations	43	58	57	61	70	77	75	73	73	80	82	82	83	91	17		
(-) Corporate Taxes	-	(4)	(4)	(5)	(8)	(10)	(10)	(10)	(11)	(13)	(14)	(15)	(16)	(20)	(3)		
Cash Flows Available for Debt Service	44	54	54	56	62	66	65	63	63	67	68	67	67	72	14		
(-) Local Bond Coupon	(2)	(3)	(3)	(3)	(3)	(3)	(2)	(2)	(1)	(1)	(1)	(0)	-	-	-		
(-) 144A / Reg S Bond Coupon	(15)	(25)	(24)	(24)	(22)	(21)	(20)	(18)	(16)	(15)	(12)	(10)	(6)	(3)	-		
(-) Local Bond Amortization	-	-	(2)	(4)	(6)	(7)	(7)	(7)	(7)	(8)	(8)	(4)	-	-	-		
(-) 144A / Reg S Bond Amortization	(3)	(12)	(11)	(11)	(15)	(18)	(18)	(19)	(20)	(23)	(30)	(36)	(39)	(45)	-		
(-) Interest on Existing Project Finance Loans	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cash Flow After Debt Service	20	13	13	14	16	18	18	18	19	20	21	21	22	24	14		
+/(-) O&M Reserve Account Variation	(0)	(1)	(0)	1	(0)	0	0	(1)	0	(0)	(1)	(0)	1	5	-		
+/(-) Debt Service Reserve Account Variation	(4)	2	(1)	(2)	(1)	1	1	0	(1)	(0)	(0)	(0)	(2)	25	-		
Cash Available for Distributions	15	14	12	13	16	19	19	18	18	19	20	20	21	54	14		
Indicative Debt Schedule (US\$MM)⁽²⁾																	
10.1-Year Local Bond																	
WAL	51	51	51	49	45	39	33	26	19	12	4	-	-	-	-	-	-
(-) Principal Amortization	-	-	(2)	(4)	(6)	(7)	(7)	(7)	(7)	(8)	(8)	(4)	-	-	-	-	-
Ending Balance	51	51	49	45	39	33	26	19	12	4	-	-	-	-	-	-	-
13.6-Year 144A / Reg S Bond																	
WAL	300	297	285	274	263	248	230	211	193	173	150	120	84	45	-	-	-
(-) Principal Amortization	(3)	(12)	(11)	(11)	(15)	(18)	(18)	(19)	(20)	(23)	(30)	(36)	(39)	(45)	-	-	-
Ending Balance	297	285	274	263	248	230	211	193	173	150	120	84	45	-	-	-	-
Credit Metrics																	
DSCR	1.84x	1.31x	1.33x	1.34x	1.36x	1.37x	1.39x	1.40x	1.42x	1.43x	1.45x	1.47x	1.48x	1.51x	-	-	-
Debt / CFADS	7.97x	6.24x	6.01x	5.47x	4.60x	3.96x	3.67x	3.38x	2.95x	2.29x	1.77x	1.25x	0.67x	-	-	-	-
Scheduled Accumulated NPV (US\$MM)	171.5	188.1	202.7	216.5	229.5	241.6	252.0	260.9	269.0	276.6	283.4	289.6	295.3	300.5	301.4	-	-
% of Max NPV	56.9%	62.4%	67.3%	71.8%	76.1%	80.2%	83.6%	86.6%	89.3%	91.8%	94.0%	96.1%	98.0%	99.7%	100.0%	-	-

Financial Projections – Traffic Consultant Stress Case

Traffic Projections	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
Toll Tariff	\$ 3.74	\$3.84	\$3.93	\$4.01	\$4.09	\$4.17	\$4.26	\$4.34	\$4.43	\$4.52	\$4.61	\$4.70	\$4.79	\$4.89	\$4.99	\$5.09	\$5.19	
Cash Flow Statement (US\$MM)																		
(+) Toll Revenue	76	81	74	79	83	63	67	72	76	81	86	92	97	102	107	111	56	
(+) Other Revenues	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
+/(-) Co-participation & Minimum Guaranteed Revenue ⁽¹⁾	(6)	(6)						3	2	1	0							
Total Revenues	68	77	75	80	84	64	68	76	79	83	88	93	98	104	108	112	57	
(-) O&M	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
(-) Insurance	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	
(-) Capital Expenditures	(3)	(5)	(7)	(8)	(4)	(4)	(3)	(2)	(5)	(2)	(4)	(7)	(9)	(5)	(5)	(6)	(1)	
(-) Other Expenses	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	
Total Costs	(17)	(19)	(21)	(23)	(19)	(20)	(19)	(18)	(22)	(20)	(22)	(26)	(28)	(24)	(24)	(25)	(11)	
+/(-) Net Working Capital Variation	(8)	(1)	0	(0)	(0)	1	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	3	
Cash Flow from Operations	43	57	54	57	64	45	49	57	57	63	66	67	70	79	83	87	49	
(-) Corporate Taxes	(1)	(5)	(4)	(5)	(8)	(2)	(5)	(6)	(6)	(9)	(9)	(11)	(12)	(13)	(17)	(19)	(20)	
Cash Flows Available for Debt Service	43	52	50	52	57	44	45	52	51	55	56	56	57	63	64	67	38	
(-) Local Bond Coupon	(2)	(3)	(3)	(3)	(3)	(3)	(2)	(2)	(1)	(1)	(1)	(0)						
(-) 144A / Reg S Bond Coupon	(15)	(25)	(24)	(24)	(22)	(21)	(20)	(18)	(16)	(15)	(12)	(10)	(6)	(3)				
(-) Local Bond Amortization	(3)	(4)	(4)	(4)	(6)	(7)	(7)	(7)	(7)	(8)	(8)	(4)						
(-) 144A / Reg S Bond Amortization	(3)	(12)	(11)	(11)	(15)	(18)	(18)	(18)	(19)	(23)	(24)	(24)	(29)	(32)				
(-) Interest on Existing Project Finance Loans	(3)																	
Cash Flow After Debt Service	19	11	10	10	11	(4)	(1)	7	8	9	15	17	19	23	24	25	38	
+/(-) O&M Reserve Account Variation	(0)	(1)	(0)	1	(0)	0	0	0	(1)	0	(0)	(1)	(0)	1	5			
+/(-) Debt Service Reserve Account Variation	(4)	2	(1)	(2)	(1)	4	1	(4)	(1)	(4)	(0)	(0)	(2)	25				
+/(-) Distribution Test Cash Trap						(6)	(0)	(0)	(3)	(7)	(8)	(6)						
+ Termination Payment from Grantor																		
Cash Available for Distributions	14	12	9	9	5	0	0	0	0	0	8	16	18	24	24	25	16	
Trapped Cash Account Balance																		
Indicative Debt Schedule (US\$MM)⁽¹⁾																		
10-Year Local Bond	51	51	51	49	45	39	33	26	19	12	4							
(-) Principal Amortization			(2)	(4)	(6)	(7)	(7)	(7)	(7)	(7)	(8)	(4)						
Ending Balance	51	51	49	45	39	33	26	19	12	4								
13.6-Year 144A / Reg S Bond	300	287	285	274	263	248	230	211	188	168	146	97	68	36				
(-) Principal Amortization	(3)	(12)	(11)	(11)	(15)	(18)	(18)	(18)	(19)	(23)	(24)	(29)	(32)	(36)				
(-) Unscheduled Principal Amortization																		
Ending Balance	297	285	274	263	248	230	211	188	168	146	97	68	36					
Credit Metrics	Min	Avg	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2032	2033
DSCR	0.91x	1.26x	1.80x	1.27x	1.24x	1.24x	1.24x	0.97x	0.97x	1.17x	1.17x	1.19x	1.37x	1.44x	1.50x	1.59x		
DSCR incl. Funds from DSRA	1.00x	1.33x	2.10x	1.31x	1.24x	1.24x	1.24x	1.00x	1.00x	1.17x	1.17x	1.19x	1.37x	1.44x	1.50x	2.24x		
Debt / CFADS			8.18x	6.44x	6.42x	5.93x	5.03x	5.98x	5.25x	4.00x	3.52x	2.73x	1.74x	1.22x	0.64x			
Scheduled Accumulated NPV (US\$MM)			171.5	188.1	202.7	216.5	229.5	241.6	252.0	260.9	269.0	276.6	283.4	289.6	295.3	300.5	301.4	
Actual Accumulated NPV			171.4	187.7	201.7	214.7	226.8	234.8	242.7	250.0	256.6	262.8	268.8	273.9	278.9	283.5	287.8	293.5
% of Max NPV			57%	62%	66.9%	71.2%	75.2%	77.9%	80.5%	82.9%	85.2%	87.2%	89.1%	90.9%	92.5%	94.1%	95.5%	96.8%
Inflation-adjusted NPV Termination Payment																		



