TIFIA LOAN AGREEMENT

Capitalized terms used in this filing and not otherwise defined herein, shall have the meanings ascribed to them in the Official Statement of the Grand Parkway Transportation Corporation (the "Corporation"), dated February 4, 2014, relating to the Corporation’s Grand Parkway System Subordinate Tier Toll Revenue Refunding Bond Anticipation Notes, Series 2014A (the "Official Statement"). The Corporation agreed in such Official Statement to promptly electronically file the final form of the TIFIA Loan Agreement with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System. The TIFIA Loan Agreement was executed and delivered on February 6, 2014 and is attached hereto. See the Official Statement for additional discussion of the TIFIA Loan Agreement.
UNITED STATES
DEPARTMENT OF TRANSPORTATION

TIFIA LOAN AGREEMENT

For Up to $840,645,000

With

GRAND PARKWAY TRANSPORTATION CORPORATION

For the

GRAND PARKWAY PROJECT
(TIFIA – 2013-1011A)

Dated as of February 6, 2014
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TIFIA LOAN AGREEMENT

THIS TIFIA LOAN AGREEMENT (this "Agreement"), dated as of February 6, 2014 (the "Effective Date"), by and between GRAND PARKWAY TRANSPORTATION CORPORATION, a public, non-profit corporation and an instrumentality of the Texas Transportation Commission created under the laws of Texas, with an address of 125 E. 11th Street, Austin, Texas 78701-2483 (the "Borrower"), and the UNITED STATES DEPARTMENT OF TRANSPORTATION, an agency of the United States of America, acting by and through the Administrator, with an address of 1200 New Jersey Avenue, S.E., Washington, DC 20590 (the "TIFIA Lender"),

RECITALS:

WHEREAS, the Congress of the United States of America has found that a well-developed system of transportation infrastructure is critical to the economic well-being, health and welfare of the people of the United States and, in furtherance thereof, has enacted the Transportation Infrastructure Finance and Innovation Act of 1998 ("TIFIA"), § 1501 et seq. of Public Law 105-178 (as amended by Public Law 105-206, Public Law 109-59 and Public Law 112-141) (the "Act"), as codified as 23 U.S.C. § 601, et seq.; and

WHEREAS, Section 603 of the Act authorizes the TIFIA Lender to enter into agreements with one or more obligors to make secured loans; and

WHEREAS, the Borrower has requested that the TIFIA Lender make the TIFIA Loan (as defined herein) in a principal amount not to exceed $840,645,000 (the "TIFIA Loan") to be used to pay a portion of the Eligible Project Costs (as defined herein) related to the Project (as defined herein) pursuant to the application for TIFIA credit assistance (the "Application") dated September 24, 2013 (the "Application Date"); and

WHEREAS, on December 20, 2013, the Secretary (as defined herein) approved TIFIA credit assistance for the Project in the form of a direct loan in an aggregate principal amount not to exceed $840,645,000; and

WHEREAS, the TIFIA Lender is prepared to extend credit upon the terms and conditions hereof; and

WHEREAS, the Borrower agrees to repay any amount due pursuant to this Agreement and the Note (as defined herein) in accordance with the terms and provisions hereof and thereof; and

WHEREAS, the TIFIA Lender has entered into this Agreement in reliance upon, among other things, the Application, the Traffic and Revenue Study (as defined herein) and the Base Case Projections (as defined herein) delivered by the Borrower.

NOW, THEREFORE, the premises being as stated above, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged to be adequate, and intending to be legally bound hereby, it is hereby mutually agreed by and between the Borrower and the TIFIA Lender as follows:
SECTION 1. Definitions. Unless the context otherwise requires, capitalized terms used in this Agreement shall have the meanings set forth below in this Section 1 or as otherwise defined in this Agreement. Any term used in this Agreement that is defined by reference to any other agreement shall continue to have the meaning specified in such agreement on the Effective Date, whether or not such agreement remains in effect.

"Acceptable Credit Rating" means, with respect to any Person, the rating of its unsecured, senior long-term indebtedness (or, if such Person has no such rating, then its issuer rating or corporate credit rating) is no lower than (a) at the time such Person executes, delivers or issues a Qualified Hedge, ‘A+’, ‘A1’ or the equivalent rating from any Nationally Recognized Rating Agency, and (b) at any time thereafter, ‘A’, ‘A2’ or the equivalent rating from any Nationally Recognized Rating Agency.

"Accreted Value" means, with respect to any Capital Appreciation Bonds, as of any Valuation Date or for any period, the amount set forth for such date or period as determined in accordance with the Supplemental Agreement authorizing such Capital Appreciation Bonds.

"Act" means the Act as defined in the recitals hereto. In addition, the Act includes those sections of law which are codified in Title 23, United States Code.

"Additional First Tier Obligations" means any borrowings or indebtedness permitted, or not prohibited, under Section 17(a) of this Agreement and under Section 207 of the Master Trust Agreement.

"Additional Obligations" means any First Tier Obligations, Second Tier Obligations, Subordinate Tier Obligations and TELA/Other Tier Obligations issued after the issuance and initial delivery of the Initial Obligations.

