

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:)	
)	Chapter 11
)	
ITR CONCESSION COMPANY LLC, et al., ¹)	Case No. 14-34284 (PSH)
)	
Debtors.)	(Joint Administration Requested)
)	

**DECLARATION OF FERNANDO REDONDO, CHIEF
EXECUTIVE OFFICER OF ITR CONCESSION COMPANY LLC,
IN SUPPORT OF CHAPTER 11 PETITIONS AND FIRST-DAY PLEADINGS**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: ITR Concession Company LLC (0293); ITR Concession Company Holdings LLC (0285); and Statewide Mobility Partners LLC (1312). The location of the Debtors' service address for the purposes of these chapter 11 cases is: c/o ITR Concession Company LLC, 205 North Michigan Avenue, Suite 2510, Chicago, Illinois 60601.



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I, Fernando Redondo, hereby declare under penalty of perjury:

1. I am the Chief Executive Officer of ITR Concession Company LLC (the "Concessionaire"), a Delaware limited liability company with its headquarters in Chicago, Illinois, and one of the above-captioned debtors and debtors in possession (collectively, the "Debtors"). In this capacity, I am familiar with the Debtors' day-to-day operations, financial affairs, and books and records.

2. On the date hereof (the "Petition Date"), the Concessionaire and its Debtor affiliates, Statewide Mobility Partners LLC ("Statewide") and ITR Concession Company Holdings LLC ("Holdings"), filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (as amended, the "Bankruptcy Code"). The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrently herewith, the Debtors filed a motion seeking joint administration of these chapter 11 cases pursuant to rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

3. As discussed in more detail herein, following extensive, good-faith discussions with a committee of their senior secured lenders (the "Committee of Secured Parties") and the Equity Sponsors (as defined below), the Debtors reached agreement regarding the proposed terms of a consensual prepackaged plan of reorganization. As a result, concurrently with the commencement of these chapter 11 cases, the Debtors filed the Joint Prepackaged Plan of Reorganization of ITR Concession Company LLC, et al., Pursuant to Chapter 11 of the Bankruptcy Code (the "Plan"), a related disclosure statement (the "Disclosure Statement"), and a motion seeking to schedule a combined hearing to approve the adequacy of the Disclosure Statement and to confirm the Plan. The Plan contemplates that the Debtors, with the support of

the Committee of Secured Parties and their existing equity sponsors, will seek to confirm a chapter 11 plan contemplating either (a) a sale of substantially all of the Company's assets following a competitive sale process (the "Sale Transaction") or (b) a comprehensive balance-sheet restructuring (the "Reorganization Transaction"). The general terms of the Sale Transaction and the Reorganization Transaction are set forth below.

4. I submit this declaration (this "Declaration") to provide an overview of the Debtors and these chapter 11 cases and to support the Debtors' chapter 11 petitions and "first-day" pleadings (each, a "First-Day Pleading," and, collectively, the "First-Day Pleadings").

5. Except as otherwise indicated herein, all facts set forth in this Declaration are based upon my personal knowledge of the Debtors' operations and finances, information learned from my review of relevant documents, information supplied to me by other members of the Debtors' management team or the Debtors' advisors, or my opinion based on my experience, knowledge, and information concerning the Debtors' operations and financial condition. I am authorized to submit this Declaration on behalf of the Debtors, and, if called upon to testify, I could and would testify competently to the facts set forth herein.

Preliminary Statement

6. The Debtors operate a 157-mile, four- to six-lane toll road in Northern Indiana commonly referred to as the Indiana Toll Road (the "Toll Road"). The Toll Road is an important piece of infrastructure. It is a vital artery for interstate commerce, linking the City of Chicago and Lake Michigan to the interstate highway system, as well as markets, ports, and commercial and financial centers across the United States.

7. As depicted on the following map, the Toll Road extends from the Illinois state line in East Chicago to the Ohio state line and comprises portions of U.S. Interstates 80 and 90.



8. The Toll Road opened in 1956 and is used by nearly 130,000 vehicles per day. The Debtors operate the Toll Road pursuant to that certain Indiana Toll Road Concession and Lease Agreement, dated as of April 12, 2006 (as amended, modified, or supplemented from time to time, the “Concession Agreement”), between the Concessionaire and the Indiana Finance Authority (the “IFA”). Under the Concession Agreement, the Debtors have the rights to manage, operate, and collect tolls on the Toll Road through 2081.

9. The Debtors financed their entry into the Concession Agreement with approximately \$3.25 billion in first-lien, variable-rate, syndicated bank-debt obligations. In connection with their entry into the Concession Agreement, the Debtors also entered into a \$665 million facility to finance certain capital expenditures and a \$150 million liquidity facility to finance certain early interest payments under the acquisition and capital expenditure facilities. In an effort to protect against interest rate fluctuations, the Debtors also entered into certain interest rate hedging, or “swap,” transactions that, as of the Petition Date, represent an aggregate secured liability of approximately \$2.15 billion. This amount became due and payable following the early termination of the Swaps due to the Debtors’ failure to make an interest payment on June 30, 2014. The Debtors’ obligations under the swaps rank pari passu with the Debtors’ first-lien syndicated bank-debt obligations.

10. The Toll Road represents a unique public-private collaboration that provides fast and convenient access to and from communities in Northern Illinois and Northern Indiana and plays a vital role in the regional and national economies, serving as a critical transportation route for individuals and businesses throughout the United States. The Debtors, with financial and operational support from the Equity Sponsors, have used the Toll Road's status as the "Main Street of the Midwest" and a channel for interstate commerce to generate substantial value for their stakeholders. Specifically, since assuming control over the Toll Road in 2006, the Debtors have made valuable improvements to the Toll Road, including:

- adopting the E-ZPass Interagency Group's ("E-ZPass") interoperable electronic tolling system, which replaced the previous cash-only system and has resulted in significant traffic increases each year;
- installing automatic ticket-issuing machines and automatic toll payment machines in the Toll Road's ramp and main plazas, which replaced outdated equipment;
- deploying approximately \$458 million for capital expenditure projects, which, as of the Petition Date, have resulted in the: (a) completion of a third traffic lane for certain high-traffic segments; (b) construction of new winter salt storage facilities; (c) completion of a new Indiana State Police post; (d) expansion of certain high-traffic toll plazas; (e) rehabilitation of outdated bridges and other structures; (f) resurfacing of hundreds of miles of roadway; (g) installation of a new cash and electronic toll collection system; and (h) establishment of a new back office system; and
- executing innovative cost-savings measures, such as sharing senior management personnel with their affiliate, Skyway Concession Company LLC (the "Skyway Concessionaire"), the operator of the Chicago Skyway Toll Bridge.

11. Through these and other actions, the Debtors have generated substantial value for the benefit of their stakeholders:

- revenue has increased 36 percent since 2007 (a CAGR² of 5.3 percent);

² As used herein, "CAGR" means compound annual growth rate, which is equal to the year-over-year growth rate of an investment over a specified period of time.

- EBITDA has increased 53 percent since 2007 (a CAGR of 7.3 percent);
- EBITDA margins have grown every year, increasing 8.8 percent, from 73.8 percent to 82.6 percent since 2007; and
- operating costs are 27 percent lower than under the previous operator.

12. As suggested by the fact that EBITDA increased every year during the worst economic recession in seventy years, the Debtors' EBITDA will continue to increase over time. Indeed, the Concession Agreement provides the Debtors with a decades-long term to manage and collect tolls on the Toll Road, which will remain a predominant channel for interstate transportation for the foreseeable future. The Toll Road lacks any significant competitors, which are unlikely to materialize in the near future given the Toll Road's length (at 157 miles long, the Toll Road traverses the width of the State of Indiana) and the significant (and potentially insurmountable) financial, political, contractual, and regulatory entry barriers associated with the construction of a neighboring roadway. Absent extreme circumstances, there is no reason to believe that the Debtors' revenues and EBITDA will not continue to increase year over year for the foreseeable future.

13. Tolls collected on the Toll Road historically outpace the Debtors' operating costs (excluding their funded debt obligations) and the Debtors earn nearly \$4.00 in profit for each \$1.00 in operating expenses. Moreover, the Concession Agreement and its enabling statute provide the Debtors with the authority to raise tolls annually on the Toll Road during the Concession Agreement's term, which is a substantial benefit in light of the significant barriers to entry described above.

14. Even though the Toll Road's performance has improved every year since the Concession Agreement was signed, the Debtors assumed control of the Toll Road shortly before the collapse of the subprime housing market. The global economic recession stifled interstate

commerce, which depressed the interstate trucking activity that accounts for a significant part of the Toll Road's revenues. As a result, even though the Debtors' earnings, EBITDA, and EBITDA margins increased every year between 2008 and 2013, they were lower than projected. Though economic conditions have since improved and the path forward is strong, the Debtors have been forced to devote an increasing share of their operating income towards servicing their debt obligations each year.

15. In particular, the global economic recession and actions undertaken by the United States and various European governments in response thereto have driven interest rates down to historic lows, creating a substantial net obligation under the Debtors' interest rate hedging obligations. As a result, absent a restructuring, the Debtors will not have sufficient cash flows to service their funded debt obligations (including an interest payment of approximately \$102 million on June 30, 2014) and operate the Toll Road in a prudent manner.

16. Faced with the prospect of future defaults under their prepetition funded debt obligations, the Debtors retained legal counsel and financial advisors and commenced discussions with their major stakeholders, including the Equity Sponsors and a steering committee of certain major financial institutions (collectively, the "Steering Committee") regarding a potential consensual resolution. These discussions culminated in an agreement in principle among the Debtors, the Equity Sponsors, and the Steering Committee in December 2013 regarding the terms of a balance sheet restructuring. In early 2014, the Debtors, the Equity Sponsors, and the Steering Committee finalized the terms of their restructuring proposal to be implemented through a prepackaged chapter 11 process. The parties later began to seek support for the proposal from other lenders and swap counterparties. Unfortunately, the Steering Committee's proposal did not ultimately achieve sufficient creditor support.

17. Thereafter, as part of their continuing effort to forge a consensual resolution, the Debtors engaged in discussions with the Equity Sponsors and the Committee of Secured Parties regarding potential reorganization and sale alternatives. These extensive, arm's-length discussions, which occurred over several months and resulted in the parties exchanging multiple proposals, were productive and paved the way for an 83-day forbearance following the Debtors' failure to make an interest payment of approximately \$102 million on June 30, 2014. The Debtors, the Equity Sponsors, and the Committee of Secured Parties utilized the forbearance period to finalize the terms of the global settlement memorialized in that certain Restructuring Support Agreement, dated as of September 4, 2014, among the Debtors, the Equity Sponsors, and consenting secured parties party thereto (as amended, modified, or supplemented from time to time, the "Restructuring Support Agreement"), which is the bedrock of these chapter 11 cases and describes the restructuring transactions that will be consummated if the Plan is confirmed.

18. The Restructuring Support Agreement contemplates a prepackaged chapter 11 process. As such, following execution of the Restructuring Support Agreement, the Debtors commenced a prepackaged solicitation of the Plan on September 11, 2014, by delivering a copy of the Plan and a related Disclosure Statement (including ballots) to the administrative agent (the "Administrative Agent") that maintains a registry of holders of Loan and Swap claims (for subsequent distribution to such holders) and holders of existing equity interests in Statewide, the only claims and interests entitled to vote to accept or reject the Plan. Consistent with the terms set forth in the Restructuring Support Agreement, the Debtors set September 17, 2014, as the date by which votes to accept or reject the Plan must have been provided to the Debtors' proposed solicitation agent or the Administrative Agent, as applicable. As of the Petition Date, the Debtors have obtained votes accepting the plan from holders of more than 87 percent (in

amount) and 89 percent (in number) of the Debtors' senior secured bank debt and interest rate hedging obligations and 100 percent (in amount) of the existing equity interests in Statewide. As such, and in accordance with the Restructuring Support Agreement, the Debtors are seeking a joint hearing in the first 30 days of these chapter 11 cases for the Court to consider the adequacy of the Disclosure Statement and confirmation of the Plan.

19. To familiarize the Court with the Debtors and the relief the Debtors seek on the first day of these chapter 11 cases, this Declaration is organized as follows. *First*, this Declaration provides background on the Debtors, including their organizational and corporate structure, operations, and prepetition capital structure. *Second*, this Declaration describes the events leading to the filing of these chapter 11 cases and the Debtors' recent restructuring initiatives. *Finally*, this Declaration and **Exhibit A** hereto summarize the relief requested in, and facts supporting, each of the First-Day Pleadings.