Financial Projections – Traffic Consultant Upside Case

Traffic Projections	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Toll Traffic	\$ 3.74	\$3.84	\$3.93	\$4.01	\$4.09	\$4.17	\$4.26	\$4.34	\$4.43	\$4.52	\$4.61	\$4.70	\$4.79	\$4.89	\$4.99	\$5.09	\$5.19
Cash Flow Statement (US\$MM)																	
(+) Toll Revenue	76	83	90	97	102	108	114	121	127	133	139	141	-	-	-	-	-
(+) Other Revenues	1	1	1	1	1	1	1	1	1	1	1	1	-	-	-	-	-
(-) Co-participation ⁽¹⁾	(6)	(7)	(7)	(8)	(7)	(7)	(7)	(9)	(12)	(15)	(17)	(19)	(43)	-	-	-	-
Total Revenues	68	78	84	90	96	102	106	109	113	117	121	99	-	-	-	-	-
(-) O&M	(11)	(11)	(12)	(12)	(12)	(13)	(13)	(13)	(13)	(14)	(14)	(14)	(14)	-	-	-	-
(-) Insurance	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(3)	(3)	-	-	-	-
(-) Capital Expenditures	(3)	(5)	(7)	(8)	(4)	(4)	(3)	(2)	(5)	(2)	(4)	(10)	(10)	-	-	-	-
(-) Other Expenses	(1)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(4)	-	-	-	-
Total Costs	(17)	(19)	(21)	(23)	(20)	(20)	(19)	(19)	(22)	(20)	(22)	(31)	-	-	-	-	-
+/(-) Net Working Capital Variation	(8)	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	4	-	-	-	-	-
Cash Flow from Operations	43	58	62	67	76	82	86	91	91	97	99	73	-	-	-	-	-
(-) Corporate Taxes	-	-	(3)	(4)	(6)	(9)	(11)	(13)	(15)	(15)	(17)	(18)	(11)	-	-	-	-
Cash Flows Available for Debt Service	44	55	58	61	68	72	74	77	77	80	81	62	-	-	-	-	-
(-) Local Bond Coupon	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(2)	(2)	(1)	(1)	(0)	-	-	-	-	-
(-) 144A / Reg S Bond Coupon	(15)	(25)	(24)	(24)	(22)	(21)	(20)	(18)	(16)	(15)	(14)	(10)	-	-	-	-	-
(-) Local Bond Amortization	-	-	(2)	(4)	(6)	(7)	(7)	(7)	(7)	(7)	(8)	(4)	-	-	-	-	-
(-) 144A / Reg S Bond Amortization	(3)	(12)	(11)	(11)	(15)	(18)	(18)	(19)	(20)	(23)	(30)	(36)	-	-	-	-	-
(-) Interest on Existing Project Finance Loans	(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Flow After Debt Service	20	14	18	19	22	23	28	32	33	33	35	17	-	-	-	-	-
+/(-) O&M Reserve Account Variation	(0)	(1)	(0)	(1)	(0)	0	0	0	(1)	0	(0)	5	-	-	-	-	-
+/(-) Debt Service Reserve Account Variation	(4)	2	(1)	(2)	(1)	1	1	0	(1)	(0)	(0)	23	-	-	-	-	-
(-) Early Termination Payment to Bondholders - Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
+/(-) Early Termination Account Variation	-	-	(2)	(5)	(5)	(6)	(6)	(14)	(13)	(14)	(16)	-	-	-	-	-	-
Cash Available for Distributions	15	15	15	14	15	19	20	17	18	18	18	45	-	-	-	-	-
NPV Cash Trap Account Balance	-	-	-	2	7	12	18	27	-	13	28	-	-	-	-	-	-
(-) Contribution	-	-	-	2	5	6	9	14	13	14	16	13	-	-	-	-	-
(+) Distribution	-	-	-	-	-	-	-	-	-	-	-	(13)	-	-	-	-	-
(-) Distribution for Early Mandatory Redemption	-	-	-	-	-	-	-	(41)	-	-	(43)	-	-	-	-	-	-
Ending Balance	-	-	-	2	7	12	18	27	-	13	28	-	-	-	-	-	-
Indicative Debt Schedule (US\$MM)⁽²⁾																	
10-Year Local Bond																	
(-) Principal Amortization	51	51	51	49	45	39	33	26	19	12	4	-	-	-	-	-	-
Ending Balance	-	-	(2)	(4)	(6)	(7)	(7)	(7)	(7)	(6)	(4)	-	-	-	-	-	-
13.6-Year 144A / Reg S Bond																	
(-) Principal Amortization	300	297	285	274	263	248	230	211	152	132	109	36	-	-	-	-	-
(-) Unscheduled Principal Amortization	(3)	(12)	(11)	(11)	(15)	(18)	(18)	(18)	(19)	(20)	(23)	(30)	(36)	-	-	-	-
Ending Balance	297	285	274	263	248	230	211	152	132	109	36	-	-	-	-	-	-
Credit Metrics																	
Min																	
1.34x																	
Avg																	
1.59x																	
DSCR	1.84x	1.34x	1.44x	1.46x	1.47x	1.48x	1.59x	1.72x	1.73x	1.71x	1.74x	1.37x	-	-	-	-	-
Debt / CFADS	7.97x	6.12x	5.55x	5.01x	4.24x	3.66x	3.20x	2.33x	1.88x	1.41x	0.44x	-	-	-	-	-	-
Scheduled Accumulated NPV (US\$MM)	171.5	188.1	202.7	216.5	229.5	241.6	252.0	260.9	269.0	276.6	283.4	289.6	295.3	300.5	301.4	-	-
Actual Accumulated NPV	171.5	188.1	203.7	218.5	232.3	245.3	257.0	267.7	277.4	286.2	294.2	301.4	301.4	-	-	-	-
% of Max NPV	57%	62%	68%	73%	77%	81%	85%	89%	89%	92%	95%	98%	100%	100%	100%	-	-



Grupo TYPSA
Gomera 9
28703 S.S. de los Reyes - Madrid
Tel.(34) 91 722 73 00
Fax (34) 91 6517588
e-mail: madrid@typsa.com
www.typsa.com

APPENDIX C: INSURANCE CONSULTANT'S REPORT

Insurance Due Diligence Report

Ruta 27 Concession – Autopistas del Sol,
S.A.

15TH DECEMBER 2016

INDEX

1. Introduction	1
2. Executive Summary	3
3. General Concession description.....	6
4. Contract analysis.....	8
5. Risk analysis	11
6. Insurance Program review.....	15
• “All Risks” Property Damage	15
• Business Interruption.....	18
• Liability Cover.....	20
• Construction All Risk Policy	22
• Contractors’ Equipment	23
• Other insurance.....	24
7. Loss record review	26
8. Insurance costs review.....	28
9. Conclusions	29
10. Annex A: Insurance endorsement	30
11. Disclaimer, Restrictions and Qualifications.....	33

"The information contained herein is private and confidential and intended for the sole use of **Globalvia, Autopistas del Sol SA** and **the potential financiers of the Concession**. All intellectual property rights, whether or not they are recorded, every piece of information, content, data and graphics that are included in the **Insurance report** (hereinafter the "Content"), including how the Content is presented, are the property of Marsh, S.A. Insurance Brokers, and **Globalvia, Autopistas del Sol SA** and **the potential financiers of the Concession** will not have and must not seek, any rights of ownership of such intellectual property. Access to, Reproduction, distribution, publication and or dissemination of the Content, is subject to the acceptance of the initial Letter of Engagement and the specific Release/Reliance letter agreed among the parties which establishes our duties and responsibilities, notably including a limit of liability of EUR 1,000,000 for the services performed

The scope of this report is limited to aspects of insurance and no documents or information relating to other matters has been assessed during its preparation, citing as an example and not limited to the following: environmental, financial, accounting, actuarial matters, legal, technological, engineering or technical matters.

