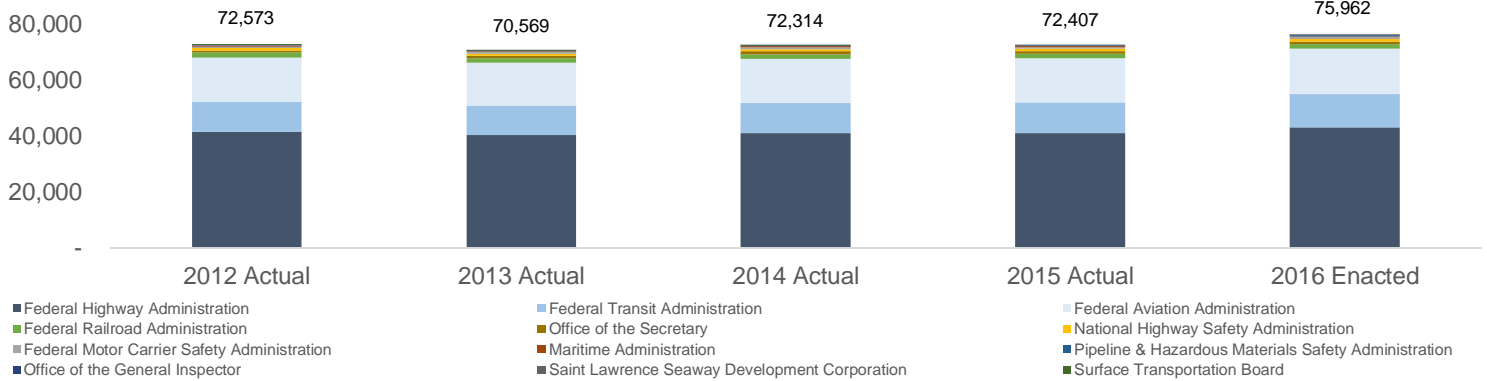


The U.S. Department of Transportation published their budget for the 2017 fiscal year. As you can see from the table below, the total allocated US Transportation budget has increased year over year since 2014, with the only decrease shown was from 2012 to 2013. The proposed Budget for 2017 is \$98.077B and is \$3.36B (3%) higher than the requested budget in 2016. The 2016 Enacted Budget was \$75.962B, which was up \$3.555 billion (5%) from the previous year's \$72.407B number.

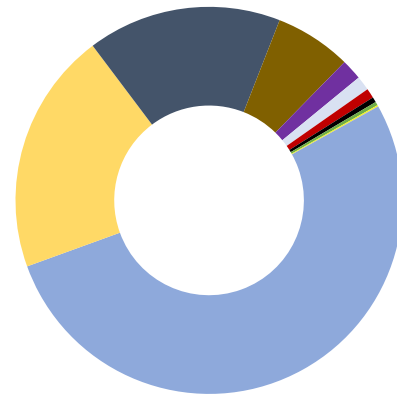
National Transportation Budget – 2012-2016



The majority (53%) of the 2017 requested budget is comprised of Federal Highway Administration Funding, followed by the Federal Transit Administration (20%), and the Federal Aviation Administration (16%). The largest increases to the total budget were Federal Transit Administration (\$1.485B) and the Federal Railroad Administration (\$1.249B).