Overview of the Debtors' History and Operations

I. The Debtors' Prepetition Corporate Structure.

20. The Concessionaire was formed in January 2006 in connection with the Debtors' entry into the Concession Agreement and their assumption of control over the Toll Road. The Concessionaire is a wholly owned subsidiary of Holdings, which, in turn, is a wholly owned subsidiary of Statewide. Each Debtor is a limited liability company formed under the laws of Delaware. A diagram illustrating the current corporate structure of the Debtors is attached hereto as **Exhibit B**.

21. The Debtors are indirectly owned by affiliates of Cintra Infraestructuras, S.A. ("Cintra") and Macquarie Atlas Roads and Macquarie Infrastructure Partners (collectively, "Macquarie," and, together, with Cintra, the "Equity Sponsors"). The Equity Sponsors are among the world's leading developers and operators of critical public infrastructure assets.

Based in Madrid, Spain, Cintra is one of the largest private developers of transportation infrastructure assets in the world and holds interests in numerous critical real estate and public infrastructure assets, including over 1,340 miles of highways in the United States, Canada, Spain, Greece, Ireland, the United Kingdom, and Portugal. Together with various partners, Macquarie, which is based in Sydney, Australia, holds interests in and/or operates multiple notable public infrastructure assets such as: (a) the Dulles Greenway, a toll road that links Leesburg, Virginia, and Washington, D.C.; (b) the Warnow Tunnel, a two-kilometer toll road located in Rostock, Germany; (c) the M6 toll road in the United Kingdom; and (d) the APRR motorway network in France. Cintra and Macquarie also own interests in and operate the Chicago Skyway Toll Bridge, which, as described below, engages in intercompany cost-savings measures with the Debtors.

II. The Debtors' Entry into the Concession Agreement.

A. History of the Private Toll Road Business.

22. Over the past 40 years, governments in various countries, including Australia, Canada, Ireland, Portugal, Spain, the United Kingdom, and the United States, faced with fiscal pressures and growing needs for new public infrastructure assets, have privatized the operation of existing toll roads and the right to develop new toll roads. Privatization of critical infrastructure assets results in the transfer of certain risks and costs from governments to the private sector, including development risk, construction delay and cost overrun risks, reduced traffic usage, increased maintenance costs, and risks arising from regulations and taxes. In exchange, private firms receive the right to capture the economic upside from operating, maintaining, collecting tolls on, and, in some cases, constructing, toll road assets.

B. The Major Moves Initiative and the Debtors' Entry into the Concession Agreement.

23. In 2005, faced with a multibillion-dollar gap between statewide transportation project needs and projected revenues and the significant financial costs to maintain the Toll Road, former Indiana Governor Mitch Daniels launched the Major Moves initiative. The Major Moves initiative tasked the IFA with exploring the feasibility of leasing the Toll Road, which Governor Daniels described at the time as the state's "most valuable asset,"³ to a private entity.⁴ Thereafter, the IFA engaged various advisors to prepare traffic and revenue forecasts and an investment banker, Goldman Sachs & Co., to provide financial advice and solicit bids from potentially interested parties.

24. In connection with these efforts, on September 28, 2005, the IFA released its Request for Toll Road Concessionaire Proposals, pursuant to which the IFA proposed to auction the right to operate and collect toll revenues on the Toll Road. Four entities, including the Debtors, submitted proposals by the October 26, 2005, bid deadline. Following the competitive bidding process, the IFA selected the Debtors' \$3.8 billion bid to manage the Toll Road for an initial term of 75 years as the highest and best bid received. The Debtors' bid was contingent on, among other things, the passage of appropriate authorizing legislation, which former Governor Daniels signed into law on March 22, 2006. On April 26, 2006, the Debtors and the IFA executed the Concession Agreement, pursuant to which the Debtors acquired the exclusive right to manage, operate, and collect tolls on the Toll Road through 2081.

³ Joe Donohue, *Indiana Toll Road Lease Holds Lessons for N.J.: Will New Jersey Follow the Hoosier State and Lease the Turnpike?*, NEWARK STAR LEDGER, May 21, 2007, at 1.

⁴ The Major Moves initiative also proposed to auction the right to develop, manage, and collect toll revenues on the proposed Southern Indiana Toll Road. Due to a lack of interest from potential developers, however, the State of Indiana subsequently determined to abandon plans for the Southern Indiana Toll Road and to instead develop a toll-free expressway along Indiana State Route 69, which extends from Indianapolis to Evansville.

III. The Debtors' Operations.

A. The Debtors' Operation of the Toll Road.

25. The Debtors formally assumed operational responsibility for the Toll Road on June 29, 2006. Pursuant to the Concession Agreement, the Debtors have the exclusive right to establish and collect tolls on the Toll Road through 2081. The Debtors have established appropriate toll levels to satisfy operation and maintenance costs over the 75-year term of the Concession Agreement. Toll amounts vary based on, among other factors, how far and the direction in which a vehicle is travelling, the vehicle's number of axles, and whether the toll is paid in cash or electronically.

26. In 2013, the Toll Road generated toll receipts of approximately \$196 million, of which approximately 73 percent, or approximately \$143 million, were paid electronically through the E-ZPass interoperability system. The E-ZPass system consists of a small electronic device that is mounted on a vehicle's windshield. Transponders work together with electronic readers installed at certain points along the Toll Road. When travelling in an E-ZPass-equipped lane, an overhead antenna and a lane level reader detect the data stored in the E-ZPass transponder and the toll is automatically deducted from the account owner's prepaid E-ZPass account or documented in a customer's postpaid account.⁵ E-ZPass transponders also can be used on other toll roads managed by toll road operators that are parties to E-ZPass

⁵ As described in the Customer Programs Motion (as defined in **Exhibit A** attached hereto), approximately 400 significant commercial and governmental Toll Road customers participate in the Post-Payment Program (as defined in the Customer Programs Motion). This program enables participating customers, which typically are government agencies or businesses engaged in the freight, manufacturing, food and beverage, and fuel industries, to utilize their Debtor-issued E-ZPass electronic transponders to make toll payments in arrears based on the amount of actual usage during predefined usage periods. To participate in the Post-Payment Program, participants must post cash collateral or a surety bond to secure their obligations to the Debtors. In 2013, participating customers paid approximately \$3.9 million to the Debtors pursuant to the Post-Payment Program.

interoperability agreements. E-ZPass is the largest interoperability network in the world, with over 23 million members and generating over \$6.0 billion in toll receipts in 2013 alone.

27. Since the Debtors assumed control over the Toll Road, the Debtors have distributed more than 238,000 E-ZPass transponders to their customers.⁶ Upon opening a customer's E-ZPass account, the Debtors charge or debit a customer's credit or debit card, as applicable, as a prepayment of tolls. The Debtors deduct toll charges as the customer uses the Toll Road. Once the prepaid balance dips below a minimum threshold, the account is replenished automatically with cash debited from the customer's credit or debit card.

B. The Debtors' Capital Expenditure Program.

28. The Debtors have made substantial investments in the Toll Road since their assumption of control over the Toll Road. From 2006 through 2081, the Debtors have committed to invest approximately \$4 billion in improvements to the Toll Road. Through December 31, 2013, the Debtors already have invested approximately \$458 million in capital expenditures to improve the Toll Road, including:

- approximately \$250 million to expand the Toll Road to relieve traffic and construct a third lane in certain high-traffic segments;
- approximately \$74 million to fund resurfacing projects designed to maintain the Toll Road for years to come;
- approximately \$40 million to expand the E-ZPass transponder system and existing cash-pay tolling system;
- approximately \$39 million in capital improvements to repair and rehabilitate certain outdated bridges and other structures on the Toll Road;

⁶ Between 2007 and 2012, the Debtors administered an electronic transponder system known as "iZoom." iZoom electronic transponders utilized E-ZPass interoperability technology; however, the iZoom program was targeted exclusively at Indiana residents. In 2012, the Debtors suspended the iZoom program and now exclusively provide E-ZPass-branded electronic transponders to their customers. Each iZoom and E-ZPass electronic transponder is fully interoperable on infrastructure assets operated by other toll road operators that utilize E-ZPass.

- approximately \$9 million to expand the Westpoint, Portage, and Eastpoint toll plazas;
- approximately \$5 million to construct an Indiana State Police post that serves as the hub for a multi-agency public safety facility; and
- approximately \$3.5 million to construct state-of-the-art salt storage facilities located near the Toll Road and related critical maintenance facilities.

29. In addition, the Debtors have made substantial investments in services that benefit the Toll Road as well as nearby communities. More specifically, since 2006, the Debtors have purchased more than \$7 million in new snowplows and maintenance vehicles to replace the Debtors' aging fleet of snowplows and maintenance vehicles. In addition, the Debtors are slated to pay in excess of \$150,000 per year for the foreseeable future in license plate renewal fees and wheel taxes that state and local governments otherwise would not have collected under the Indiana Department of Transportation's management. Finally, each year, the Debtors pay approximately \$7 million to the Indiana State Police to patrol and maintain the Toll Road to ensure public safety and minimize the risk of accidents.

C. The Debtors' Employees.

30. As of the Petition Date, the Debtors employ approximately 283 employees; 223 full time and 60 part time. Approximately 34 employees are salaried; approximately 249 employees are paid on an hourly basis. In addition, and as discussed below, the Debtors complement their dedicated employee workforce with: one Cintra employee temporarily assigned, or "seconded," to the Debtors; approximately twelve employees from their non-Debtor affiliate, the Skyway Concessionaire; and approximately thirty temporary employees through a third-party staffing agency.⁷

⁷ Approximately 44 percent of the Debtors' employees are represented by labor unions that are party to collective bargaining agreements with the Concessionaire.

31. The Debtors' employees perform a variety of critical functions, including management, engineering, accounting, business administration, finance, human resources, information technology, marketing, facilities maintenance, security, and other key functions, and they are essential to the preservation of value and the administration of the Debtors' estates during the Debtors' ongoing restructuring process.

IV. The Toll Road's Relationship with the Equity Sponsors and the Chicago Skyway Toll Bridge.

32. A key component of the Debtors' operations is the financial, operational, and managerial support that the Equity Sponsors and the Debtors' non-Debtor affiliate, the Skyway Concessionaire, historically have provided to the Debtors. Specifically, the Debtors and the Skyway Concessionaire, the operator of the Chicago Skyway Toll Bridge, a neighboring toll road that is linked to the Toll Road and that serves as the source of a significant amount of eastbound traffic from Illinois on the Toll Road, are parties to various cost-sharing and related intercompany agreements pursuant to which the Debtors have been able to take advantage of operational synergies. As a result of these synergies and other factors, the Debtors have to date successfully operated the Toll Road at 27 percent lower costs than the prior operator. In addition, Cintra periodically seconds its personnel to the Debtors. Finally, the Equity Sponsors, which own and operate infrastructure concessions across the globe, regularly advise the Debtors on their operations and utilize the Equity Sponsors' institutional relationships with financial institutions, vendors, and other contract counterparties. The support provided to the Debtors by the Equity Sponsors and the Skyway Concessionaire generates substantial value for the Debtors and their stakeholders.

1. The Skyway Toll Collection Agreement.

33. Pursuant to that certain Electronic Toll Collection Agreement, effective as of June 10, 2008 (as amended, modified, or supplemented from time to time, the “Skyway Toll Collection Agreement”), between the Concessionaire and the Skyway Concessionaire, the Debtors process E-ZPass payments on behalf of the Skyway Concessionaire. The Skyway Toll Collection Agreement ensures that any customers with an E-ZPass transponder can access the Chicago Skyway Toll Bridge and pay with their transponder, which relies exclusively on the Skyway Toll Collection Agreement to process E-ZPass toll payments. This inures to the benefit of the Debtors and their stakeholders because the Chicago Skyway Toll Bridge is the origination point for significant eastbound Toll Road traffic from Illinois. As of the Petition Date, the Debtors transfer approximately \$5 million each month to the Skyway Concessionaire on account of electronic toll payments processed by the Debtors on behalf of the Skyway Concessionaire in accordance with the terms of the Skyway Toll Collection Agreement.