All statements relating to tax, accounting or legal aspects that could be included in the report, must be understood as general observations based solely on our experience in insurance and risk coverage and cannot be considered tax, accounting or legal advice, which we are not allowed to provide. All these matters should be reviewed with appropriately qualified advisors in the relevant field. For this reason MARSH shall assume no liability that may exist either on the content of these general observations that might have been included, either due to the lack of analysis of the legal, commercial or technical implications of the documents and information placed at our disposal.

The report does not attempt to be an exhaustive explanation or analysis of the insurance coverage clauses.

All insurance policies contain terms and conditions. These can be applied alone or in a combination between them before the start of the policy, during the term of the policy, at the time of expiration and the resolution of a claim. A term or condition, according to circumstances, can enable insurers to assume, reduce or deny responsibility. Breaching the terms entitle the insurer to completely reject a policy from the date of such breach. This report does not identify the presence or absence of any term, condition, warranty or exclusion in any insurance policy, but only those which are considered unusual in the circumstances in which the report is developed.

The report presents the comments of our review of the information and documents that have been provided to us. In preparing the report it is assumed that all information provided is true, complete and accurate and that all copies are copies of originals.

1

Introduction

The purpose of this report is to analyse the main traditionally insurable risks that could affect AUTOPISTAS DEL SOL SA RUTA 27 (“THE CONCESSIONAIRE”, OR “THE COMPANY”) as well as the insurance program put in force to protect the Concession, as defined below.

This report has been prepared at the request of GLOBALVIA in relation to the refinancing of the Company’s existing debt. The Company was awarded in 2001 with a concession for the design, planning, financing, construction, rehabilitation, enlargement, repair, maintenance, conservation and operation services of San José-Caldera motorway with a total length of 76.8 kilometres located in San José, Alajuela and Puntarenas, in Costa Rica (THE “CONCESSION”).

As is customary for independent due diligence reports provided for potential financiers, only fortuitous insurable risks are analysed in this report, meaning unforeseen and accidental events or occurrences, including physical loss or material damage, personal injuries, defective design, materials or workmanship, force majeure, loss of profits derived from delays in construction or Business Interruption, among others.

The financial prejudice derived from events of a political nature such as expropriation or currency inconvertibility are outside the scope of this report, as are the Concession’s inherent risks, such as financial, commercial or regulatory risks, for which no conventional insurance solution exists and which are not analyzed in this document.

In this regard, consistent with our experience in this type of project’s risks and insurance policies, we have developed an analysis which aims to review the Concession’s exposure to certain risks and the way the Company has transferred these risks into an insurance program that protects the interests of all the Concession parties.

Sources of information

The main sources of information used for preparing this report have been:

- Copy of the Operational Plan of Sociedad Concesionaria Autopistas del Sol S.A.
- Project technical documentation
- Copy of the Insurance program purchased by Sociedad Concesionaria Autopistas del Sol S.A. (Globalvia Ruta 27) as detailed in Section 7 (Insurance program review)

- Copy of the insurance requirements set out in the Concession Agreement and in the public tender offering documents (Chapter 4, from page 209 to page 212 of the Addendum al Contrato Concesión carretera San José – Caldera)
- Loss record for the last 3 years provided on September 8th, 2016
- Maximum probable loss analysis (PML) performed on September 20th, 2006 by Edgar Solano Asociados S.A. a local company performing risk analysis and PML studies, which is no longer existing and has been integrated into JUSA risk.
- Q&A sessions maintained with the insurance manager at Globalvia overseeing the insurance placements in force for this Concession
- Insurance certificates showing the communications clause has been incorporated in the insurance package as detailed below

The report presents the outcome of our review of documents that have been provided to us. In preparing the report, it is assumed that all information provided is true, complete and accurate and that all copies are copies of originals. We assume no responsibility for the examined information being incomplete and/or inaccurate.

By analysing these documents, the potential finance parties shall be informed of the Concession conditions and contractual obligations regarding insurance matters.

We appreciate the opportunity given to us, and the feedback we have received to prepare this report.

- Further enquiries should be addressed to:

Marsh S.A.
Paseo de la Castellana, 216
28046 Madrid
For the attention of Javier Goizueta Pallarés
Direct Telephone: (34) 91 514 26 24
Fax: (34) 91 344 93 98
Email: Javier.goizuetapallares@marsh.com

2

Executive Summary

Marsh has been appointed by Globalvia to conduct a risk and insurance study in connection with Ruta 27 Concession, an operational road in Costa Rica currently operated by Autopistas del Sol S.A. under a Concession Agreement entered with Consejo Nacional de Concesiones de Costa Rica (“the Grantor”) that is in force until July 2033.

Marsh has performed a review of the insurance requirements set out in the Concession Agreement, the general fortuitous risks affecting projects of similar size and nature, and the insurance program procured by the Concessionaire to successfully transfer these risks to the insurance providers. Marsh has also reviewed the current premiums paid by the Concessionaire and the loss record for the last three years.

The insurance program evidenced consists of the following lines of insurance:

- All risks property damage/ Business Interruption cover issued by Mapfre Costa Rica
- General Liability insurance issued by Mapfre Costa Rica
- Construction All risks cover for the minor works performed yearly on the road (Instituto Nacional de Seguros (INS)
- Mandatory motor liability/ Own damages cover for the fleet of the Concessionaire (providing cover for 32 vehicles, according to the information supplied to us) Instituto Nacional de Seguros (INS) and Oceanica de Seguros
- Insurances for the equipment (basically 3 backhoes) (INS)
- Labor risks insurance for 109 workers (INS)

As a general conclusion, the program put in force is in compliance with the Concession Agreement and in line with what we would expect for a project of similar size and nature, and provides market standard cover for the risks identified.

There are, however, some items which we want to highlight in relation to the insurance program reviewed:

1. In relation to the All Risks Property Damage
 - According to the feedback received from Globalvia’s risk manager, an external company is responsible for the collection and transfer of cash and therefore contractually responsible for any theft. In addition, Globalvia has an insurance policy to cover for theft

during cash transfers carried out by Ruta 27 employees limited to \$6,000 and to cover for losses from 8am to 9pm.

- A specific cover for vehicles while at rest in the premises is suggested to be included under the All Risks insurance.
- The policy includes a multiple insured clause, which is viewed as a good improvement, but there is a specific paragraph which invalidates such extension to any creditor. Marsh suggests deleting such paragraph so that this extension applies to all parties involved in the Concession. As an updating on December 13th, Globalvía's Risk Manager has confirmed this limitation will be deleted from the wording to be in force for the benefit of the new creditors once the bond issuance is effected.

2. In relation to the general liability policy

- There is a general sublimit of indemnity per victim of US\$300,000. Although this is not in breach of the Concession agreements, it is our recommendation to avoid such sublimit, except for the employer's liability extension. Despite the limit, historic litigation for bodily injuries in Costa Rica suggests that indemnities would barely exceed the current limit insured per victim.
- The general liability policy includes a general deductible of 10% of the loss with a minimum of US\$30,000 which is in compliance with the Concession requirements. The inclusion of a maximum deductible is hereby recommended as best practice.
- There is an extension under the general liability policy for construction works (up to a budget of US\$3MM), which is considered by Marsh a good improvement vs. market standard practice. As a best practice, we would recommend avoiding any sublimit under such extension (currently 10% of the general limit, with a maximum of US\$600,000). Regardless, the risk of such construction works causing damages to third parties is considered very low as the Concession is operational and thus only minor maintenance works (no critical structures works) are expected.
- Among the exclusions of the liability policy, losses caused by toxic or dangerous goods are excluded, as well as damages arising out of vehicles circulation (clause 5.15). Marsh suggests a redraft of this provision, as the exclusion could raise interpretation disputes. This is the same as with clause 4.2, which states that the cover provided is in excess of the mandatory liability and only for vehicles owned or used by the insured parties, and should also be extended to damages or losses caused by third parties vehicles and include liability not only in excess but also in defect of such third parties motor mandatory liability.