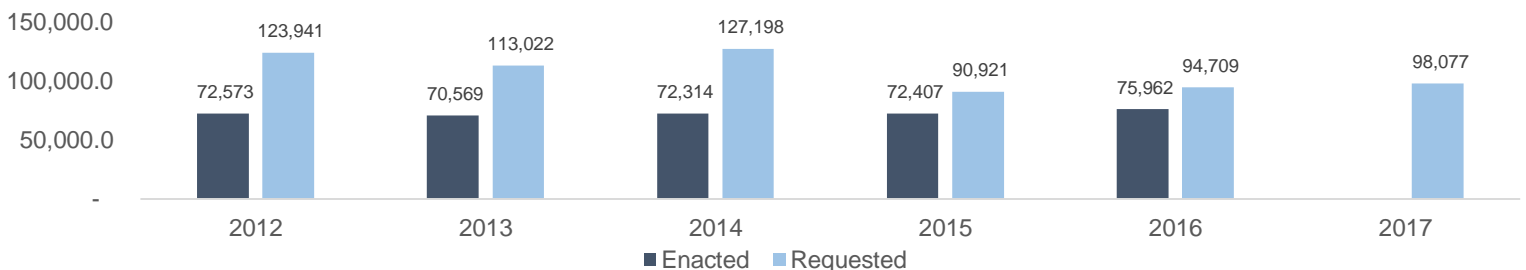
2017 Requested Budget

Sector	Budget	%
Federal Highway Administration	51,505	52.5%
Federal Transit Administration	19,884	20.3%
Federal Aviation Administration	15,900	16.2%
Federal Railroad Administration	6,267	6.4%
Office of the Secretary	1,696	1.7%
National Highway Safety Administration	1,181	1.2%
Federal Motor Carrier Safety Administration	794	0.8%
Maritime Administration	428	0.4%
Pipeline & Hazardous Materials Safety Administration	295	0.3%
Office of the General Inspector	90	0.1%
Saint Lawrence Seaway Development Corporation	36	0.0%
Total	98,077	



As seen in the chart below, it is typical for the enacted budget to be significantly less than originally requested. In 2016, the enacted budget was 20% less than the requested budget. In recent years the disparity between proposed and enacted budget has decreased. The gap in 2012 was 41% and in 2016 the gap decreased to 20%. The reason for this disparity is because it is typical for the administration to decline several proposed initiatives. For example, the 2017 budget request included an average of more than \$30 billion invested over 10 years, which has not yet been accepted.

National Transportation Budget - Enacted vs. Requested



Sources: Federal Highway Administration, US Department of Transportation

TIFIA and Alternative Financing

In 2016, a total of 6 projects closed utilizing the Transportation Infrastructure Finance and Innovation Act (TIFIA). The TIFIA program provides Federal credit assistance to nationally or regionally significant surface transportation projects, including highway, transit and rail. The program is designed to fill market gaps and leverage substantial private co-investment by providing projects with supplemental or subordinate debt.

In 2016, the total project value for all TIFIA projects was \$6.793 billion with total TIFIA assistance of \$2.180 billion.

Project	Value	TIFIA Assistance	Procuring Authority	Contract Structure	Project Revenue Structure	Winning Consortium
I-93 Improvements Salem to Manchester	811	200	State of New Hampshire	Design-Bid-Build	Tax Revenues	Various*
Purple Line Project	2,650	874	Maryland Transit Authority	Design-Build-Finance-Operate-Maintain	Availability Payments	Fluor Corporation, Star America, Lane Construction, Meridiam Infrastructure, Traylor Brothers,
US-183S Bergstrom Expressway	860	282	Central Texas Regional Mobility Authority	Design-Build	Project Revenues	Fluor Corporation, Balfour Beatty Construction
US 301	635	211	Delaware Transportation Authority	Standard Procurement	Toll Revenues	Various*
Chicago Transit Authority Rail Fleet	772	255	Chicago Transit Authority	Standard Procurement	Farebox Revenues	Various*
State Highway (SH) 288 Toll Lanes Project	1,063	357	Texas Department of Transportation	Design-Build-Finance-Operate-Maintain	Toll Revenues	Grupo ACS, InfraRed Infra Fund, Northleaf Infra CP, Star America, Shikun & Binui
Total	6,793	2,180				

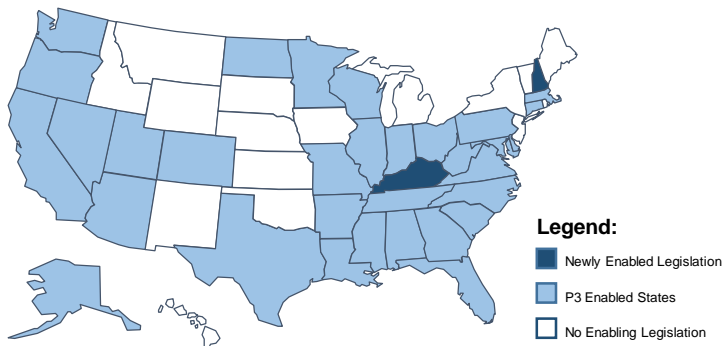
* I-93, US 301, and Chicago Transit Authority Rail Fleet were broken down into smaller phases. Each phase was procured individually with separate winning bidders.