2. The Cost-Sharing and Secondment Arrangements.

34. The Debtors supplement their workforce with certain individuals that are seconded to the Debtors by the Equity Sponsors or whose salaries are split on a pro rata basis among the Debtors and the Skyway Concessionaire. More specifically, one individual, the Debtors’ chief operating officer (the “COO”), is seconded by Cintra to the Debtors pursuant to a secondment arrangement between the Debtors and Cintra. Pursuant to the terms of the COO’s secondment arrangement and as set forth in more detail in the First-Day Pleadings, the Debtors reimburse Cintra for the COO’s salary and also provide the COO with a local salary to cover the expenses of living overseas.

35. In addition, pursuant to the terms of the cost-sharing arrangement, the Concessionaire and the Skyway Concessionaire share office space as well as the services of

approximately twenty employees, approximately twelve of which are employed by the Skyway Concessionaire and approximately eight of which are employed by the Debtors. Under the cost-sharing arrangement, the Debtors typically pay a portion of the costs of maintaining the Debtors' and the Skyway Concessionaire's office as well as each shared employee's salary and annual incentive compensation, if any. From time to time, the Debtors and the Skyway Concessionaire also incur on behalf of each other joint expenses and provide each other with miscellaneous goods and services. The costs of such miscellaneous goods and services and the amounts of such expenses are generally shared among the Debtors and the Skyway Concessionaire on a pro rata basis. As of the Petition Date and net of amounts owed to the Debtors by the Skyway Concessionaire, the Debtors have historically paid the Skyway Concessionaire approximately \$94,000 each month on account of their cost-sharing structure.

3. The Equity Sponsors' Other Support to the Debtors.

36. In addition to the foregoing, the Equity Sponsors provide various forms of ad hoc operational and managerial support to the Debtors. For example, as described in the Insurance Motion (as defined in Appendix A attached hereto), the Equity Sponsors allow the Debtors to participate in group insurance policies that the Equity Sponsors obtain for certain of their affiliates, allowing the Debtors obtain certain types of insurance at a discount. In addition, Cintra and Macquarie and their respective personnel (including their respective representatives on the Statewide board of directors) regularly advise the Debtors and the Debtors' management regarding Toll Road operations and harness the Equity Sponsors' extensive institutional knowledge and existing relationships with vendors, financial institutions, and other critical contract counterparties on behalf of the Debtors. As a result, the Debtors are able to generate substantial value for their stakeholders in the form of reduced operating costs and greater Toll Road revenues.

V. The Debtors' Prepetition Capital Structure.

37. As of the Petition Date, the Debtors have outstanding funded debt of approximately \$6.0 billion that is comprised of approximately \$3.855 billion in principal amount of first-priority syndicated bank-debt obligations under the Loan Agreement (as defined below) and approximately \$2.15 billion in principal amount of pari passu first-lien interest rate hedging obligations.

A. The Loans.

38. As of June 26, 2006, the Concessionaire, Wilmington Trust, National Association, as successor administrative agent (in its capacity thereunder, the "Administrative Agent"), and the lenders from time to time party thereto (collectively, the "Lenders") entered into that certain Loan Agreement (as amended, modified, or supplemented from time to time, the "Loan Agreement"). Pursuant to the Loan Agreement, the Concessionaire became the obligor with respect to three tranches of debt: (a) a \$3.25 billion acquisition facility, due June 29, 2015 (the "Series A Facility"); (b) a \$150 million liquidity facility, due June 15, 2015, to fund certain early period interest payments (the "Series B Facility"); and (c) a \$665 million liquidity facility to fund certain capital improvements required under the Concession Agreement (the "Series C Facility," and, collectively with the Series A Facility and the Series B Facility, the "Loans"). The Administrative Agent syndicated interests in the Loans to the Lenders, each of which is a lender of record under the Loan Agreement. As of the Petition Date, the outstanding principal amount of the Loans was approximately \$3.855 billion and the interest rate per annum was equal to LIBOR plus 1.25 percent.

39. As of the Petition Date, the Debtors have no additional borrowing capacity under the Loans. As of July 25, 2014, the Administrative Agent terminated the Debtors'

then-remaining \$67 million in borrowing capacity under the Series C Facility, in accordance with the Loan Agreement.

B. The Swaps.

40. To hedge the interest rate risk associated with the floating interest rates on the Loans and as required under the Loan Agreement, the Concessionaire and certain financial institutions (collectively, the “Swap Counterparties”) entered into ISDA Master Agreements and Schedules (collectively, and as amended, modified, or supplemented from time to time, the “Swap Agreements”). Pursuant to the Swap Agreements, the Concessionaire entered into interest rate swaps (the “Swaps”). Under the Swap Agreements, the Concessionaire agreed to pay the Swap Counterparties a fixed rate of interest in exchange for receiving from such Swap Counterparty a floating interest rate.

41. At their inception, the Swaps were “at the money,” meaning that the total value of the fixed interest payments to be paid by the Concessionaire to the Swap Counterparty was essentially equal to the expected total value of the floating interest payments to be paid by the applicable Swap Counterparty to the Concessionaire. As interest rates precipitously declined to historic lows following the Debtors’ entry into the Loan Agreement, however, the Swaps have turned into a net liability of the Debtors of approximately \$2.15 billion as of the Petition Date. This liability became due and payable following the early termination of the Swaps due to the Debtors’ failure to make an interest payment of approximately \$102 million on June 30, 2014.

C. Collateral and Security Arrangements.

42. In connection with the Debtors’ entry into the Loan Agreement, certain Debtors entered into various collateral arrangements, including the Collateral Agency Agreement, Security Agreement, and Pledge Agreement, as each is defined and described in greater detail below.

1. The Collateral Agency Agreement.

43. Pursuant to that certain Collateral Agency and Account Agreement, dated as of June 26, 2006 (as amended, modified, or supplemented from time to time, the “Collateral Agency Agreement”), between the Concessionaire, the Administrative Agent, and Citibank, N.A., as collateral agent (in its capacity thereunder, the “Collateral Agent”), the Concessionaire agreed to maintain certain bank accounts from which the Collateral Agent may make withdrawals, transfers, and payments from revenues from the Concessionaire’s business operations and borrowings under the Loan Agreement to make payments of payable operating, debt service, and capital expenditure obligations.

2. The Security Agreement.

44. As of June 26, 2006, the Concessionaire entered into that certain Security Agreement (as amended, modified, or supplemented from time to time, the “Security Agreement”), with the Collateral Agent, pursuant to which the Concessionaire pledged all of its interests under the Concession Agreement and interests and rights otherwise related to the Toll Road to the Collateral Agent as collateral for its secured obligations under the Loan Agreement, including the Loans and the Swaps.

3. The Pledge Agreement.

45. Finally, Holdings entered into that certain Pledge Agreement, dated as of June 26, 2006 (as amended, modified, or supplemented from time to time, the “Pledge Agreement”), with the Collateral Agent, pursuant to which Holdings pledged to the Collateral Agent, in support of the Concessionaire’s secured obligations with respect to the Loans and Swaps, all of Holdings’ membership interests in the Concessionaire, any indebtedness owed to Holdings by the Concessionaire, and all proceeds, products, and accession of and to any and all of the foregoing.

The Events Leading to the Debtors' Financial Difficulties

I. The Global Recession Arises After the Debtors Enter into the Concession Agreement.

46. As discussed above, the Debtors assumed control of the Toll Road shortly before the collapse of the capital markets in 2007. The resulting global economic recession fundamentally affected interstate trucking activity, tourism, and economic development. More specifically, interstate trucking activity declined by 6.1 percent between 2007 and 2008 and a further 14.6 percent between 2008 and 2009. The national economic decline, in turn, had a cascade effect, dragging down economic growth in the State of Indiana by 6.01 percent and the neighboring Chicago, Illinois region by 4.12 percent between 2008 and 2009. These national and regional economic forces, in turn, reduced overall traffic on the Toll Road, which declined by more than 10.5 percent between 2007 and 2013, negatively affecting the Debtors' cash flows and forcing the Debtors to commit a greater share of their operating income to honor their financing obligations.

47. The steady-but-slow recovery of Toll Road traffic has affected the Debtors' ability to satisfy their financial obligations on a go-forward basis. For example, during 2013, the Debtors paid approximately \$193 million in debt servicing obligations, while generating approximately \$158 million in EBITDA.⁸ The Debtors' 2014 debt service obligations also are projected to exceed the Debtors' EBITDA and, without any remaining availability under the Series B Facility, the Debtors lacked sufficient liquidity to make the required payments under the Loans and Swaps at the end of June 2014.

⁸ The Debtors funded the shortfall through draws on the Series B Facility which, as discussed above, was exhausted in December 2013.

II. The Debtors' Negotiations with the Equity Sponsors, Steering Committee, and Committee of Secured Parties.

48. Recognizing that their current and projected debt service profiles were not sustainable given the weakened business performance brought on by the global economic recession, the Debtors determined that a restructuring of their balance sheet was necessary to ensure that the Debtors could satisfy their financial obligations going forward.

49. Accordingly, the Debtors retained Kirkland & Ellis LLP as legal counsel and Moelis & Co. LLC and Morgan Stanley & Co. LLC as financial co-advisors to assess potential restructuring alternatives, including a potential chapter 11 filing. Throughout 2013, the Debtors engaged in discussions with the Steering Committee regarding a potential consensual resolution. These discussions culminated in an agreement in principle among the Debtors, the Equity Sponsors, and the Steering Committee in December 2013 regarding the terms of a balance sheet restructuring. The parties agreed to negotiate and document the final terms of the proposed restructuring in early 2014. This agreement in principle cleared the way for the Debtors to make approximately \$104.5 million in debt service payments on December 30, 2013, that, if not made, would have enabled the Debtors' creditors to exercise remedies against the Debtors' assets, to the detriment of the Debtors' stakeholders.

50. In early 2014, the Debtors, the Equity Sponsors, and the Steering Committee finalized the terms of their restructuring proposal. Thereafter, the parties began to seek support for a comprehensive restructuring proposal to be implemented through a prepackaged chapter 11 process from other lenders and swap counterparties, a group primarily comprised of financial institutions based in Spain, Italy, the United Kingdom, Germany, Greece, and Portugal that regularly invest in long-term infrastructure assets such as toll road concessions. The parties' efforts to solicit support for the proposal included convening back-to-back in-person lender

meetings in Madrid, Spain and New York, New York, engaging in extensive telephonic and in person discussions with the Debtors' lenders and their respective advisors, and providing additional diligence information to potentially interested parties. And, in an effort to garner additional support for the proposal, the Debtors, in consultation with their advisors and potentially interested parties, assessed potential modifications to the proposal.

51. Unfortunately, the Steering Committee's proposal did not achieve sufficient creditor support. In addition, numerous lenders and swap counterparties (including multiple Steering Committee members) entered into participation agreements with members of the Committee of Secured Parties that favored alternative restructuring strategies, including a potential sale of substantially all of the Debtors' assets.

52. In an effort to forge a consensual resolution, the Debtors, the Equity Sponsors, and the Committee of Secured Parties engaged in discussions regarding potential reorganization and sale alternatives. These extensive, arm's-length discussions, which occurred over several months and resulted in the parties exchanging multiple proposals, were productive and paved the way for an 83-day forbearance following the Debtors' failure to make an interest payment of approximately \$102 million on June 30, 2014.

III. The Debtors' Entry into the Restructuring Support Agreement.

53. The parties used the forbearance period to finalize a global resolution—memorialized in the Restructuring Support Agreement—that serves as the foundation for these chapter 11 cases. The Restructuring Support Agreement provides that the parties thereto will support the Plan, in the form attached thereto as an exhibit.⁹ The Plan provides for the two alternative transactions: the Sale Transaction and the Reorganization Transaction.

⁹ This Declaration is intended only to provide a summary of certain key terms provided under the Plan and is qualified in its entirety by reference to the Plan and all exhibits related thereto.