3. Other items

- Evidence of premium payment has been received for the current insurances.
- Annual premiums are in line with market standards (see insurance premiums section for details on the annual premium for each line of insurance).
- Please note that once the refinancing is closed, it is hereby suggested that any party providing financing to the Concession or any trustee acting on behalf of the financiers is included as an additional insured party under the policy through the multiple insured clause / non vitiation clause suggested in Annex A of the report. According to Globalvía's Risk Manager, the insurers have agreed on a wording materially in the form set out in Annex A of the report, so this wording will be endorsed to the policy once the bond issuance is effected.
- Loss record is in line with comparable projects, with 14 open claims for an amount of circa US\$900,000 which the company is currently handling with the insurers (please note that 6 open claims do not include any reserve at this stage as these losses are currently under assessment).
- No cyber cover or crime insurances have been evidenced. Although these covers are not market standard, these may provide better protection to the Concession and especially to the balance sheet, so Marsh suggests exploring the need for procuring such insurance lines even though, as indicated above, they are not standardly procured by similarly situated companies.

Please refer to the Insurance Review Section for further details on the way insurances have been procured and our comments to these arrangements, as well as the Loss Record Review / Insurance Cost Review Sections for further details on these matters.

3

General Concession description

Autopista del Sol Concession (San José – Caldera, Costa Rica), consists of the construction, operation and maintenance of three (3) road sections, (with a total length of 76.8km) awarded to Autopistas del Sol S.A. by the Grantor (Consejo Nacional de Concesiones de Costa Rica) in 2001, with a contract expiration dated July 9th, 2033.



The Concession consists of the construction (already performed), improvement and operation of approximately 76.8km of roads located in 3 provinces in Costa Rica (San José, Alajuela, Puntarenas). The Concession is divided into three sections, two pre-existing sections and one that was constructed and is now operational.

Road Section	Route	Approximate Length
I	San José – Ciudad Colón	14.2km
II	Ciudad Colón – Orotina	38.8km
III	Orotina – Caldera	23.8km
TOTAL		76.8km

a) Section I: San José-Ciudad Colón, where the Concessionaire is only responsible for the rehabilitation and maintenance of the existing 4- and 6-lane roadways, has a speed of 80km/h and a total length of 14.2 km. It also contains bus shelters, bridges, overpasses, pedestrian crossings and several toll plazas.

b) Section II: Ciudad Colón-Orotina, the newly constructed stretch with a total length of 38.8 km of 2- and 4-lane roadways with a speed of 80 km/h. It also contains bridges, overpasses and several toll plazas.

c) Section III: Orotina-Caldera, a pre-existing stretch of 23.8 km of 2- and 4-lane roadways with a speed of 80km/h and bus shelters, a bridge, a pedestrian crossing, overpasses and several toll plazas.

The Concession also involves minor maintenance works and the operation of five existing bridges (Río Viriña, Río Ciruelas, Río Grande, Quebrada Concepción, and Quebrada Salitral) on the highway.

The Concession's income is obtained through direct charges to the road users in the tolls installed along the road.

4

Contract analysis

Concession Agreement

We have had access to the insurance requirements set out in the Concession Agreement (Chapter 4, from page 209 to page 212 of the Addendum al Contrato Concesión carretera San José - Caldera). The addendum is, in accordance with the information received from Globalvia's risk manager, dated 24th June 2003.

Under the Concession Agreement, the Concessionaire is obliged to procure the following insurances:

1. Construction All Risks including General Liability insurance for the construction works (please note this insurance is not reviewed in the report, as the construction works ended years ago, and thus in accordance with the information received, there is no current construction risks exposure in the Concession)
2. All Risks Property Damage for finished civil works
3. General liability insurance for the operating period
4. Mandatory motor liability
5. Any other insurance requested by law, including labor risks insurance.

These policies must be in full force and effect throughout the concession period (except for the Construction All Risks cover which is not required for the operational period), and in accordance with the terms set out under clause 1.9.7 of the public tender documents (analyzed below), the policies must be issued in USD where possible.

There are various specific requirements in relation to the insurances; notably, the following apply:

- The All Risk cover must be procured on a full limit indemnity basis, unless a Probable Maximum Loss ("PML") study is carried out; in such a case, the policy can contain a limit per loss in accordance with such study, provided the Grantor accepts. Please note that the policy reviewed includes a limit of indemnity of US\$100MM, which is above the combined limit indicated under the PML study performed in 2006 (which established a maximum probable loss of circa US\$ 30MM, excluding Business Interruption)

- The policies shall include automatic annual renewal provisions. This requirement is complied with by the All Risks and Liability insurances evidenced.
- The Grantor shall be named as an additional insured party under the policies. This requirement has also been complied with (although in the All Risks policy by way of a blanket cover by which any party is considered additionally insured if requested by contract, so we suggest specifically naming Consejo Nacional de Concesiones in the insured's list for the sake of clarity).
- The insurances cannot be cancelled unless specific acceptance from the Grantor is obtained. These provisions have now been included in the policies evidenced.
- Step in rights for claims management, or a Loss Payee ("LP") provision, shall be included in favor of a Trust for the All Risks cover. These requirements have been complied with, and a specific LP provision has been incorporated under the All Risks cover for the benefit of "Fideicomiso para la administración de las pólizas de seguro del contrato de concesión de obra pública con servicio público de la carretera San José-Caldera, Fiduiciario Banco de Costa Rica". Please note this LP provision only applies to the Property Damage sections, not for the Business Interruption cover. This is market standard and acceptable in Marsh's view.
- In case of a Force Majeure event which prevents the parties from executing the Concession Agreement and results in the cancellation of the contract, the insurance proceeds will be used to compensate the Concessionaire up to the amount which may correspond to them under the contract.
- For the liability policy, the Loss Payee will be the injured party, and the concessionaire must be responsible for any amounts not payable by the insurers for any reason.
- There is a specific provision by which, in case there is a loss where the insurance proceeds are lower than the damage, the difference shall be borne by the parties in the following terms:
 - If the difference between the insurance proceeds and the loss is lower than US\$12MM, then the concessionaire must bear such difference in full.
 - If the difference is above US\$12MM, such amount in excess of US\$12MM will be borne on an 80% basis by the Estate and 20% by the Concessionaire.
- All policies will be subject to, and in compliance with, Costa Rica legislation.

- Non-procuring of insurance, non-payment of premiums or non-renewal of insurances will constitute a major breach of the Concession Agreement and entitle the Grantor to cancel it unless the breach is remedied within 5 days.

Insurance provisions of the public tender document

We have had access to clause 1.9.7 of the public tender document which established the insurance requirements that apply to this Concession. In general, such requirements are materially equal to the ones imposed afterwards by the Concession Agreement, with the following additional requirements imposed:

- A deductible of 2% of the Concession value is the maximum deductible allowed (and thus the current deductible for earthquakes is acceptable).
- The minimum limit to be procured for liability is US\$3MM per loss and US\$10MM in the aggregate. Please note the company has procured a limit above this figure, although a sublimit per victim applies while the Concession Agreement and public tender file are silent on this.

5

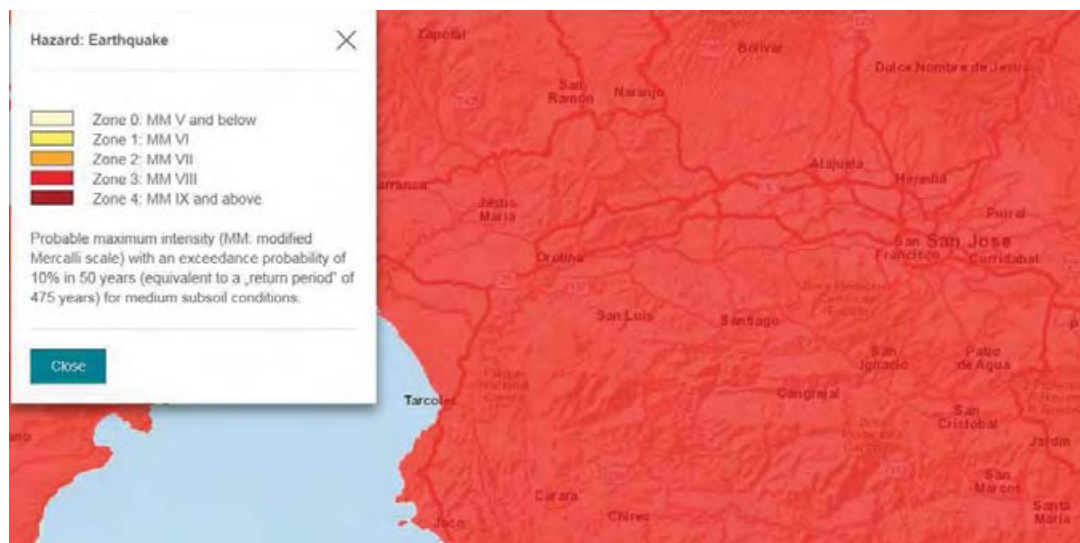
Risk analysis

Natural Hazards

(Source: Nathan online, the Munich Re Cat/Nat assessment tool)

Earthquake and Volcano

The Concession is located in a high risk exposure zone for earthquakes, as shown in the figure below. Seismic hazard in Costa Rica varies between high and very high. Frequent earthquakes are caused by the collision and movement of two tectonic plates - the Cocos and Atlantic plates.