Integrated Project Delivery and Public Private Partnership - Infrastructure Legislation Updates

At the start of 2016 a total of 33 states had P3 enabling legislation in place. In 2016, two additional states added P3 enabling legislations. Per the map below, all states in white currently have no P3 legislation, states in light blue have some form of P3 legislation and the two states in dark blue were the two most recent states to add new P3 legislation.

In April 2016 Kentucky became the 34th state in the U.S. to authorize the use of P3 projects to upgrade the states infrastructure. The new bill authorizes both state and local governments to P3s to develop transportation and other public infrastructure. The legislation also allows for the submission of unsolicited P3 proposals, but requires the state makes the proposal public using a 90-day window for competing offers. Kentucky is required to establish a Local Government P3 Board to oversee these projects. This board must approve any P3 project over \$25 million.

Current US P3 Legislation by State



In June 2016 New Hampshire passed legislation authorizing the Department of Transportation to enter into DBFOM and DBOM contracts with private developers. Similar to Kentucky, the new legislation requires New Hampshire to develop an oversight commission to approve all proposals for P3 projects. The new legislation also allows NHDOT to accept unsolicited P3 proposals. All unsolicited proposals must also be approved by the new oversight committee in order to move forward.

In 2016 alone, 22 P3 related bills were introduced in 11 states and most are seeing positive feedback and results in both the House and Senate.

Sources: Federal Highway Administration – State P3 Legislation

FAST Act Apportionment by State

On December 4, 2015, The FAST Act (Fixing America's Surface Transportation) was signed into law. It is the first federal law in over a decade to provide long-term funding certainty for surface transportation infrastructure planning and investment. The FAST Act authorizes \$305 Billion from 2016 through 2020 for highway, public transportation, rail, technology, safety and statistics programs.

Below is a table of total FAST Act Apportionment broken down by highway and state.