A. Overview of Sale Transaction.

54. The general terms of the Sale Transaction as follows.

- Sale Process to Maximize Value. Three newly-appointed independent directors of Statewide, who were acceptable to the Debtors and the Committee of Secured Parties, form the membership of a committee of the board of Statewide (the “Special Committee”) charged with conducting a competitive sale process for substantially all of the Debtors’ assets following confirmation of the Plan, which process could extend through, at the latest, August 1, 2015.
- Sale Procedures. The Plan authorizes the Special Committee, in good-faith consultation with a steering group of the Committee of Secured Parties (the “Committee of Secured Parties Steering Group”), to adopt and implement procedures that the Special Committee determines will facilitate the solicitation and evaluation of potential sale proposals without further notice to or approval by the Court.
- Evaluation of Bids. Following the sale process and no later than the August 1, 2015 outside date, the Special Committee, in good-faith consultation with and subject to the reasonable consent of the holders of a majority of senior secured claims that became party to the Restructuring Support Agreement on the effective date thereof (the “Required Consenting Secured Parties”), will determine whether any asset sale proposals provide greater value to the Debtors and their stakeholders than the Reorganization Transaction described below or are otherwise in the best interests of all stakeholders. If the Debtors do not consummate the Sale Transaction following the sale process, the Debtors will consummate the Reorganization Transaction described below.
- Consummation of the Sale Transaction. If the Special Committee, in good-faith consultation with and subject to the reasonable consent of the Required Consenting Secured Parties, determines to pursue and implement the Sale Transaction, the Sale Transaction shall be consummated on the effective date of the Plan. A majority of the Debtors’ senior secured creditors, however, may elect to pursue the Reorganization Transaction notwithstanding the Special Committee’s selection of a successful bid. Following consummation of the Sale Transaction, the Debtors shall make distributions to holders of claims and interests on the effective date of the Plan in accordance with the Bankruptcy Code and the Plan, and the Debtors shall be wound down and dissolved in accordance with applicable law to the extent that their equity interests are not acquired in connection with the Sale Transaction.

B. Overview of Reorganization Transaction.

55. Alternatively, the Debtors will pursue the Reorganization Transaction. The general terms of the Reorganization Transaction as follows.

- New Financing. If no Sale Transaction is consummated, the Debtors either will (a) enter into a \$2.75 billion loan facility comprising \$2.0 billion in first-lien loans and \$750 million in second-lien loans (collectively, the “New Loans”), which loans will be distributed *pro rata* to

the Debtors' prepetition senior secured creditors, or (b) obtain new third-party financing on terms no less favorable than the New Loans, the cash proceeds of which will be distributed *pro rata* to the Debtors' prepetition senior secured creditors. The Required Consenting Secured Parties shall determine whether the Debtors issue New Loans or obtain new third-party financing.

- Distribution of Reorganized Equity Interests. The Debtors' prepetition senior secured creditors will receive 95.75 percent of the equity interests in reorganized ITR Concession Company Holdings LLC ("Reorganized Holdings"), reorganized Statewide Mobility Partners LLC ("Reorganized Statewide") will receive the remaining 4.25 percent of the equity interests in Reorganized Holdings, and the Equity Sponsors will retain their equity interests in Reorganized Statewide. Prior to the effective date of the Plan and subject to certain other conditions, the Equity Sponsors may elect to receive some or all of \$80 million in cash in lieu of the distribution of Reorganized Holdings interests to Reorganized Statewide. The amount of equity interests distributed to the Debtors' senior secured creditors and Reorganized Statewide is subject to adjustment if the principal amount of new debt or the new third-party financing is less than or greater than \$2.75 billion. Additionally, the amount of the equity interests to be distributed to the Debtors' senior secured creditors is subject to dilution by an equity award to the new operator described below and increase if the Equity Sponsors elect to receive cash in lieu of some or all of the distribution of Reorganized Holdings interests, as described above.
- New Manager. The Equity Sponsors will have the right to operate and manage the Toll Road for an initial term of 10 years in exchange for consideration in the form of either cash reimbursement for the cost of services provided or up to three percent of the equity interests in Reorganized Holdings as elected by the equity sponsors, which equity interests shall vest on a straight line and *pro rata* basis over 10 years after the effective date of the Plan, commencing on the effective date of the Plan and ceasing upon termination of the management agreement pursuant to which the operator shall operate the Toll Road.
- Post-Reorganization Put and Call Rights. In the event of a change of control of, or sale of substantially all of the assets of, the reorganized Debtors during the 18-month period after consummation of the Plan, the Equity Sponsors and/or Reorganized Statewide, as applicable, shall have the right to cause Reorganized Holdings to purchase their share of the Reorganized Holdings interests for their share of \$80 million, and Reorganized Holdings shall have the right to purchase the Reorganized Holdings interests held by Statewide for \$100 million.

56. Under both the Sale Transaction and the Reorganization Transaction, except as specifically provided in the Plan, all outstanding and undisputed general unsecured claims against the Debtors will be unimpaired and unaffected by the restructuring and will be paid in full in cash on the effective date of the Plan or in the ordinary course of business when such claims become due and owing.

IV. The Debtors' Solicitation Process and Proposed Confirmation Timeline.

57. Following the execution of the Restructuring Support Agreement, the Debtors commenced a prepackaged solicitation of the Plan on September 11, 2014, by delivering a copy of the Plan and a related Disclosure Statement (including ballots and, if applicable, a master ballot) to the Administrative Agent that maintains a registry of holders of Loan and Swap claims (for subsequent distribution to such holders) and holders of existing equity interests in Statewide, the only claims and interests entitled to vote to accept or reject the Plan. The Debtors established September 17, 2014, at 4:00 p.m., prevailing Pacific Time, as the deadline by which votes to accept or reject the Plan must have been provided to the Debtors' proposed solicitation agent or the Administrative Agent, as applicable. As of the Petition Date, Kurtzman Carson Consultants LLC ("KCC"), the Debtors' proposed solicitation agent, has confirmed that the master ballot submitted by the Administrative Agent reflecting the votes of holders of claims in Class 3, which comprises claims on account of the Loans and Swaps, and the ballots submitted by holders of interests in Class 7, which comprises existing equity interests in Statewide, demonstrate that holders of claims and interests entitled to vote on the Plan have voted overwhelmingly to accept the plan.

58. Accordingly, contemporaneously with the filing of this Declaration, the Debtors have filed a motion seeking a joint hearing to both approve the adequacy of the Disclosure Statement and confirm the Plan (the "Combined Hearing"). The following table sets forth the anticipated timeline for these chapter 11 cases, subject to the Court's approval.

Proposed Solicitation and Confirmation Timeline	
Voting Record Date ¹⁰	September 10, 2014
Distribution of Solicitation Package	September 11, 2014
Voting Deadline ¹¹	September 17, 2014, at 4:00 p.m., prevailing Pacific Time
Class 3 Master Ballot Deadline ¹²	September 19, 2014, at 4:00 p.m., prevailing Pacific Time
Distribution of Combined Hearing Notice	No later than two Business Days after entry of the Order, or such other date as the Court may direct
Publication of Publication Notice	No later than five Business Days after entry of the Order, or such other date as the Court may direct
Objection Deadline	October 14, 2014, at 4:00 p.m., prevailing Central Time, or such other date as the Court may direct
Cure Objection Deadline	On or before the later of the commencement of the Combined Hearing and ten Business Days following receipt of the Cure Notice, or such other date as the Court may direct
Deadline to File the Confirmation and Reply Brief	12:00 p.m., prevailing Central Time, on the date that is two Business Days before the Combined Hearing
Combined Hearing	October 21, 2014, prevailing Central Time, or such date as the Court may direct

Overview of the First-Day Pleadings

59. The Debtors have filed the First-Day Pleadings seeking targeted relief intended to allow the Debtors to minimize the adverse effects of the commencement of these chapter 11

¹⁰ The “Voting Record Date” is the date on which it was determined which Holders of Claims in Class 3 and Interests in Class 7 were entitled to vote to accept or reject the Plan and whether Claims had been properly assigned or transferred such that an assignee could vote as the Holder of a Claim.

¹¹ The “Voting Deadline” is the date and time on or before which all ballots must have been properly executed, completed, delivered, and actually received by KCC or the Administrative Agent, as applicable.

¹² The “Class 3 Master Ballot Deadline” is the date and time on or before which the Administrative Agent’s master ballot must have properly executed, completed, delivered, and actually received by KCC.

cases on their ongoing business operations and preserve value for all stakeholders. The First-Day Pleadings include the following motions seeking authority to:

- use cash collateral and ensure the holders of claims under the Loans and the Swaps are adequately protected;
- pay prepetition wages, and certain administrative costs related to those wages, to ensure their business operations can continue in the ordinary course;
- pay certain taxes and fees that accrued or arose in the ordinary course of business before the Petition Date;
- approve procedures governing the Debtors' proposed adequate assurance of payment for future service to the utility providers and procedures governing any requests for additional or different adequate assurance;
- honor prepetition obligations related to the customer programs that come due following the Petition Date and to continue the customer programs in the ordinary course of business in the postpetition period;
- continue to engage in transactions under the Skyway Toll Collection Agreement in the ordinary course of business after the Petition Date; and
- continue utilizing the Debtors' prepetition cash management system, including with to respect intercompany transactions.

60. Court approval of the relief requested in the First-Day Pleadings is essential to providing the Debtors with an opportunity to successfully meet their creditor obligations in a manner that benefits all of the Debtors' constituents.

61. I have reviewed each of the First-Day Pleadings. The facts stated therein, the description of the relief requested, and the facts supporting each motion and pleading are detailed in **Exhibit A** to this declaration and are true and correct to the best of my information and belief. I believe that the relief sought in each of the First-Day Pleadings is necessary because it will among other things: (a) allow the Debtors to maintain baseline operations following the commencement of these chapter 11 cases; (b) enable the Debtors to operate in chapter 11 with minimal disruption to their business operations; and (c) minimize any loss of value to the

Debtors' business. I believe that if the Court grants the relief requested in the First-Day Pleadings, the prospect of achieving these objectives—to the maximum benefit of the Debtors' estates, their creditors, and other parties in interest—will be substantially enhanced. Accordingly, I believe that the Court should grant each of the First-Day Pleadings.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: September 21, 2014
Chicago, Illinois

/s/ Fernando Redondo
Fernando Redondo
Chief Executive Officer
ITR Concession Company LLC
205 North Michigan Avenue
Suite 2510
Chicago, Illinois 60601

Exhibit A

Evidentiary Support for First-Day Pleadings

EVIDENTIARY SUPPORT FOR FIRST-DAY MOTIONS

Administrative First-Day Motions

A. Motion of ITR Concession Company LLC, *et al.*, for Entry of an Order Directing Joint Administration of Related Chapter 11 Cases (the “Joint Administration Motion”).

1. The Debtors seek entry of an order directing joint administration and procedural consolidation of their related chapter 11 cases. Specifically, the Debtors request that the Court maintain one file and one docket for all of the jointly administered cases under the case of ITR Concession Company LLC and that the Court administer the cases under a consolidated caption. Further, the Debtors request that entry be made on the docket of each of the Debtors’ chapter 11 cases, other than ITR Concession Company LLC, to reflect the joint administration of these chapter 11 cases.

2. Given the integrated nature of the Debtors’ operations, joint administration of these chapter 11 cases will provide significant administrative convenience. Many of the motions, hearings, and orders in these chapter 11 cases will affect each and every Debtor entity. The entry of an order directing joint administration of these chapter 11 cases will reduce fees and costs by avoiding duplicative filings and objections. Joint administration will also allow the Office of the United States Trustee for the Northern District of Illinois, the Court, and all parties in interest to monitor these chapter 11 cases with greater ease and efficiency. Moreover, joint administration will not adversely affect the Debtors’ respective constituencies because the Joint Administration Motion seeks only administrative, not substantive, consolidation of the Debtors’ estates. The relief requested will benefit, and not harm, parties in interest through the cost reductions associated with the joint administration of these chapter 11 cases.

3. I believe that the relief requested in the Joint Administration Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest and will enable the Debtors to continue to operate in the ordinary course without disruption. Accordingly, I respectfully believe that the Court should approve the Joint Administration Motion.

B. Motion of ITR Concession Company LLC, *et al.*, for Entry of an Order Approving Case Management Procedures (the "Case Management Motion").

4. The Debtors request entry of an order: (a) approving the notice, case management, and administrative procedures annexed as Exhibit 1 to Exhibit A attached to the Case Management Motion (the "Case Management Procedures"); (b) approving the notice thereof; and (c) granting related relief.

5. The Debtors believe there are thousands of parties in interest in these chapter 11 cases. As a result, the Debtors anticipate that numerous parties may file requests for service of filings pursuant to Bankruptcy Rule 2002, and that numerous motions, applications, and other pleadings may be filed in these chapter 11 cases.