The Concession has also some exposure to volcanoes, as shown in the figure below:



Cover for both events is provided in the insurance program evidenced.

Political and Social Hazards

Costa Rica has enjoyed peaceful times for many years. Its reputation as one of the most politically stable countries in Latin America is justified, and consequently the risk of strikes, riots and civil commotion is low. Despite this, the policy evidenced provides cover for these risks up to US\$16MM. There is no Business Interruption cover for strikes, riots and civil commotion, this being a market standard limitation and therefore acceptable to us.

Terrorism is usually excluded from local policies, due to the perceived lack of need for such cover, although the market can provide cover for it (as is the case with this particular project where the Company has procured a US\$10.55MM cover on any one loss and in the aggregate, which is also in line with market standard practice and therefore acceptable to us).

Theft and burglary shall also be considered, given the fact that the Concession collects cash from the users. Cover against such exposure has also been included in the policy. Please see section 6 for details of the cover arranged.

War and related perils are a general exclusion of the insurance market, along with other political exposures such as expropriation, nationalization, inconvertibility and similar exposures, which if needed, shall be insured through specific insurances not covered by this report.

Project Specific Risks

Ruta 27 Project has no tunnels work or false tunnels, but there are bridges, underpasses, and overpasses along the road. All of these constitute the points of greatest potential risk in the event of landslides, floods, foundation collapse, loss of structural piles, trusses and panels stability.

The main risks identified are:

- Collapse of a major bridge, overpass, or road resulting in major reconstruction costs and loss of toll revenue
- Ground collapse and sinkholes: can cause partial and total demolition of the structure and its reconstruction
- Landslides
- Hail, flooding, water damage, and volcanic ash: physical damage resulting from heavy rains in the form of flooding, accumulation of excess debris from an adjacent mountainside, and damage to the Concession structures from hail storms and ash
- Vehicles' impact
- Failure in the structure's integrity: caused by faulty materials, works or designs
- Electronic equipment: loss or damage of equipment used for administration and control purposes in the toll road's operations
- Cyber Risk for electronic tolls and funds transfer networks (please note no cyber cover has been evidenced by the Company, this cover is not considered critical as we understand that electronic toll are outsourced to ETC)
- Machinery breakdown: physical damage of emergency equipment used to back up the operation of the toll road (i.e., the alternative energy supplies in the event of an emergency, the electrical substation, etc.)

Business Interruption

While there is no Business Interruption for riots, strikes and civil commotion, the insurance will provide general cover for lost income in case of a partial or total stoppage of the activity due to a risk covered by the All Risks section of the policy. The indemnity period currently provided is limited to 12 months, this being a market standard, although this has not been validated by any technical report confirming the maximum stoppage period in case of a major loss. According to Globalvía's risk manager feedback, Tyspa as technical advisor indicates that 12 months is a

reasonable period to solve a stoppage of the activity due to a risk covered by All Risks section of the policy

Liabilities

Public Liability (Third Party Liability)

Main liability risks identified for this project are:

- 1) Employers liability: employees may suffer accidents at work and therefore we find it necessary to purchase such coverage to grant adequate protection in excess of the cover provided via the “state-scheme”.
- 2) Collapse of a major bridge, overpass, road, or tunnel resulting in substantial bodily injury claims by third-party claimants.
- 3) Unsafe road conditions, construction, or poor signage leading to accidents and bodily injury to road users.
- 4) Damages to third parties accessing the site, such as customers/ pedestrians. General liability cover is meant to protect the Concessionaire from such risk.

Environmental Liability

To protect the Concession against this exposure, an extension for sudden pollution has been incorporated in the policy. Please note that no gradual pollution events would be covered by the local policy, as this exposure is low in the industry.

Despite of this, we have been advised Globalvía currently purchases a corporate environmental insurance policy for all their assets, issued in Spain. Such policy is not reviewed in this report

Marsh also discussed Globalvia’s Environmental & Social team animal rescue program with the company’s insurance manager and understands that no action is required other than sending a note to the insurer describing such rescue program for the insurers being fully aware of the activity of the company, but there is no need to amend the policy itself.

6

Insurance Program review

Insurance Program: Coverage outline

Below we have summarized the insurance lines evidenced by the Company:

Exposure	Insurance
Assets	"All Risks" Property Damage
Profit and loss account	Business Interruption
Liabilities	General Liability
Other	Machinery
	Motor
	Labor risks cover

We have set out below a basic summary of each type of cover, Property Damage (including cover of Material Damage and Business Interruption), Liability and rest of insurance policies evidenced by the Company.

"All Risks" Property Damage

1. Insured parties

- i. Autopista del Sol S.A. (as policyholder)
- ii. The Grantor, Consejo Nacional de Concesiones de Costa Rica
- iii. Subcontractors, Architects, consultants, or suppliers that are not part of Autopistas del Sol S.A., but only for their onsite activities and provided the benefit of the insurance is contractually agreed
- iv. Other parties which Autopistas del Sol S.A. is required to provide cover for under the policy
- v. Lenders (multiple insureds clause)

Please note that once the *refinancing* is *closed*, it is hereby suggested that any party providing financing to the Concession or *any trustee acting on behalf of the financiers* is *included* as an additional insured party under the policy.

2. Loss Payee

“Fideicomiso para la administración de las pólizas de seguros del contrato de concesión de obra pública con servicio público de la carretera San Jose – Caldera. Fiduciario Banco de Costa Rica”

The Trust has no right of indemnity from Business Interruption coverage. Although this exclusion is not considered in the Concession Agreement, we find the inclusion of such limitation to be standard, as the Trust was created to deal with repair/reconstruction of any damaged assets. The insurance proceeds from any such cover shall be paid into the Trust account, but the company and any finance party should be entitled to any loss of revenues insurance proceeds. In accordance with policy wording, insurance proceeds for Property Damage are to be paid to the Trust, and insurance proceeds for Business interruption are to be paid to the Concessionaire. The Concession Agreement does not explicitly accept this way of splitting the insurance proceeds, but this is acceptable in Marsh’s view as the Trust should only have rights in relation to property damages, not on any loss of income.

3. Insured amounts

San Jose – Ciudad Colon: US\$90,104,054.87

Ciudad Colon-Orotina: US\$214,788,513.39

Orotina-Caldera: US\$43,312,114.50

Other Civil Works: US\$14,224,747.68

Total: US\$362,429,430.44

Please note we have not verified if the insured values correspond to the full replacement values of the assets for property damage as this is out of the scope of our services.

According to Typsa’s feedback to Globalvía’s risk manager, the insured amounts are sufficient to cover the full replacement values for property damage.

4. Limits of indemnity

US\$100MM combined for Property Damage and Business Interruption.

Please note the PML study concluded that the maximum probable loss for property damage was circa US\$29MM, and this figure did not include any Business Interruption (circa US\$58MM for a 12 month indemnity period according to the values of the policy). Therefore, the limit procured is above the maximum expected loss, which would be circa US\$87MM.