State	National Highway Performance Program	Surface Transportation Block Grant Program	Highway Safety Improvement Program	Railway-Highway Crossings Program	CMAQ Program	Metropolitan Planning	National Freight Program	Apportioned Total
California	1,924,660,268	968,734,987	195,471,326	15,728,162	462,277,146	49,825,833	106,303,825	3,723,001,547
Texas	1,996,468,665	996,796,988	200,827,495	18,251,772	163,993,152	24,374,383	100,641,720	3,501,354,175
Florida	1,140,082,761	567,481,613	116,455,633	8,649,509	13,544,856	20,619,163	55,027,110	1,921,860,645
New York	897,352,887	450,919,385	92,217,324	6,252,246	182,483,421	24,869,709	48,554,600	1,702,649,572
Pennsylvania	931,501,130	465,767,004	95,608,422	6,608,351	104,095,897	12,917,282	47,798,464	1,664,296,550
Illinois	791,183,895	396,246,088	76,305,872	10,513,416	109,668,007	16,992,504	41,246,826	1,442,156,608
Ohio	753,801,609	377,202,327	73,971,867	8,745,336	95,385,605	11,536,224	39,020,269	1,359,663,237
Georgia	743,626,331	371,403,032	73,562,218	8,038,417	67,684,920	7,737,332	37,687,569	1,309,739,819
Michigan	592,091,019	296,282,588	57,284,399	7,687,753	73,718,834	10,312,637	30,612,639	1,067,989,869
North Carolina	603,240,031	301,185,169	59,665,889	6,529,682	51,053,464	5,792,724	30,455,093	1,057,922,052
Virginia	584,310,665	291,902,264	59,565,683	4,552,705	54,706,409	7,528,965	29,659,781	1,032,226,472
New Jersey	538,350,601	270,326,326	55,351,201	3,723,833	103,689,682	12,397,571	28,952,836	1,012,792,050
Indiana	550,991,617	275,103,943	52,999,254	7,462,921	46,932,909	5,212,406	27,826,482	966,529,532
Missouri	562,174,933	280,107,769	56,082,029	5,607,330	23,479,971	5,176,323	27,646,548	960,274,903
Tennessee	491,552,314	245,312,251	49,151,643	4,788,057	36,898,500	4,787,302	24,672,946	857,163,013
Alabama	455,951,217	226,973,529	45,374,122	4,658,949	11,363,745	3,061,993	22,188,355	769,571,910
Wisconsin	441,049,920	219,977,204	42,636,738	5,761,163	27,291,366	4,553,034	21,960,555	763,229,980
Arizona	411,997,759	206,141,917	42,484,510	2,725,399	51,676,497	5,827,406	21,312,957	742,166,445
Louisiana	420,336,110	209,299,570	42,041,101	4,083,803	11,402,016	4,281,457	20,483,439	711,927,496
Washington	387,614,261	193,704,178	38,398,568	4,135,658	36,809,124	7,291,937	19,691,236	687,644,962
South Carolina	400,238,109	199,322,336	39,627,687	4,291,796	13,048,905	3,136,820	19,570,931	679,236,584
Kentucky	397,052,354	197,738,862	39,910,933	3,658,966	13,646,275	2,522,778	19,436,551	673,966,719
Minnesota	376,470,972	187,991,277	35,243,727	6,067,708	32,101,015	4,553,423	19,013,769	661,441,891
Oklahoma	379,730,372	189,084,248	36,346,556	5,322,543	11,709,675	2,574,929	18,547,675	643,315,998
Massachusetts	326,532,639	164,003,973	33,358,355	2,473,177	63,174,562	8,951,863	17,569,747	616,064,316
Maryland	330,040,161	165,471,633	33,870,292	2,346,133	53,487,408	6,905,801	17,442,171	609,563,599
Colorado	297,705,132	149,093,345	29,431,653	3,236,539	42,132,383	5,266,924	15,546,723	542,412,699
Arkansas	308,512,509	153,678,083	30,010,642	3,843,480	12,266,258	1,711,004	15,153,085	525,175,061
Connecticut	276,979,163	138,821,703	29,080,605	1,313,257	44,069,978	4,596,004	14,613,003	509,473,713
Alaska	288,517,077	144,109,567	30,534,956	1,125,000	27,412,516	2,258,068	14,657,416	508,614,600
Oregon	291,863,356	145,612,671	29,087,277	2,939,877	19,325,359	3,604,875	14,570,938	507,004,353
Iowa	292,883,109	145,891,426	26,802,644	5,336,411	11,251,436	1,975,337	14,373,417	498,513,780
Mississippi	288,315,734	143,612,916	28,177,385	3,460,477	11,175,589	1,693,464	14,152,310	490,587,875
West Virginia	257,760,426	128,498,198	26,280,869	2,004,056	14,267,243	1,695,189	12,782,948	443,288,929
Montana	240,963,310	120,164,502	24,539,915	1,901,805	14,829,579	1,790,379	11,995,469	416,184,959
Kansas	224,418,519	111,817,776	18,530,162	6,096,042	9,479,395	1,939,764	11,039,660	383,321,318
New Mexico	216,882,649	108,108,919	22,185,636	1,613,631	11,368,844	1,602,915	10,736,322	372,498,916
Nevada	199,908,721	100,207,991	20,811,661	1,125,000	32,443,244	3,269,120	10,566,287	368,332,024
Utah	202,670,322	101,117,247	20,653,300	1,586,401	12,869,684	3,227,138	10,101,301	352,225,393
Nebraska	169,638,303	84,600,285	14,949,684	3,665,302	10,248,103	1,650,549	8,438,960	293,191,186
Idaho	166,207,549	82,953,567	16,430,694	1,807,823	12,764,129	1,612,379	8,351,391	290,127,532
South Dakota	164,005,151	81,849,354	15,626,616	2,370,224	12,219,376	1,759,819	8,229,265	286,059,805
Wyoming	149,458,812	74,571,250	15,275,621	1,125,000	10,379,950	1,574,430	7,476,318	259,861,381
North Dakota	144,482,130	72,102,133	12,080,179	3,774,334	10,479,532	1,672,029	7,240,957	251,831,294
Rhode Island	126,303,052	63,068,001	12,734,661	1,125,000	10,389,924	1,849,352	6,367,383	221,837,373
Vermont	115,606,627	57,790,023	11,560,907	1,125,000	11,800,051	2,087,656	5,898,018	205,868,282
Maine	105,490,588	52,719,493	10,315,283	1,260,556	10,257,182	1,834,517	5,366,346	187,243,965
Delaware	95,199,826	47,635,116	9,321,599	1,125,000	11,616,546	1,774,540	4,914,864	171,587,491
Hawaii	96,031,897	48,017,282	9,412,905	1,125,000	10,318,553	1,741,625	4,915,116	171,562,378
New Hampshire	93,744,154	46,876,078	9,161,864	1,125,000	10,309,073	1,574,311	4,805,235	167,595,715
Dist. of Col.	90,309,344	45,167,381	8,784,950	1,125,000	10,062,647	1,767,535	4,633,177	161,850,034
Apportioned Total	22,332,260,060	11,162,564,768	2,225,594,512	225,000,000	2,309,059,935	329,270,722	1,140,250,003	39,724,000,000