6. Given the size and complexity of these chapter 11 cases, the Debtors believe that implementation of the Case Management Procedures will facilitate the fair and efficient administration of these cases. I therefore believe that the relief requested in the Case Management Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will preserve the assets of the Debtors' estates during the chapter 11 process without prejudice to any party in interest. Accordingly, I believe that the Court should approve the Case Management Motion.

C. Application of ITR Concession Company LLC, et al., for Entry of an Order Authorizing the Debtors to Employ and Retain Kurtzman Carson Consultants LLC as Claims and Balloting Agent to the Debtors, Effective *Nunc Pro Tunc* to the Petition Date (the “KCC Application”).

7. The Debtors seek entry of an order appointing Kurtzman Carson Consultants LLC (“KCC”) as the Debtors’ notice and claims agent in connection with these chapter 11 cases, in accordance with the terms and conditions set forth in that certain Bankruptcy Administration Agreement, dated as of December 3, 2013, between KCC and the Debtors (the “Services Agreement”).

8. I believe that the Debtors have in excess of 10,000 creditors and parties-in-interest that must be given notice of developments related to these chapter 11 cases. With such a significant number of parties involved in these chapter 11 cases, it is likely that heavy administrative burdens will be imposed upon the Court and the Clerk of the United States Bankruptcy Court for the Northern District of Illinois (the “Clerk’s Office”).

9. KCC is a bankruptcy administrator that specializes in providing comprehensive chapter 11 administrative services including noticing, claims processing, solicitation, balloting, and other related services critical to the effective administration of chapter 11 cases. KCC has developed efficient and cost-effective methods to properly handle the voluminous mailings associated with the noticing, claims processing, solicitation, and balloting portions of chapter 11 cases to ensure the orderly and fair treatment of creditors, equity security holders, and all parties in interest.

10. Further, KCC will work with the Clerk’s Office to ensure that such methodology conforms to all of the Court’s procedures, the Local Bankruptcy Rules, and the provisions of any Court orders. I believe that such assistance will expedite the distribution of notices and the processing of claims and relieve the Clerk’s Office of administrative burdens.

11. I believe that the proposed retention of KCC is the most effective and efficient manner of noticing the thousands of creditors and parties in interest of the commencement of these chapter 11 cases and other developments in these chapter 11 cases. Thus, I believe that the relief requested in the KCC Application is in the best interests of the Debtors' estates, their creditors, and all other parties in interest and will enable the Debtors and their professionals to focus on key aspects of the Debtors' reorganization efforts. Accordingly, I believe that the Court should approve the KCC Application.

D. Motion of ITR Concession Company LLC, *et al.*, for Entry of an Order (A) Providing an Extension of Time to File Schedules and Statements of Financial Affairs and (B) Providing for a Permanent Waiver of the Requirement to File Schedules and Statements of Financial Affairs upon Confirmation of the Plan (the "Schedules and SoFA Motion").

12. The Debtors seek entry of an order (a) extending the time for the Debtors to file schedules of assets and liabilities, schedules of current income and expenditures, schedules of executory contracts and unexpired leases, and statements of financial affairs (collectively, the "Schedules and Statements") through and including 40 days from the Petition Date (the "Deadline"), other than each Debtor's schedule of creditors holding unsecured nonpriority claims as modified for creditors that hold claims listed on the Debtors' books and records in the amount of \$25,000,000.00 or more on account of a single act or occurrence ("Modified Schedule F") and (b) permanently waiving the requirement that the Debtors file the Schedules and Statements upon confirmation of the Plan if confirmation occurs on or before the Schedules/SoFAs Deadline.

13. Because the only impaired holders of claims and interests under the Plan have overwhelmingly accepted the Plan and allowed general unsecured claims are unimpaired under the Plan, the Debtors submit that their resources would be best used to ensure that the Debtors' businesses run smoothly through what the Debtors expect will be a brief prepackaged chapter 11

process. I believe that the relief requested in the Schedules and SoFA Motion will therefore maximize the value of the Debtors' estates for the benefit of all parties in interest.

14. I believe that the Court's grant of an extension of time to file the Schedules and Statements through and including the Schedules/SoFAs Deadline is necessary and appropriate under the circumstances of these prepackaged chapter 11 cases. *First*, to prepare their Statements and Schedules, the Debtors will have to compile information from books, records, and documents relating to a large number of claims, assets, and contracts. This information is voluminous and not centrally located in the Debtors' organization. Accordingly, collecting the necessary information would require an enormous expenditure of time and effort on the part of the Debtors, their employees, and their professional advisors. *Second*, no party in interest will experience prejudice by the Court granting the Debtors' request for an extension through and including the Schedules/SoFAs Deadline. Because the only impaired holders of claims and interests under the Plan have overwhelmingly accepted the Plan and allowed general unsecured claims are unimpaired under the Plan, the Debtors submit that their resources would be best used to ensure that the Debtors' businesses run smoothly through what the Debtors expect will be a brief prepackaged chapter 11 process. Accordingly, I believe that extending the date on which the Debtors must file the Schedules and Statements through and including the Schedules/SoFAs Deadline will maximize the value of the Debtors' estates for the benefit of all parties in interest.

15. I believe that a permanent waiver of the requirement that the Debtors file the Schedules and Statements effective upon confirmation of the Plan, if confirmation occurs on or before the Schedules/SoFAs Deadline, is appropriate here. No party in interest would be prejudiced if the requirement that the Debtors file the Schedules and Statements was permanently waived. Furthermore, preparing the Schedules and Statements would cause the

Debtors to incur substantial expense and would burden the Debtors' employees at a time when such employees should be implementing or preparing to implement the Debtors' restructuring.

16. I therefore believe that the relief requested in the Schedules and SoFA Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest, and will preserve the assets of the Debtors' estates during the chapter 11 process without prejudice to any party in interest. Accordingly, I believe that the Court should approve the Schedules and SoFA Motion.

E. Motion of ITR Concession Company LLC, *et al.*, for Entry of an Order (A) Scheduling a Combined Disclosure Statement Approval and Confirmation Hearing, (B) Establishing a Plan and Disclosure Statement Objection Deadline and Related Procedures, (C) Approving the Solicitation Procedures, (D) Approving the Combined Hearing Notice and the Cure Notice, and (E) Directing That a Meeting of Creditors Not Be Convened (the "Combined Hearing Motion").

17. The Debtors seek entry of an order: (a) scheduling a combined hearing (the "Confirmation Hearing") on the adequacy of the Disclosure Statement and confirmation of the Plan; (b) establishing a deadline for objections to the adequacy of the Disclosure Statement and confirmation of the Plan (the "Objection Deadline"); (c) approving the Solicitation Procedures; (d) approving the form and manner of distributing the Combined Hearing Notice and the Cure Notice; and (e) directing that the U.S. Trustee not convene a meeting of creditors if the Plan is confirmed within 40 days of the Petition Date.

18. Specifically, I understand that, in connection with the foregoing, the Debtors respectfully request that the Court approve the following dates and deadlines:

Event	Date
Voting Record Date ¹	September 10, 2014
Distribution of Solicitation Package	September 11, 2014
Voting Deadline ²	September 17, 2014, at 4:00 p.m., prevailing Pacific Time
Class 3 Master Ballot Deadline ³	September 19, 2014, at 4:00 p.m., prevailing Pacific Time
Distribution of Combined Hearing Notice	No later than two Business Days after entry of the Order, or such other date as the Court may direct
Publication of Publication Notice	No later than five Business Days after entry of the Order, or such other date as the Court may direct
Objection Deadline	October 14, 2014, at 4:00 p.m., prevailing Central Time, or such other date as the Court may direct
Cure Objection Deadline	On or before the later of the commencement of the Combined Hearing and 10 Business Days following receipt of the Cure Notice, or such other date as the Court may direct
Deadline to File the Confirmation and Reply Brief	12:00 p.m., prevailing Central Time, on the date that is two Business Days before the Combined Hearing
Combined Hearing	October 21, 2014, prevailing Central Time, or such date as the Court may direct
Deadline to File Complaints to Determine the Dischargeability of a Debt	60 days after entry of the Order, or such other date as the Court may direct

¹ The “Voting Record Date” is the date on which it was determined which Holders of Claims in Class 3 and Interests in Class 7 were entitled to vote to accept or reject the Plan and whether Claims had been properly assigned or transferred such that an assignee could vote as the Holder of a Claim.

² The “Voting Deadline” is the date and time on or before which all Ballots (as defined in this Motion) must have been properly executed, completed, delivered, and actually received by the Claims and Balloting Agent or the Administrative Agent, as applicable.

³ The “Class 3 Master Ballot Deadline” is the date and time on or before which the Administrative Agent’s Class 3 Master Ballot (as defined in this Motion) must have properly executed, completed, delivered, and actually received by the Claims and Balloting Agent.

19. I believe cause exists to approve the requested dates in the Combined Hearing Motion, which will allow the Debtors to expeditiously effectuate their restructuring and preserve value. Even prior to commencing solicitation of the Plan, the Debtors, in conjunction with their advisors, had already engaged in discussions with their principal stakeholders regarding implementing a restructuring of the Debtors' debt obligations. Further, a combined hearing on the Debtors' Disclosure Statement and Plan will reduce the time the Debtors remain in bankruptcy, benefiting the Debtors' sale process, and will cut the costs of administering and funding these chapter 11 cases. Accordingly, I believe that the requested dates and deadlines in the Combined Hearing Motion provide sufficient time for parties to make an informed decision regarding the Plan.

20. I believe that the relief requested in the Combined Hearing Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest and will enable the Debtors to meet their restructuring milestones under the Plan, thereby providing for a more efficient chapter 11 process. Accordingly, I believe that the Court should approve the Combined Hearing Motion.

Operational First-Day Motions

A. Motion of ITR Concession Company LLC, *et al.*, for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Maintain the Cash Management System, (B) Maintain Existing Business Forms, (C) Continue Intercompany Transactions, and (D) Maintain Existing Investment Practices, (II) Waiving Deposit and Investment Requirements of Section 345(b) of the Bankruptcy Code, (III) Directing Financial Institutions to Honor All Related Checks and Electronic Payment Requests, and (IV) Granting Related Relief (the "Cash Management Motion").

21. The Debtors seek entry of interim and final orders (i) authorizing the Debtors to (a) maintain the Cash Management System, (b) maintain their existing business forms, (c) continue to perform Intercompany Transactions; and (d) maintain their existing Investment Practices; (ii) waiving the deposit and investment requirements of section 345(b) of the

Bankruptcy Code; (iii) directing financial institutions to receive, process, honor, and pay all checks presented for payment and electronic payment requests; and (iv) granting related relief.

22. To facilitate the efficient operation of their business, in the ordinary course of business, the Debtors utilize an integrated, centralized cash management system to collect, transfer, and disburse funds generated by their operations (including the Bank Accounts, the Intercompany Transactions, the Investment Practices, and all other cash management and funds-processing activities and arrangements utilized by the Debtors, the “Cash Management System”). The Cash Management System includes 12 bank accounts (collectively, the “Bank Accounts”) maintained by the Concessionaire at Citibank, N.A. (“Citibank”) and Chase Bank, N.A. (“Chase,” and, together with Citibank, the “Banks”).

23. The Cash Management System is similar to those commonly employed by large, complex businesses like the Debtors to, among other things, quickly and easily track funds, control corporate disbursements and transfers, ensure cash availability, and reduce administrative expenses. The Debtors’ business requires prompt access to cash to operate, and any disruption of the Cash Management System would be extremely detrimental to the Debtors’ operations.

24. The Debtors’ financial personnel and members of their accounting department located at the Debtors’ headquarters in Chicago, Illinois, manage the Cash Management System, which the Debtors designed to meet their operating needs, enable management to centrally control and monitor corporate funds, ensure cash availability and liquidity, reduce administrative expenses by facilitating the movement of funds, and enhance the development of accurate account balances. These controls are crucial given the significant volume of toll and other cash transactions processed through the Cash Management System each day.

25. The Bank Accounts include the following accounts maintained at Chase: (a) one cash toll collection account (the “Cash Toll Collection Account”); and (b) one toll freeze deposit account (the “Toll Freeze Deposit Account”).