5. Insurance Period

00 hours of 01/01/2016 to the 24 hours of the 31/12/2016

6. Cover

All risk Property Damage and Business Interruption

7. Additional clauses

- Catastrophic and Natural (CAT/NAT) perils (earthquake, volcanic eruption, tsunami, flood, cyclone, landslide, hurricane): included
- Terrorism: US\$10.55MM per loss and year
- Electronic equipment: US\$375,000
- Machinery breakdown: US\$1.5MM
- Employees goods: Included
- Third party goods in custody: Included
- Temporarily displaced goods: US\$500,000
- Electrical damage: US\$2.5MM
- Theft: cash – US\$115,000; cash transportation: US\$6,000
- Strike, riot, civil commotion: US\$16MM per loss and year
- Debris removal, salvage expenses, reduce expenses: 15% of the loss, maximum US\$12MM
- Authorities measures: US\$2.9MM per loss
- Transport of goods: Included
- Extinction, fire brigade expenses: US\$2MM per loss
- Files, documents replacement: US\$300,000 per loss
- Permits and licenses: US\$3.5MM per loss
- Minor works clause: works with a capex of less than US\$6.25MM, Limit of indemnity US\$6.25MM
- Acceleration expenses: US\$7MM per loss
- Errors and omissions: US\$2MM
- Laws and regulations in construction sector: US\$4.2MM per loss
- Cleaning up costs, decontamination expenses: US\$900,000 per loss
- Landslide and subsidence
- Leeway clause 20%
- Full replacement value cover (only applies in case Project is rebuilt after a loss)

8. Main Exclusions considered as market standard

- Willful act or gross negligence
- Inexplicable disappearance, pilfering

- Wear and tear
- Radioactive effects
- Delay, loss of market, termination of contract
- Unless a non-excluded physical damage occurs, the following events are excluded;
 - Losses attributable to manufacturing or processing operations resulting from damage to stock or materials while they are being processed, manufactured, tested, or worked with in some other way
 - Execution errors or defects in material, construction or design from any cause
 - Deterioration, molecular fatigue, decline, inherent vice or latent defect, oxidation, fermentation or corrosion, rust, erosion or wear
 - Contraction, expansion, cracking and collapse of buildings or parts thereof, foundations, structures, walls and pavements
- Confiscation, nationalization or requisition, destruction or damage to insured property by order of any government law or any local authority
- Total or partial voluntary interruption of work or work stoppage by the insured company's employees
- Losses, damages, costs or expenses of any nature directly or indirectly caused by, resulting from or in connection with the malicious use of biological pathogens or toxic materials or chemicals
- Damages directly or indirectly suffered by the insured property or interests arising from a wrong recognition of any date

9. Deductibles

- Property Damage General deductible: US\$75,000
- Cash Theft: 10% of the loss, minimum of US\$1,000
- Earthquake, volcanic eruption, tsunami: 2% of the sum insured of each section*
- Other CAT/NAT perils: 10% of the loss, minimum of US\$250,000, maximum of US\$1MM
- Electronic equipment: US\$2,500
- Machinery breakdown: US\$75,000

* This deductible is market standard and in compliance with the Concession Agreement requirements. Just for clarity of the real value of such deductible, for the road section from Colón to Orotina (the longest section of the concession), the deductible applying would therefore be circa US\$4MM.

Business Interruption

1. Sum Insured

US\$57,244,724 for a period of indemnity of 12 months

Please note we have not verified if the insured value corresponds to the total income less variable expenses for the Business Interruption, as this is out of the scope of our services, but according to Typsa's feedback to Globalvia's risk manager, the sum insured is quite above the Minimum Revenue of the Contract, and this amount less OPEX expenses is enough to pay bank debt.

2. Insurance Period

00 hours of 01/01/2016 to the 24 hours of the 31/12/2016

3. Cover

Business Interruption as a result of a loss covered by the policy

4. Additional clauses

Leeway clause 20%

Contingent Business Interruption due to:

- Lack of supply: US\$5MM
- Lack of Public supplies: US\$5MM

5. Main Exclusions considered as market standard

The following are general exclusions applying to insurance policies:

- Losses not covered by the property damage cover
- Payment of fines or penalties
- Losses if the insured company does not resume activity 24 months after a loss
- Total or partial voluntary interruption of work or work stoppage by the insured company's employees

6. Deductibles

- Business Interruption due to earthquake, volcanic eruption, or tsunami: 30 days
- Business Interruption due to other Catastrophic & Natural (CAT/NAT) perils: 48 hours
- Property Damage Business Interruption: 48 hours

Liability Cover

1. Cover

Third party liability resulting from the operation of the Ruta 27 Concession

2. Insurance Period

00 hours of 01/01/2016 to the 24 hours of the 31/12/2016

This line of insurance has, according to the information received, been placed through Mapfre Costa Rica for the last 5 years (since 2011). Therefore it is very unlikely that a non-reported loss may not be covered by the insurance due to the temporary limitations of the liability insurance (which provides cover for events that occurred during the policy period, and claimed within such period or an additional 12 month discovery period). Despite this, in case of any change of the insurer going forward, we recommend reviewing the temporary scope of new insurance arranged to make sure there are no gaps in the cover provided going forward.

3. Insured Parties

- Autopista del Sol S.A. (as policy holder)
- Caja Madrid (now Bankia)
- Banco Centroamericano de Integración Económica
- Consejo Nacional de Concesiones (as Grantor)

Please note that once the *refinancing* is *closed*, it is hereby suggested that any party providing financing to the Concession or *any trustee acting on behalf of the financiers* is *included* as an additional insured party under the policy (without losing their rights to claim against the rest of the insured parties). In addition, Caja Madrid should be removed from the policy on such date.

4. Minimum Sum Insured

- Per loss: US\$8.3MM
- Per year: US\$16.6MM
- Per victim: US\$300,000

5. Main Extensions

- General Liability
- Employers Liability (in excess of local compulsory obligations)
- Cross Liability (only for personal damage)
- Subsidiary Liability for motor vehicles
- Subsidiary Liability for subcontractors

- Sudden/Accidental pollution Liability
- Damage to employees goods

6. Main Exclusions considered as market standard

The following are general exclusions applying to insurance policies:

- Willful act or bad faith
- War, terrorism, natural catastrophic damages, public authorities measures, confiscation, and nationalization
- Breach of contract disputes
- Loss caused by activities not disclosed under the policy
- Nuclear risks
- Punitive damages
- Damage or expenses for removing or cleaning pollutants or contaminating substances of any kind
- Professional liability
- Finished works liability / Product liability
- Pure financial losses
- Willful noncompliance with laws or administrative provisions of a general nature
- Contractual responsibilities assumed by the insured which exceed strict liability
- Damage to property on which the insured is working
- Damage to third parties goods under care or custody
- Direct responsibilities of contractors or subcontractors under contracts or subcontracts involving the execution of works or services
- Damage suffered by goods transported by or on behalf of the policyholder/ insured parties, except for the loading / unloading
- Damage caused by toxic or dangerous goods
- Occupational diseases
- Asbestos

7. Deductibles

- 10% of the loss, minimum of US\$30,000. As noted in the Executive summary, as best practice we would suggest including a maximum of circa US\$ 300,000, but this item is not considered critical for us.

Construction All Risk Policy

1. Cover

Erection and liability policy for damages with respect to heavy maintenance works

2. Insured

- Autopista del Sol S.A. (as policy holder)

3. Insurance Period

30/06/2016 to 30/01/2017

4. Sum Insured

- Heavy maintenance works: US\$736,240
- General Liability: US\$1MM per loss, US\$3MM in the aggregate

5. Main Extensions

- Damage to goods while in construction: US\$736,240
- General Liability: US\$1MM per loss, US\$3MM in the aggregate
- Earthquake: US\$736,240
- Landslide, Flood and Hurricane: US\$736,240
- Maintenance period: 12 months; US\$736,240
- Adjacent property: US\$150,725
- Cross Liability: US\$1MM per loss, US\$3MM in the aggregate
- Debris removal: US\$736,240

6. Main Exclusions considered as market standard

- War and related perils
- Willful act or bad faith
- Advanced loss of profits
- Damages to machinery and equipment
- Contamination
- Nuclear risks
- Existent defects known by the insured
- Sue and labor: an extension by which preventive measures to avoid losses would be covered; market standard practice is not to provide such an extension, especially for minor construction works
- Wear and tear

- LEG2 exclusion. Defective design exclusion, but this exclusion does not apply to consequential damages.

7. Deductibles

- Damage to goods in construction: 10% of the loss with a minimum of US\$20,000
- General Liability: 10% of the loss with a minimum US\$5,000
- Earthquake: 20% of the loss with a minimum of US\$10,000
- Landslides, Hurricanes and Flood: 20% of the loss with a minimum of US\$10,000
- Adjacent Property: 10% of the loss with a minimum of US\$5,000
- Cross Liability: 10% of the loss with a minimum US\$5,000

Contractors' Equipment

1. Cover

Coverage for contractors' equipment ("Machinery")

2. Insured

- Autopista del Sol S.A. (as policy holder)

3. Sums Insured / Insurance Period

	Brand	Reference	Sums Insured	Insurance Period
1	JCB	EE33399	US\$90,800	08/01/2016 - 08/01/2017
2	INGERSOLL-RAND	ZCFAILFO20279207	US\$153,000	27/10/2016 – 27/10/2017
3	JCB	GN65652U912921U	US\$79,200	01/02/2016 – 01/02/2017

4. Deductibles

Coverages	Deductibles*
Damages to equipment	10% of the loss, min CRC100,000 (circa US\$183)
General Liability	10% of the loss, min CRC50,000 (circa US\$91)
Natural catastrophe perils	10% of the loss, min CRC100,000 (circa US\$183)

* Deductibles are not equal in all policies, we have included above the highest ones for each.