Sources: Federal Highway Administration - FAST Act Estimated Highway Apportionments

Why We Are Different

Focused Strictly on Infrastructure

- Management has years of experience in the Infrastructure Industry
- Solely focused on advising public and private clients in the Infrastructure/Construction sector

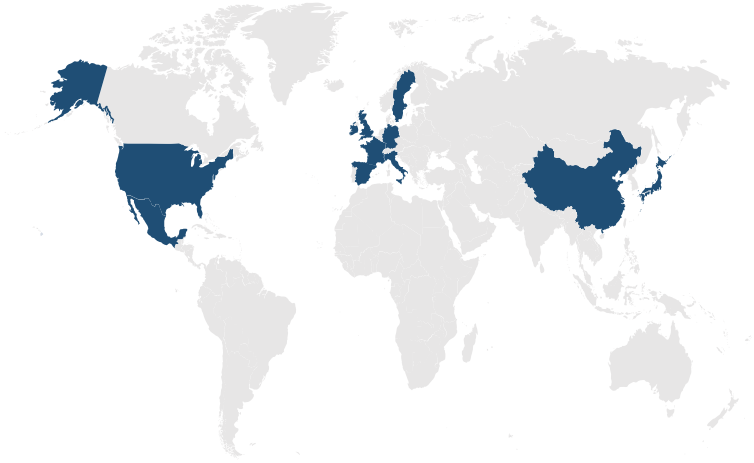
Broad Range of Advisory Services

- M&A, Project Financing, Strategic Consulting, Restructuring, Executive Placement, and Financial Analysis
- All Industry Sub-Sectors

Experience in All Major Infrastructure Markets

- Star America has worked in all infrastructure markets, including Civil Construction, Vertical Building, Public-Private Partnerships, Industrial

Star America Global Reach



Service Offerings

Mergers & Acquisitions

We have a strong track record in both domestic and cross-border M&A advisory roles. We operate both negotiated processes and auctions, assist in deal structuring, and provide impartial advice about the merits of transactions in our industry of focus.

Business Development

Star is well qualified to assist clients in developing their business plans in the U.S. Given the depth of experience of its partners and operating professionals, the company offers access to thought leadership of C-Level executives.

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We maintain contacts at banks, hedge funds, equipment finance companies, and other financial firms. These are sources of capital for clients desiring funds for expansionary capital expenditures or general operating cash flow needs.

PPP Financial Advisory

Star provides financial advisory services to companies and consortia seeking to participate in alternative procurement processes. We advise on debt capital raising in the bank and bond markets, and help structure competitive bids for our clients.

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We work with clients to formulate and pursue strategic and tactical goals. Star provides true business solutions, including identifying potential management hires, developing and implementing marketing plans, and increasing operational efficiencies.

Strategic & Financial Analysis

Industry analytics form the core of a successful financing or business development strategy. With our significant industry knowledge, we assess companies' current and projected financial and competitive positions to provide actionable recommendations. We have the capacity to provide comprehensive financial analysis as well as contractor prequalification solutions, allowing contractors to properly vet lower tiers and improve overall capital strength.

Disclaimer:

This material is for informational purposes only. It should not be relied on for any other purposes. The goal of this report is to help market participants critically assess each state's expected infrastructure budgets and competitive environment.