26. The Debtors separately maintain the following Bank Accounts at Citibank: (a) one cash collateral account (the “Cash Collateral Account”); (b) one collections account (the “Collections Account”); (c) one construction proceeds account (the “Construction Proceeds Account”); (d) one distribution account (the “Distribution Account”); (e) one loss proceeds account (the “Loss Proceeds Account”); (f) one operating account (the “Operating Account”); (g) two electronic transfer collection accounts (the “ETC Accounts”); (h) one proceeds account (the “Proceeds Account”); and (i) one revenue stabilization account (the “Revenue Stabilization Account”).

27. The Cash Management System is designed around the Proceeds Account, which serves as the Debtors’ main concentration account. Cash generated by or on account of the Debtors’ operation of the Toll Road and borrowings under that certain Loan Agreement, dated as of June 26, 2006 (as amended, modified, or supplemented from time to time, the “Loan Agreement”), among the Concessionaire, Wilmington Trust, National Association, as successor administrative agent (the “Administrative Agent”), and the lenders party thereto, generally flows into the Proceeds Account. On a periodic basis, pursuant to that certain Collateral Agency and Account Agreement, dated as of June 26, 2006 (the “Collateral Agency Agreement”), among the Concessionaire, the Administrative Agent, and Citibank (in its capacity as collateral agent), funds from the Proceeds Account are electronically transferred to the Operating Account at the direction of the Debtors to permit the Debtors to satisfy their various projected operational and capital expenditure obligations.

28. The Debtors conduct transactions by debit, wire, and automatic clearing house (“ACH”) payments. In addition, all of the Debtors’ E-ZPass receipts, which total approximately \$143 million per year and comprise approximately 73 percent of the Debtors’ annual toll revenues, must be processed through ACH payments or wire transfers.

29. In addition, the Debtors incur certain service charges and other fees, costs, and expenses related to the Cash Management System. For instance, the Banks charge, and the Debtors pay, honor, or allow the deduction from appropriate Bank Accounts, certain fees related to the Bank Accounts (the “Bank Fees”).

30. As part of their Cash Management System, the Debtors utilize numerous preprinted business forms and digitally generated and bank-certified graphic overlays (the “Business Forms”) in the ordinary course of their business. The Debtors also maintain books and records to document, among other things, their profits and expenses.

31. The Debtors and certain of their non-Debtor affiliates maintain business relationships with each other (the “Intercompany Transactions”) resulting in intercompany receivables and payables in the ordinary course of business (the “Intercompany Claims”). For example, the Debtors process E-ZPass payments on behalf of non-Debtor affiliate Skyway Concession Company LLC (the “Skyway Concessionaire”) in exchange for a service fee. In addition, the Debtors and the Skyway Concessionaire collectively pay the salaries of approximately twelve Skyway Concessionaire employees that perform certain related functions on behalf of the Debtors and the Skyway Concessionaire. In connection therewith, the Debtors compensate the Skyway Concessionaire on a monthly basis for the pro rata share of each shared employee’s salary based on the portion of the employee’s time spent on Toll Road operations. The Debtors also reimburse the Skyway Concessionaire for any reasonable, necessary, and

documented expenses incurred by its employees on behalf of the Debtors. The cost-sharing arrangements between the Debtors and the Skyway Concessionaire provide significant value to the Debtors' stakeholders by enabling the Debtors to limit personnel costs and cooperate with the Skyway Concessionaire, the operator of a significant neighboring public infrastructure asset that is linked to the Toll Road.

32. In connection with the daily operation of the Cash Management System, as funds are disbursed throughout the Cash Management System and as business is transacted among the Debtors and certain non-Debtor affiliates, at any given time there may be Intercompany Claims owing by one Debtor to another Debtor or between a Debtor and a non-Debtor affiliate. Certain Intercompany Claims are settled in cash while others are reflected as journal entry receivables and payables, as applicable, in the respective Debtors' accounting systems.

33. The Debtors track all fund transfers in their respective accounting system and can ascertain, trace, and account for all Intercompany Transactions. The Debtors have also established monitoring systems to be able to track postpetition intercompany transfers. If the Intercompany Transactions were to be discontinued, the Cash Management System and the Debtors' operations would be disrupted unnecessarily to the detriment of the Debtors and their creditors and other stakeholders.

34. The Debtors maintain their excess cash in conservative investments that satisfy certain prudent investment guidelines (including the Debtors' practices thereunder, the "Investment Practices"), which have a primary goal of protecting principal and a secondary goal of maximizing yield and liquidity. The Investment Practices permit the Debtors to invest in securities, instruments, and investments that are short term in nature and diversified across multiple established, stable, and highly-rated banking institutions, including investment-grade

money market funds or other short-term vehicles holding obligations issued or guaranteed by the United States of America.

35. As of the Petition Date, all or substantially all excess funds invested pursuant to the Investment Practices are currently invested in money market funds and other investment vehicles that in turn invest only in assets, securities, or other instruments insured, guaranteed, or collateralized by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States.

36. I believe that the relief requested in the Cash Management Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest and will enable the Debtors to continue to operate in the ordinary course without disruption. Accordingly, I believe that the Court should approve the Cash Management Motion.

B. Motion of ITR Concession Company LLC, *et al.*, for Entry of Interim and Final Orders (A) Authorizing Use of Cash Collateral, (B) Granting Adequate Protection, (C) Modifying the Automatic Stay, (D) Scheduling a Final Hearing, and (E) Granting Related Relief (the "Cash Collateral Motion").

37. The Debtors seek entry of interim and final orders granting the following relief: (a) authorizing the Debtors to use Cash Collateral pursuant to sections 361 and 363 of the Bankruptcy Code; (b) approving the form of adequate protection provided to the Secured Parties pursuant to sections 361, 362, and 363 of the Bankruptcy Code; (c) vacating or modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms provided in the Cash Collateral Motion; (d) scheduling the Final Hearing on the Cash Collateral Motion to consider entry of the Final Order; and (e) granting related relief.

38. The Debtors' access to Cash Collateral is absolutely necessary to preserving and maximizing value for the Debtors' stakeholders. The Debtors use Cash Collateral in the ordinary

course of business to procure goods and services from vendors, pay their employees, and satisfy other working capital needs. Absent approval of the Interim Order (as defined in the Cash Collateral Motion), the Debtors will be effectively unable to generate revenue, operate their businesses, or pay the hundreds of individuals who report to work each day, in addition to funding their reorganization process. The Debtors' chapter 11 estates will be immediately and irreparably harmed if this were to occur.

39. Access to Cash Collateral on an interim basis will provide the Debtors with the liquidity necessary to continue operations and fund these chapter 11 cases in the short term. Without access to liquidity, the Debtors' ability to operate and ultimately to restructure as a going concern will be jeopardized, all to the detriment of the Debtors' stakeholders. As a result, the Debtors have an immediate need to continue to access the Cash Collateral to ensure sufficient liquidity throughout the pendency of these chapter 11 cases.

40. I believe that the Debtors have reasonable cause to provide the Secured Parties replacement liens on all of the Borrower's unencumbered property, including postpetition cash tolls, in exchange for the Secured Parties' consent to the Debtors' continued use of the Cash Collateral. Accordingly, I believe that the relief requested in the Cash Collateral Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest and will enable the Debtors to continue to operate in the ordinary course without disruption. Accordingly, I believe that the Court should approve the Cash Collateral Motion.

C. Motion of ITR Concession Company LLC, *et al.*, for Entry of Interim and Final Orders (A) Authorizing the Debtors to Pay Prepetition General Unsecured Claims in the Ordinary Course of Business, (B) Directing Financial Institutions to Honor Related Checks and Electronic Payment Requests, and (C) Granting Related Relief (the "Unsecured Creditor Motion").

41. The Debtors request the entry of an order (a) authorizing the Debtors to continue paying General Unsecured Claims in the ordinary course of business; (b) directing financial

institutions to receive, process, honor, and pay all checks presented for payment and electronic payment requests relating to the General Unsecured Claims; and (c) granting related relief.

42. In the ordinary course of business, the Debtors incur numerous fixed, liquidated, and undisputed obligations to a variety of creditors, including employees, utilities, insurers, governmental authorities, ordinary course service providers, equipment sellers and services, and numerous other vendors and unsecured creditors (collectively, the “General Unsecured Creditors”). Authorizing the Debtors to pay undisputed prepetition claims of the General Unsecured Creditors (collectively, the “General Unsecured Claims”) as such claims become due and payable in the ordinary course of business will minimize any disruption to the Debtors’ businesses and will allow for a smooth and expeditious reorganization in these chapter 11 cases.⁴ As of the Petition Date, the Debtors owe a total of approximately \$7.4 million on account of undisputed General Unsecured Claims. Of the total amount of the General Unsecured Claims, approximately \$1.5 million relates to claims the Debtors are seeking authority to pay pursuant to other traditional chapter 11 first-day pleadings.

43. I believe that delaying payment of the General Unsecured Claims beyond normal practices could seriously damage the Debtors’ going-concern value by undermining the “business as usual” message that is a key term of these prepackaged chapter 11 cases. Without the relief requested in the Unsecured Creditor Motion, it is likely that the Debtors’ providers of goods and services holding outstanding prepetition claims will refuse to continue to provide goods and services to the Debtors, which will in turn have a material negative impact on the Debtors’ ability to service their customers. Furthermore, absent the relief requested in the

⁴ The General Unsecured Claims include unsecured claims that the Debtors are seeking to pay in other customary first-day pleadings (e.g., prepetition claims related to, among other things, employee wages and benefits and taxes).

Unsecured Creditor Motion, some vendors will undoubtedly refuse to continue to operate under the Debtors' current trade terms, undermining the Debtors' operations at this critical juncture and resulting in a liquidity crisis and, short of that, the loss of favorable payment terms when negotiating upcoming contract renewals and future orders with important vendors. Accordingly, the relief requested in the Unsecured Creditor Motion is necessary to avoid immediate and irreparable harm.

44. I believe that payment of General Unsecured Claims will not create an imbalance of the Debtors' cash flows because many of these obligations have customary payment terms and will not be immediately payable. Additionally, cash held by the Debtors and the cash generated in the ordinary course of business will provide sufficient liquidity to pay General Unsecured Claims in accordance with prepetition practice.

45. I believe that the relief requested in the Unsecured Creditor Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest and will enable the Debtors to continue to operate in the ordinary course without disruption. Accordingly, I believe that the Court should approve the Unsecured Creditor Motion.

D. Motion of ITR Concession Company LLC, *et al.*, for Entry of Interim and Final Orders (A) Authorizing the Debtors to Pay Prepetition Employee Wages, Salaries, Other Compensation, and Reimbursable Expenses and Continue Employee Benefits Programs, (B) Directing Financial Institutions to Honor All Related Checks and Electronic Payment Requests, and (C) Granting Related Relief (the "Wages and Benefits Motion").

46. The Debtors seek entry of interim and final orders: (a) authorizing the Debtors to pay prepetition wages, salaries, other compensation, and reimbursable expenses and continue employee benefits programs in the ordinary course of business, including payment of certain prepetition obligations related thereto; (b) directing financial institutions to receive, process,

honor, and pay all checks presented for payment and electronic payment requests related thereto; and (c) granting related relief.

47. As of the Petition Date, the Debtors employ approximately 283 employees (together with the Secoded Employee (as defined herein), the "Employees"). Approximately 223 Employees are full-time employees and approximately 60 Employees are part-time or seasonal employees. Approximately 34 Employees are salaried, and the remaining approximately 249 Employees are paid on an hourly basis. In addition, and as discussed below, the Debtors complement their dedicated Employee workforce with: one seconded employee (the "Secoded Employee"); approximately twelve employees from their non-Debtor affiliate, Skyway Concession Company LLC (the "Skyway Concessionaire"), the operator of the Chicago Skyway Toll Bridge (collectively, the "Skyway Employees"); and approximately 30 temporary employees through a third-party staffing agency (collectively, the "Supplemental Workers," and, together with the Employees and the Skyway Employees, the "Workforce Employees").

48. The Workforce Employees perform a variety of critical functions, including engineering, accounting, business administration, finance, human resources, information technology, management, marketing, facilities maintenance, security, and other key functions. In short, the Workforce Employees are essential to the preservation of value and the administration of the Debtors' estates during the Debtors' reorganization. Their skills, knowledge, and understanding of the Debtors' operations and infrastructure, including the skills necessary to manage and maintain the Toll Road, are essential to the Debtors' business enterprise. Their hard work has permitted the Toll Road's operations to be continually improved in terms of both safety and profitability since the Concessionaire was put in place.