5. Main extensions

- Damage to machinery: Included
- General Liability: US\$60,000 for 1 and 3, and US\$100,000

Other insurance

Mandatory Vehicle Insurance

Currently there is a fleet automobile in force providing cover for 30 vehicles; the insurance period is from the 10/10/2016 to the 20/10/2017.

Main Coverages

Coverages	Limits*	Deductibles
General liability injury and/or death of persons	CRC100MM P/P – CRC200MM P/Y	No deductibles
General Liability for damage to third party premises	CRC50MM	No deductibles
Direct collision damage waiver and/or overturning	CRC7.5MM	10% of the loss, min CRC100,000
Theft and/or robbery	CRC7.5MM	10% of the loss, min CRC100,000
Additional risks	CRC7.5MM	10% of the loss, min CRC100,000

* P/P= Per Person
P/Y= Per Year

Labor risks insurance

A labor risk policy is currently in force providing coverage for 109 employees with a total insured amount of CRC1,174,600,000 (approx. US\$2,122,000), with the Insurance period from 01/02/2016 to 31/01/2017.

Insurers

The insurers currently underwriting this project are:

- Mapfre Costa Rica
- Instituto Nacional de Seguros
- Oceanica de Seguros

Both are reputed insurers in the local market and meet Marsh's internal guidelines to insure the risk.

We can express no views and assume no liability with respect to the solvency, or future ability to pay claims, of any of the insurers which have issued or may issue insurances which we have considered in this Report.

Whilst an insurer may not currently meet Marsh's internal financial criteria for use, this does not imply that this company is not financially sound. Details of Marsh's Security Department are included in the 'Disclaimers' appendix of this Report.

7

Loss record review

We have received a file summarizing the losses reported by the Concessionaire for the last 3 years (the file is updated as of August 2016). The main findings in this regard are:

All Risks Property Damage loss record

- 6 losses have been paid, for a total amount of circa US\$500,000, while other 4 have been closed with no settlement.
- 6 open claims, with no estimate provided to Marsh on the amount of the losses. These losses correspond to different landslides and stone collapses, of which four have already been repaired (and thus the Concessionaire has already borne the cost of repairmen), while two are still under repair with costs estimated at circa US\$600,000.
- According to Globalvia's Risk Manager, a claims handling process is being negotiated with the insurer to speed up the handling process and homogeneizate the procedures, thus reducing the time for settling the claims.

General liability loss record

- 2 losses been closed with no settlement (likely due to these being below the deductible), due to damage to cars from stone collapses and collapse of a publicity exhibit.
- 2 open claims – one where a neighboring property has allegedly been damaged by flooding caused by a lack of drainage pipes on the road, with no estimate on the amount. The second corresponds to a slip of a motorcycle allegedly due to the road being dirty, with such loss being reserved for US\$74,000. Both losses are currently being handled by the insurer, so we understand the Company will only be responsible for the deductibles established in the policy in case any payments must be made to the claimants. The insurer is currently negotiating the settlement with each of the claimants to prevent these claims going to the courts.

Machinery/fleet

- 5 losses have been paid, for a total amount of circa US\$113,000, mainly due to electrical damages. Meanwhile, another 2 losses have been closed without payments.
- 6 open claims, of which the most relevant one is an accident caused by one vehicle owned by the Company, for which circa US\$155,000 is claimed.

Therefore, according to the information provided, in general the loss record (circa US\$420,000 disclosed, although some losses do not include any reserve so far as indicated above) is below a 20% loss ratio when compared to the premiums paid by the Company, and thus no future increase of premiums is expected due to a high loss record.

As a general conclusion, the loss record is in line with similar situated businesses, although the information provided is not as complete in some cases as required to provide further detail. Notably there are 6 claims currently under assessment where no reserve is shown, so Marsh suggests verifying that the insurance program has no losses in excess of US\$100,000 (as a discretionary amount considered material by us).

8

Insurance costs review

We have summarized below the main lines of insurance procured by the Concessionaire, together with the total annual cost reported for each line of insurance:

Policy	Total annual Premium
Property Damage	US\$1,099,563.81
General Liability	US\$146,137.79
Erection all risk	US\$5,078
Motor Liability	CRC26,592,457 (US\$48,690)
Contractors' equipment	US\$1,246 US\$2,379 US\$1,413
Labor risk policy	CRC55,441,120 (US\$101,510)
TOTAL	US\$1,406,017.60

Given the current market trends, and provided the loss record analyzed in the previous section is maintained (and provided the losses are below US\$100,000 where no reserve is indicated as stated in the previous section), we understand the current premiums can be maintained or even slightly reduced at the next renewal.

9

Conclusions

Marsh has performed a review of the insurance requirements set out in the Concession Agreement, the general fortuitous risks affecting projects of similar size and nature, and the insurance program procured by the Concessionaire to successfully transfer these risks to the insurance providers. Marsh has also reviewed the current premiums paid by the Concessionaire and the loss record for the last three years.

The insurance program is in compliance with the Concession Agreement and, although some items are suggested being improved in this report for a best practice insurance placement (see Executive summary section for details on such suggested improvements) as a general conclusion, the program put in force is in line with what we would expect for a project of similar size and nature, and provides market standard cover for the risks identified, so the items identified are not a requirement for amendment to the program, but rather suggestions that may be taken into account for a best practice insurance protection.

Please also refer to the Insurance Review Section for further details on the way insurances have been procured and our comments to these arrangements, as well as the Loss Record Review / Insurance Cost Review Sections for further details on current insurance spends and claims history of the Concession.

10

Annex A: Insurance endorsement

Communications clause

NOTE: this clause may need to be extended to the Indenture Trustee of the finance parties depending on the final financing structure.

The Grantor shall be advised:

- At least 30 days before any cancellation is to take effect if any insurer cancels or gives notice of such cancellation of any insurance for any reason, including the non-payment of premiums
- At least 30 days before any reduction in limits or coverage, any increase in deductibles or any termination before the original expiry date of the Insurances is to take effect
- Of any act or omission or of any event of which the insurer has knowledge and which might invalidate or render unenforceable in whole or in part any Insurance

Any such modification shall not be effective until 30 days after the issue of a notice of such effect to the Agent.

The sums insured and risks covered under the policy may not be reduced in any way without the prior written consent of the Grantor.

La Entidad Concedente será informada:

Al menos con 30 días de anticipación de cualquier anulación o cancelación de esta póliza por cualquier motivo, incluyendo el impago de primas.

Al menos con 30 días de anticipación de cualquier reducción en límite de indemnización o cobertura, cualquier incremento de franquicia o cualquier vencimiento anterior al que originalmente se tenía dispuesto.

De toda acción u omisión, o de todo hecho del que la aseguradora tenga conocimiento y que pudiera invalidar o hacer inejecutable, en su totalidad o en parte, esta póliza.

Cualquier modificación no será efectiva hasta 30 días después de realizada la notificación a la Entidad Financiera.

Las sumas aseguradas y los riesgos cubiertos bajo esta póliza no podrán ser reducidos de ningún modo sin el previo consentimiento escrito de la Entidad Concedente.

No liability in respect of non-payment of premiums

The parties providing financing, including their executives, employees and assignees, shall not (whether insured, uninsured or beneficiaries under the policy) be liable for payment of any premium or of any obligation to the insured; however, this will not exonerate the borrower from its obligation to pay any premium arising from the policy.

Las entidades que proveen financiación al proyecto, sus directivos, empleados y cesionarios no serán (sean o no asegurados o beneficiarios de la póliza) responsables del pago de ninguna prima o de cualquier obligación con los asegurados pero esto no libera al prestatario de su obligación del pago de cualquier prima derivada de esta póliza.

Multiple insured clause

It is noted and agreed that if the insured parties indicated in the policy comprise more than one insured party, each operating as a separate and distinct entity, then the cover hereunder shall apply in the same manner and to the same extent as if individual policies had been issued to each insured party, provided that the total liability of the Insurers to all of the insured parties collectively shall not exceed the sums insured and limits of indemnity, including any inner limits set by memorandum or endorsement in the policy.

Any payment made by the insurer to any insured party in case of a covered claim will reduce in the same amount the total responsibility of the insurer arisen from such claim towards all insured parties.

It is understood that all insured parties will preserve their respective rights and contractual agreements, as well as their rights of subrogation in case of a loss or damage.

It is understood and agreed that insurers shall be entitled to avoid liability to or (as is appropriate) claim damages from any of the insured parties in circumstances of fraud, material misrepresentation, material non-disclosure or breach of any warranty or condition of this policy, each referred to as a Vitiating Act.

It is, however, agreed that a Vitiating Act committed by one insured party shall not prejudice the right to indemnity of any other insured party which has an insurable interest and which has not committed a Vitiating Act.

The insurers waive all rights of subrogation, which they may have or acquire against any of the insured parties, except in case of a Vitiating Act, deriving from any event in which a claim is accepted in accordance with this policy.

En el supuesto de que los asegurados designados en póliza, sean más de dos entidades, que operen, cada una de ellas como entidad separada y distinta, la cobertura, se aplicará como si se hubiese expedido una única póliza separada para cada asegurado, siempre y cuando la responsabilidad total del Asegurador ante las partes que constituyen el Asegurado no exceda, en ningún caso, de la suma asegurada ni cualquier límite de indemnización especificados en las condiciones particulares y generales del contrato.

Cualquier pago hecho por el Asegurador a cualquier parte asegurada, por una pérdida o daño, cubierto por la presente póliza, reducirá en el importe de tal pago, la responsabilidad total del Asegurador por dicho evento al amparo de esta póliza ante todas las partes aseguradas que constituyan al Asegurado.

Se entiende que las partes Aseguradas preservarán en todo momento sus distintos derechos y acuerdos contractuales, así como aquellos recursos contractuales que tales partes Aseguradas posean en el caso de pérdida o daños.

Los Aseguradores tendrán derecho a eludir cualquier responsabilidad respecto de reclamaciones por daños que tengan su origen en alguna de las partes Aseguradas, en caso de fraude, falta de representación material, no revelación material, o incumplimiento de cualquier garantía o condición de esta póliza, todas ellas calificadas en esta cláusula como un acto doloso ("Vitiating Act").

Se acuerda, sin embargo, que (salvo pacto contrario en esta cláusula), un "acto doloso" cometido por una parte Asegurada no perjudicará el derecho a la indemnización respecto de cualquier otra parte Asegurada que tenga un interés asegurable, y que no haya cometido un "acto doloso".

Los Aseguradores acuerdan renunciar a todos los derechos de subrogación que pudieran tener o adquirir contra cualquier parte asegurada, excepto cuando los derechos de subrogación o recurso sean a consecuencia de cualquier "Acto doloso".

11

Disclaimer, Restrictions and Qualifications

This Report is provided to you on the basis that it is confidential and to be relied upon only by the parties to whom it is addressed. It may only be used in connection with the due diligence exercise that this Report contemplates, and shall not be disclosed to third parties for any reason without our prior written consent. We reserve the right to attach conditions to any disclosure to third parties. Such conditions may include (but shall not be limited to) requiring such third parties to agree to a confidentiality undertaking. We agree that you may disclose the Report to your professional advisers assisting with this transaction on a confidential, non-reliance basis. For the avoidance of doubt, any third party to which we have not expressly granted reliance shall not be entitled to rely on the Report.

We have prepared our Report in the time available to us and have limited the scope of our review to insurance matters. We have not made any inquiries or reviewed any documents that relate to other matters except to the extent that they are relevant to insurance due diligence. Similarly, we have not extended our review to financial or accounting matters, actuarial matters, legal matters, information technology matters, engineering and technical matters or any other matter unless of an insurance nature.

This Report is based on our understanding of the commercial plans of the Company and addresses only those issues which are considered significant from an insurance perspective. This Report is not a substitute for appropriate examination of the Company by legal, commercial and technical personnel and we do not accept responsibility for assessing the legal, commercial or technical implications of those documents reviewed by us.

Any summaries contained in this Report are not intended to be an exhaustive explanation or analysis of the material provisions of any insurance coverage described. Reliance should not be placed on this Report other than as a source of information as to the broad structure and scope of the Company's insurance arrangements on the date it is issued. The Report is based on the information available to us as at the date of the Report and we shall be under no obligation to advise you of any developments occurring after that date. The Report is intended to be read as a whole and not in parts.

All insurance policies contain terms and conditions; they may also be subject to warranties. These can apply either solely or in a combination of: before inception of the policy; during the currency of the policy; at the time of loss; and, during settlement of a claim. A policy term or condition, depending on the circumstances, may entitle insurers to reduce or avoid liability. A

breach of warranty entitles an insurer to avoid a policy entirely from the date of the breach. This Report does not intend to identify the presence or absence of every term, condition, warranty or exclusion in any insurance policy but only those that are considered unusual in the circumstances. We make no warranty or representation that any insurance policy is or will remain in full force and effect.

We shall not be liable to you in any circumstances for any special, indirect or consequential loss. The aggregate liability (including in respect of all losses, damages, costs, expenses and interests suffered or incurred) to you for any claim or claims relating to this Report shall be limited to EUR 1,000,000. This clause shall not apply to any loss, damage, expense or cost arising from the dishonesty or fraudulent misrepresentation of Marsh or in respect of liabilities which cannot lawfully be limited or excluded.

We have a Security Department responsible for all matters of insurer security approval. It is made up of a combination of analysts, accountants and experienced market practitioners and reports to senior Marsh management. In summary, the main points considered by the Security Department are:

- Financial standards of markets
- Amount of paid up capital and free reserves and/or surplus funds
- Reference to available market rating guides
- Degree of liquidity
- Realistic valuation of assets
- Sufficiency of funds to discharge known and potential liabilities
- Solvency margins
- Relationship of gross writings to net retention
- Past record
- Ownership and management

We express no views and assume no liability with respect to the solvency, or future ability to pay claims, of any of the insurers which have issued or may issue insurances which we have considered in this Report.



Marsh, S.A.
Paseo de la Castellana, 216
28046 Madrid
+34 91 456 9400

MARSH, S.A., Correduría de Seguros y Reaseguros, con domicilio social en Paseo de la Castellana, 216, 28046 Madrid, N.I.F. A-81332322. Inscrita en el Registro Mercantil de Madrid, Tomo 10.248, Libro: 0, Folio: 160, Sección: 8, Hoja: M-163304, Inscripción: 1. Inscrita en el Registro de la Dirección General de Seguros y Fondos de Pensiones con nº J-0096 (Correduría de Seguros) y RJ-0010 (Correduría de Reaseguros). Concertados los Seguros de Responsabilidad Civil y de Caución, según Ley 26/2006, de 17 de julio.



ISSUER

Autopistas del Sol, S.A.
San Rafael de Escazú
Estación de Peaje – Carretera Próspero Fernández
San José, Costa Rica

LEGAL ADVISORS TO THE ISSUER

As to U.S. Law
Jones Day
600 Brickell Ave., Suite 3300
Miami, FL 33131
United States of America

As to Costa Rica Law
BLP
Radial Santa Ana – Belen, Km 3
San José, Costa Rica

LEGAL ADVISORS TO THE INITIAL PURCHASER

As to U.S. Law
Clifford Chance US LLP
31 West 52nd Street
New York, NY 10019
United States of America

As to Costa Rica Law
Consortium Legal – Costa Rica
Escazú, Trejos Montealegre
Edificio Banco General, piso 6

INDEPENDENT AUDITORS

Deloitte & Touche, S.A.
Centro Corporativo El Cafetal
Edificio B, piso 2
La Ribera, Belén, Heredia, Costa Rica

TRUSTEE, REGISTRAR, PAYING AGENT AND TRANSFER AGENT

Citibank, N.A.
388 Greenwich Street, 14th Floor
New York, NY 10013
United States of America

LISTING AGENT IN SINGAPORE

Jones Day
138 Market Street
Level 28 CapitaGreen
Singapore 048946



U.S.\$300,000,000

Autopistas del Sol, S.A.

7.375% Senior Secured Notes due 2030

—————
OFFERING MEMORANDUM
—————

Sole Global Coordinator and Bookrunner
Citigroup

—————
May 24, 2017