49. Approximately 44 percent of Employees are represented by labor unions that are party to collective bargaining agreements with the Concessionaire (the “Represented Employees”). More specifically, approximately 73 Represented Employees, or approximately 25 percent of the Debtors’ Employees, are employed pursuant to that certain Collective Bargaining Agreement, effective as of November 1, 2011, and through September 30, 2014 (as amended, modified, or supplemented from time to time, the “Local 150 CBA”), between the Concessionaire and the International Union of Operating Engineers, Local No. 150. In addition, approximately 52 Represented Employees, or approximately 18 percent of the Debtors’ Employees, are employed by the Concessionaire pursuant to that certain Collective Bargaining Agreement, effective as of April 1, 2013, and through March 31, 2016 (as amended, modified, or supplemented from time to time, the “Teamsters CBA”), between the Concessionaire and International Brotherhood of Teamsters Locals 135, 142, and 364. The Local 150 CBA and Teamsters CBA require the Debtors, among other things, to satisfy certain compensation and benefit standards with respect to their Represented Employees.

50. One individual, the Debtors’ chief operating officer (the “COO”), is seconded to the Debtors pursuant to a secondment arrangement between the Concessionaire and Cintra Servicios de Infraestructuras, S.L. (“Cintra”), an affiliate of one of the Debtors’ equity sponsors. Pursuant to this secondment arrangement, the Debtors reimburse Cintra for a portion of the COO’s salary paid by Cintra and provide to the COO a monthly stipend to cover certain living expenses. In addition, the Debtors reimburse the COO for a limited number of round trip airfares to Spain each year.

51. The Debtors and the Debtors’ non-Debtor affiliate, the Skyway Concessionaire, the operator of the Chicago Skyway Toll Bridge, share the services of approximately

20 Employees pursuant to the terms of that certain Amended and Restated Cost Sharing Agreement, dated as of July 13, 2010 (as amended, modified, or supplemented from time to time, the “Cost-Sharing Agreement”), between the Concessionaire and the Skyway Concessionaire. Approximately 12 of the shared Employees are employed by the Skyway Concessionaire—the Skyway Employees—and the remaining 8 are employed by the Debtors. The Skyway Employees include key members of the Debtors’ senior management. Under the Cost-Sharing Agreement, the Debtors and the Skyway Concessionaire typically fund a portion of each shared Employee’s compensation and reimburse each other on account of any reasonable and documented expenses incurred by such shared Employees.

52. Finally, the Debtors rely upon the services of approximately 27 Supplemental Workers employed by Express Employment Professionals, Inc. (the “Staffing Agency”), a third-party staffing agency that provides temporary workers to the Debtors pursuant to certain staffing agreements, to perform a variety of critical functions related to the Toll Road, including operating toll booths, providing maintenance services, and overseeing radio communications.

53. To minimize the personal hardship their Workforce Employees would suffer if prepetition employment-related obligations are not paid when due or as expected and to maintain morale and stability in the Debtors’ workforce at this critical juncture, the Debtors seek authority to continue to pay, and to honor certain prepetition claims relating to, among other things, wages, salaries, ordinary-course raises and other pay increases, payroll services, federal and state withholding taxes and other amounts withheld (including garnishments, Workforce Employees’ share of insurance premiums, taxes, union dues, and 401(k) contributions), health insurance, workers’ compensation benefits, vacation time, leaves of absence, life insurance, short- and long-term disability coverage, employee savings and retirement plans, obligations paid to or on

behalf of Local 150 pursuant to the Local 150 CBA, and all other benefits that the Debtors have historically provided in the ordinary course of business, as applicable.

54. In the absence of the payments requested in the Wages and Benefits Motion, I believe that the Debtors' Employees may seek alternative employment opportunities. Such a development would deplete the Debtors' workforce, hinder the Debtors' ability to continue to operate their business enterprise. Moreover, the loss of valuable individuals and the recruiting efforts that would be required to replace them would be a massive and costly distraction at a time when the Debtors should be focusing on completing their restructuring process.

55. I believe that the relief requested in the Wages and Benefits Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest and will enable the Debtors to continue to operate in the ordinary course without disruption. Accordingly, I believe that the Court should approve the Wages and Benefits Motion.

E. Motion of ITR Concession Company LLC, *et al.*, for Entry of Interim and Final Orders (A) Authorizing the Debtors to Pay Certain Prepetition Taxes and Fees, (B) Directing Institutions to Honor All Related Checks and Electronic Payment Requests, and (C) Granting Related Relief (the "Taxes and Fees Motion").

56. The Debtors seek entry of interim and final orders (a) authorizing the Debtors to remit and pay, or use tax credits to offset, certain prepetition sales, use, and other taxes, including amounts subsequently determined on audits to be outstanding, penalties, and interest (collectively, the "Taxes"), and license, environmental, and miscellaneous fees and other similar charges and assessments, including penalties and interest (collectively, the "Fees"), payable to the taxing, licensing, and other governmental authorities in the jurisdictions in which the Debtors operate (collectively, the "Taxing Authorities"); (b) directing financial institutions to honor all checks and electronic payment requests related thereto; and (c) granting related relief.

57. In the ordinary course of business, the Debtors collect and incur Taxes, including sales, excise, use, and other taxes, and Fees and other similar charges and assessments necessary to operate the Toll Road. The Debtors remit and pay, or use tax credits to offset, the Taxes and Fees on a weekly, monthly, quarterly, semiannual, or annual basis to the respective Taxing Authorities, as required by applicable laws and regulations. The Debtors' failure to pay the Taxes and Fees, including any taxes and fees subsequently determined to be due upon audits conducted by taxing jurisdictions in which the Debtors conduct business, could have a material adverse effect on their ability to operate the Toll Road.

58. The Debtors estimate they historically paid approximately \$20,000 in taxes and fees each year. The Debtors also estimate that, as of the Petition Date, approximately \$2,000 in prepetition Fees remain accrued but unpaid, substantially all of which will become due and owing in the first 21 days of these chapter 11 cases in the ordinary course of business.

59. It is my understanding that the Debtors' failure to pay the Taxes and Fees could adversely affect the Debtors' business operations because the Authorities could suspend the Debtors' operations, file liens, or seek to lift the automatic stay. In addition, certain Authorities may take precipitous action against the Debtors' directors and officers for unpaid Taxes, which undoubtedly would distract those key personnel from their duties related to the Debtors' restructuring.

60. I believe that the relief requested is in the best interests of the Debtors' estates, their creditors, and all other parties in interest and will enable the Debtors to continue to operate in the ordinary course without disruption. Accordingly, I believe that the Court should approve the Taxes and Fees Motion.

F. Motion of ITR Concession Company LLC, et al., for Entry of an Order (A) Authorizing the Debtors to Pay Their Insurance Obligations in the Ordinary Course of Business and (B) Granting Related Relief (the “Insurance Motion”).

61. The Debtors request an entry of an order authorizing the Debtors to (a) authorizing the Debtors to continue performing their obligations under the Insurance Policies (as defined below) during the postpetition period without further Court approval, subject to applicable law; and (b) granting related relief.

62. In the ordinary course of business, the Debtors maintain approximately 17 insurance policies administered by multiple third-party insurance carriers (collectively, the “Insurance Carriers”). These policies provide coverage for, among other things, the Debtors’ property, director and officer, automobile, crime, umbrella coverage, and excess liability (collectively, the “Insurance Policies”). For the twelve months prior to Petition Date, the aggregate annual premiums due under the Insurance Policies totaled approximately \$1.5 million.

63. Premiums with respect to the Insurance Policies are generally paid by the Debtors to their insurance broker in an annual lump sum payment due thirty days from when each applicable Insurance Policy is presented for payment. As of Petition Date, the Debtors believe that they are substantially current on the Insurance Policies and that all payments with respect thereto have been paid in full before the Petition Date.

64. Continuation of the Insurance Policies and entry into new Insurance Policies is essential to the preservation of the value of the Debtors’ businesses, properties, and assets. Moreover, in many cases, coverage provided by the Insurance Policies is required by the regulations, laws, and contracts that govern the Debtors’ commercial activities, including the requirements of the U.S. Trustee.

65. I believe that the relief requested in the Insurance Motion is in the best interests of the Debtors’ estates, their creditors, and all other parties in interest and will enable the Debtors to

continue to operate in the ordinary course without disruption. Accordingly, I believe that the Court should approve the Insurance Motion.

G. Motion of ITR Concession Company LLC, *et al.*, for Entry of an Order (A) Determining Adequate Assurance of Utility Payment and (B) Granting Related Relief (the “Utilities Motion”).

66. The Debtors request the entry of an order (a) determining that the Proposed Adequate Assurance (as defined in the Utilities Motion) provides the Utility Providers (as defined in the Utilities Motion) with adequate assurance of payment within the meaning of section 366 of the Bankruptcy Code; (b) approving procedures for resolving any dispute concerning adequate assurance in the event that a Utility Provider is not satisfied with the Proposed Adequate Assurance (the “Adequate Assurance Procedures”); and (c) granting related relief.

67. The Debtors incur utility expenses for water, sewer service, electricity, gas, telephone service, waste management, and other similar utility services provided by various utilities (as such term is used in section 366 of the Bankruptcy Code, collectively, the “Utility Providers”), including those identified on **Exhibit 1** annexed to **Exhibit A** attached to the Utilities Motion (the “Utility Service List”). The Utility Providers service the Debtors’ administrative buildings, toll plazas, storage facilities, radio towers, roadway lights, maintenance buildings, lighted signs, and weigh-in stations. On average, the Debtors spend approximately \$150,000 each month on utility costs.

68. Preserving utility services on an uninterrupted basis is essential to the ongoing operation of the Toll Road and the success of the Debtors’ reorganization. Indeed, any interruption of utility services would disrupt the Debtors’ business operations, thereby impeding the Debtors’ reorganization efforts. Thus, it is critical that utility services continue uninterrupted during the pendency of these chapter 11 cases.

69. As of the Petition Date, the Debtors estimate that they have accrued but not paid utility obligations for the month of September 2014 approximately equal to the Debtors' total monthly expenditures on utility costs. These payments will come due within the first 21 days after the Petition Date, and the Debtors intend to make such payments in the ordinary course of business.

70. Furthermore, consistent with past practice, the Debtors intend to pay all postpetition obligations owed to the Utility Providers in a timely manner with cash flows generated from their operations and cash on hand. To provide further assurance of payment for future services to the Utility Providers, the Debtors propose to deposit \$67,633.29, the estimated aggregate cost for two weeks of utility service based on a historical average over the twelve months prior to the Petition Date (the "Adequate Assurance Deposit"), into a newly created, segregated, interest-bearing account (the "Adequate Assurance Deposit Account").

71. The Debtors propose to maintain the Adequate Assurance Deposit Account until the earlier of (a) entry of an order of the Court authorizing the return of the Adequate Assurance Deposit to the Debtors and (b) the effective date of a chapter 11 plan, at which time the Adequate Assurance Deposit will automatically be returned to the Debtors without further order of the Court.

72. I believe that the Adequate Assurance Deposit, in conjunction with the Debtors' ability to pay for future utility services in accordance with prepetition practice, provides more than adequate assurance of payment to the Utility Providers. I further believe that the relief requested in the Utilities Motion is necessary to avoid immediate and irreparable harm, is in the best interests of the Debtors' estates, their creditors and all other parties in interest, and will

enable the Debtors to continue to operate in the ordinary course without disruption. Accordingly, I believe that the Court should approve the Utilities Motion.

H. Motion of ITR Concession Company LLC, *et al.*, for Entry of an Order (A) Authorizing the Debtors to Honor Obligations Under the Skyway Toll Collection Agreement, (B) Directing Financial Institutions to Honor Related Checks and Electronic Payment Requests, and (C) Granting Related Relief (the “Skyway Toll Collection Agreement Motion”).

73. The Debtors request entry of an order (a) authorizing the Debtors to continue honoring obligations under the Skyway Toll Collection Agreement (as defined below) in the ordinary course of business; (b) directing financial institutions to receive, process, honor, and pay all checks presented for payment and electronic payment requests relating to the Skyway Toll Collection Agreement; and (c) granting related relief.

74. Certain affiliates of the Debtors’ ultimate indirect equity owners, non-Debtors Cintra Infraestructuras, S.A., Macquarie Atlas Roads, and Macquarie Infrastructure Partners (collectively, the “Sponsors”), own non-Debtor Skyway Concession Company LLC (the “Skyway Concessionaire”), the operator of the Chicago Skyway Toll Bridge, a neighboring toll road that serves as the Toll Road’s primary link to eastbound traffic from Illinois. The Debtors, the Skyway Concessionaire, and affiliates of the Sponsors have entered into a number of transactions to capitalize on valuable operational synergies between the Toll Road and the Chicago Skyway Toll Bridge, including with respect to the management and operation of electronic toll collection (“ETC”) facilities that utilize the interoperability system operated by the E-ZPass Interagency Group (“E-ZPass”).

75. The E-ZPass system consists of a small electronic device (a transponder) that is mounted on a vehicle’s windshield. Transponders work together with electronic readers installed at toll plazas along the Toll Road. When travelling in an E-ZPass-equipped lane, an overhead antenna and a lane level reader detect and communicate the data stored in the E-ZPass

transponder, and the toll is automatically deducted from the account owner's prepaid E-ZPass account or documented in a customer's postpaid account.⁵ E-ZPass transponders can also be used on other toll roads managed by toll road operators that are parties to E-ZPass interoperability agreements. E-ZPass is the largest interoperability network in the world, with over 23 million members and generating over \$5.6 billion in toll receipts in 2012 alone.

76. Operating an ETC system such as E-ZPass requires a toll-road operator to make a substantial investment in corporate infrastructure capabilities related to, among other things: processing, collecting, and disbursing ETC payments; distributing electronic transponders; and prosecuting violations of relevant ETC regulations. Once established, however, scaling ETC systems to accommodate additional customers requires little or no additional expenditures.

77. Recognizing that maintaining nearly identical corporate infrastructure systems for the Toll Road and the Chicago Skyway Toll Bridge, which are linked to one another and share common ownership and management, would be unnecessarily duplicative,⁶ the Concessionaire and the Skyway Concessionaire entered into that certain Electronic Toll Collection Agreement, dated as of September 23, 2008 (as amended, modified, or supplemented, the "Skyway Toll Collection Agreement"), pursuant to which the Concessionaire processes ETC payments from

⁵ As described in the Customer Programs Motion, approximately 400 significant commercial and governmental Toll Road customers participate in the Post-Payment Program (as defined in the Customer Programs Motion). This program enables participating customers, which typically are government agencies or businesses engaged in the freight, manufacturing, food and beverage, and fuel industries, to utilize their Debtor-issued E-ZPass electronic transponders to make toll payments in arrears based on the amount of actual usage during predefined usage periods.

⁶ In addition, the Skyway Concessionaire is a sponsored affiliate member of E-ZPass. Unless it were to become a full member of E-ZPass, the Skyway Concessionaire is required under the E-ZPass interoperability agreements to have another E-ZPass member process its ETC payments. Before entering into the Skyway Toll Collection Agreement (as defined below), the Skyway Concessionaire was party to a similar agreement with another E-ZPass member not affiliated with the Debtors.

customers of the Debtors and the other parties to E-ZPass interoperability agreements who travel on the Chicago Skyway Toll Bridge (the “Skyway Tolls”) and performs certain other services on behalf of the Skyway Concessionaire. Historically, the Debtors have received approximately \$1,000 per month from the Skyway Concessionaire on account of the Skyway Toll Collection Agreement. The Skyway Concessionaire reimburses the Concessionaire on a cost-plus-ten-percent basis for the expenses that the Concessionaire incurs in connection with the performance of such services.

78. Historically, the Debtors have transferred approximately \$5 million each month to the Skyway Concessionaire on account of electronic toll payments processed by the Debtors on behalf of the Skyway Concessionaire in accordance with the terms of the Skyway Toll Collection Agreement.⁷ The Debtors typically transferred Skyway Tolls to the Skyway Concessionaire on or around the fifteenth day of the following month. Accordingly, the Debtors may be expected to make such a transfer within the first 21 days of these chapter 11 cases.

79. Under the terms of the Skyway Toll Collection Agreement, in collecting the Skyway Tolls, the Concessionaire acts solely as a service provider and agent for the Skyway Concessionaire, and, subject to offsets for its expenses, has no ownership or other interest in the Skyway Tolls. Consistent with this provision, the Concessionaire’s back office systems assign a unique identifier to tolls collected on behalf of the Skyway Concessionaire.

⁷ Recently, the Skyway Concessionaire has worked with E-ZPass to direct its members to pay the Skyway Concessionaire directly for tolls that were traditionally processed pursuant to the Skyway Toll Collection Agreement. This new arrangement was contemplated in the E-ZPass operating documents when the Concessionaire was admitted as a full member of E-ZPass, in case of a default or a bankruptcy filing by the Concessionaire. During the past two months, payments have been made directly to the Skyway Concessionaire with only rare exceptions due to administrative errors. The Skyway Concessionaire has discussed the possibility of becoming a full member of E-ZPass in order to process its own tolls without the need for a sponsoring entity. However, such an agreement cannot be finalized until a later date, thus making the Skyway Toll Collection Agreement an important contract until such an alternative arrangement is finalized.

80. The Skyway Toll Collection Agreement also requires the Concessionaire to notify each of its financing counterparties, as well as any institution in which it deposits tolls, of the Skyway Concessionaire's interest in the Skyway Tolls. The Concessionaire has done so. In particular, the Concessionaire has executed an agreement pursuant to which its secured lenders acknowledge that Skyway Tolls collected by the Concessionaire on behalf of the Skyway Concessionaire and identified as such in the Concessionaire's back office systems are property of the Skyway Concessionaire.

81. I believe that continued performance under the Skyway Toll Collection Agreement is in the best interests of the Debtors' estates, creditors, and other parties in interest. I believe that the Debtors' failure to continue performing their obligations under Skyway Toll Collection Agreement would be ruinous to the Skyway Concessionaire and, in turn, the Debtors. Over 90 percent of all heavy truck traffic on the Chicago Skyway Toll Bridge uses E-ZPass, and, of that, nearly 80 percent also traverses some portion of the Toll Road. Likewise, over 65 percent of all light traffic on the Chicago Skyway Toll Bridge uses E-ZPass, and, of that, over 70 percent also traverses some portion of the Toll Road. Accordingly, I believe that the Court should approve the Skyway Toll Collection Agreement Motion.

I. Motion of ITR Concession Company LLC, *et al.*, for Entry of an Order (A) Authorizing the Debtors to Continue, and Honor Prepetition Obligations Under, Customer Programs, (B) Directing Financial Institutions to Honor All Related Checks and Electronic Payment Requests, and (C) Granting Related Relief (the "Customer Programs Motion").

82. The Debtors request entry of an order (a) authorizing the Debtors to continue, and honor prepetition obligations under, their existing Customer Programs (as defined in the Customer Programs Motion); (b) directing financial institutions to receive, process, honor, and pay all checks presented for payment and electronic payment requests relating to the Customer Programs; and (c) granting related relief.

83. To maintain the loyalty and goodwill of their customers, the Debtors, in the ordinary course of business, maintain customer-related programs to encourage electronic toll payment, enhance customer convenience and satisfaction, and ensure that drivers continue to utilize the Toll Road (including the E-ZPass Programs, Toll Freeze Program, and Special Pricing Arrangements, as each is defined in the Customer Programs Motion, the “Customer Programs”). Maintaining and honoring the Customer Programs will be even more important as the Debtors embark on their chapter 11 restructuring.

84. I believe that the ability to honor their Customer Program obligations is necessary to retain and expand the Debtors’ current customer base and ensure a smooth transition into chapter 11. I also believe that the relief requested in the Customer Programs Motion is in the best interests of the Debtors’ estates, their creditors, and all other parties in interest and will enable the Debtors to continue to operate in the ordinary course without disruption. Accordingly, I believe that the Court should approve the Customer Programs Motion.

J. Motion of ITR Concession Company LLC, et al., for Entry of an Order (A) Establishing Limited Bar Dates for Filing Proofs of Claim, (B) Approving the Form and Manner for Filing Proofs of Claim, (C) Approving Notice Thereof, and (D) Granting Related Relief (the “Bar Date Motion”).

85. The Debtors seek entry of an order establishing Bar Dates (as defined in the Bar Date Motion) for filing proofs of claim only for holders of unsecured non-priority claims equal to or greater than \$25,000,000.00 from a single act or occurrence (the “Applicable Claims”); (b) approving the form and manner for filing proofs of claim; (c) approving notice thereof; and (d) granting related relief.

86. Prior to the Petition Date, the Debtors engaged in discussions with their existing equity sponsors and a committee of the holders of Senior Secured Claims (as defined in the Plan) (the “Committee of Secured Parties”) regarding potential reorganization and sale alternatives.

These extensive, arm's-length discussions, which occurred over several months and resulted in the parties exchanging multiple proposals, were productive and paved the way for a global settlement memorialized in a restructuring support agreement (the "Restructuring Support Agreement").

87. The Restructuring Support Agreement is the bedrock of these chapter 11 cases and describes the transactions that will take place if the Plan is confirmed. The Plan contemplates that the Debtors, with the support of the Committee of Secured Parties and the Debtors' existing equity sponsors, will seek to confirm a chapter 11 plan contemplating either (a) a sale of substantially all of the Company's assets following a competitive auction process (the "Sale Transaction") or (b) a comprehensive balance-sheet restructuring (the "Reorganization Transaction").

88. The Plan provides, among other things, that all allowed and undisputed general unsecured claims shall be paid in full in cash on the Plan's effective date to the extent that such claims are not paid in the ordinary course of business prior to the Plan's effective date; *provided* that any such claims shall be subject to a claims bar date for general unsecured claims in the amount of \$25,000,000.00 or more on account of a single act or occurrence. To that end, contemporaneously herewith, the Debtors filed the Schedules/SoFA Motion, pursuant to which the Debtors have requested entry of an order waiving, upon confirmation of the Plan, of the Debtors' obligation to file schedules of assets and liabilities, schedule of executory contracts and unexpired leases, and statements of financial affairs pursuant to section 521 of the Bankruptcy Code, other than the modified Schedule F (Creditors Holding Unsecured Non-Priority Claims) for each of the Debtors as modified for creditors that hold unsecured non-priority claims listed on the Debtors' books and records in an amount equal to or greater than \$25,000,000.00 on

account of a single act or occurrence (“Modified Schedule F”). Each of the Debtors filed their respective Modified Schedule F in connection herewith. The Debtors are not aware of any Applicable Claims, and, therefore, each Debtor’s Modified Schedule F lists no claims. Consistent with the expedited timeframe in which the Debtors hope to confirm the Plan, the Debtors seek to establish the claims process contemplated by the Plan by setting deadlines by which only holders of Applicable Claims (*i.e.*, unsecured non-priority claims in an amount equal to or greater than \$25,000,000.00 on account of a single act or occurrence) will be required to file written proof of their claim(s).

89. The Bar Dates for Applicable Claims are designed to provide the Debtors, the holders of Senior Secured Claims, the Debtors’ existing equity sponsors, and any potential purchasers in the Sale Transaction with the ability to monitor the amount of general unsecured claims filed against the Debtors’ estates. This is particularly important where the Debtors will seek to sell substantially all of their assets in the Sale Transaction or, if the Sale Transaction does not occur, the holders of Senior Secured Claims will receive the vast majority of the new equity interests in the reorganized Debtors under the Reorganization Transaction. Holders of allowed general unsecured claims will receive a full recovery under both the Sale Transaction and the Reorganization Transaction. The potential future owner of the reorganized Debtors—be it a third-party purchaser or the holders of Senior Secured Claims—must be apprised of any large unsecured claims that could significantly reduce the Debtors’ equity value. Indeed, the inclusion of limited Bar Dates was a negotiated term of the Plan and its related transactions.

90. An expedited bar date process is an important part of the restructuring transactions agreed to with the Committee of Secured Parties. Moreover, the Debtors do not anticipate that there will be any holders of Applicable Claims in these chapter 11 cases. In short,

to implement the value-maximizing transactions contemplated under the Plan and exit chapter 11 as soon as possible, the Bar Date for the Applicable Claims is necessary.

91. I believe that the relief requested in the Bar Date Motion is in the best interests of the Debtors' estates, their creditors, and all other parties in interest and will enable the Debtors to continue to operate in the ordinary course without disruption. Accordingly, I believe that the Court should approve the Bar Date Motion.

Exhibit B

Corporate Structure

STATEWIDE MOBILITY PARTNERS LLC

Ownership Structure