"Additional Project Contracts" means any contract, agreement, letter of intent, understanding or instrument entered into by the Borrower after the execution and delivery of this Agreement, providing for the design, construction, testing, start-up, safety, financial services, operation or maintenance of the Project, or otherwise relating to the Project; provided, however, that a contract or agreement shall not constitute an Additional Project Contract if it (a) is entered into (i) in the ordinary course of business in connection with the furnishing of goods or the performance of services or (ii) for necessary Project-related expenditures, (b) commits the Borrower to spend, or is reasonably expected to involve expenditures by the Borrower in one contract or a series of related contracts of, no more than $1,000,000 in the aggregate for any such contract or series of related contracts and (c) is for a term not exceeding two (2) years.

"Additional Second Tier Obligations" means any borrowings or indebtedness permitted, or not prohibited, under Section 17(a) of this Agreement and under Section 208 of the Master Trust Agreement, other than the TIFIA Loan.

"Additional Senior Obligations" means any borrowings or indebtedness permitted, or not prohibited, under Section 17(a) of this Agreement and under Section 207 or 208 of the Master Trust Agreement with respect to First Tier Obligations and
Second Tier Obligations, respectively, other than the Initial Senior Obligations; provided that at the time of incurring such Additional Senior Obligations, (i) no Event of Default under the Trust Agreement or this Agreement has occurred and is continuing, and (ii) the Nationally Recognized Rating Agency that provided the most recent ratings of the Senior Obligations in accordance with Section 16(j) shall have confirmed that the incurrence of such Additional Senior Obligations shall not result in a downgrade of the then-existing credit ratings of the Senior Obligations and the TIFIA Loan, respectively.

“Administrator” means the Administrator of the FHWA.

“Agreement” has the meaning provided in the preamble hereto.

“Anticipated TIFIA Loan Disbursement Schedule” means the schedule set forth as Exhibit B to this Agreement, reflecting the anticipated disbursement of proceeds of the TIFIA Loan, as such schedule may be amended from time to time pursuant to Section 4(c).

“Appreciated Value” means, with respect to any Deferred Income Bond as of any Valuation Date or for any period, the amount set forth for such date or period as determined in accordance with the Supplemental Agreement authorizing such Deferred Income Bond.

“Bank Lending Margin” means in respect to Variable Interest Rate Senior Obligations, the “Applicable Margin” or comparable interest rate margin as defined in the financing documents related thereto.


“Bankruptcy Related Event” means (a) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, receivership, reorganization or other relief in respect of the Borrower or any of its debts, or of a substantial part of the assets of the Borrower, under any Insolvency Law, or (ii) the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Borrower or for a substantial part of the assets of the Borrower, and, in any case referred to in the foregoing subclauses (i) and (ii), such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; or (b) the Borrower shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator, custodian, sequestrator, conservator or similar official for the Borrower or for a substantial part of the assets of the System or the Borrower, or (ii) become unable to pay its debts generally as they become due, or (iii) make a general assignment for the benefit of creditors, or (iv) be adjudicated a bankrupt or insolvent, or (v) commence a voluntary case under any Insolvency Law or file a voluntary petition seeking liquidation, reorganization, an arrangement with creditors or an order for relief or otherwise seeking to take advantage of any Insolvency Law or admit the material allegations of a petition filed against the

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Borrower in any proceeding referred to in the foregoing clauses of this definition, or (vi) take any action for the purpose of effecting any of the foregoing.

"Base Case Financial Model" means a financial model prepared by the Borrower forecasting the revenues and expenditures of the Project for time periods through the final maturity of the TIFIA Loan and based upon assumptions and methodology provided by the Borrower and acceptable to the TIFIA Lender which shall be provided to the TIFIA Lender as a fully functional Microsoft Excel-based financial model.

"Base Case Projections" means the initial forecast for the Project prepared as of the Effective Date using the Base Case Financial Model.

"Bond Counsel" means McCall Parkhurst & Horton L.L.P.

"Bond Resolution" means any trust agreement, trust indenture, bond resolution or similar document or set of documents, entered into in replacement of, or in substitution for, in whole or in part, the initial or any subsequent Master Trust Agreement and pursuant to which Permitted Debt is issued to finance or refinance the Project.

"Borrower" has the meaning provided in the preamble hereto.

"Borrower Fiscal Year" shall mean (a) as of the Effective Date, a fiscal year of the Borrower commencing on September 1 of any calendar year and ending on August 31 of the immediately succeeding calendar year or (b) such other fiscal year as the Borrower may hereafter adopt with written notice to the TIFIA Lender in accordance with Section 17(h).

"Borrower Related Party" means, individually or collectively, the Borrower, TxDOT and the Commission.

"Borrower's Authorized Representative" means any Person who shall be designated as such pursuant to Section 26.

"Borrower's Enabling Act" means Chapter 431, Texas Transportation Code, the Nonprofit Corporation Act, Chapter 22, Business Organization Code, Section 228.053, Texas Transportation Code and Chapter 1371, Texas Government Code, all as amended from time to time.

"Business Day" means any day other than a Saturday, a Sunday or a day on which offices of the Government or the State are authorized to be closed or on which commercial banks are authorized or required by law, regulation or executive order to be closed in New York, New York, Houston, Texas or the city and state in which the Principal Office of the Trustee is located as provided in writing by the Trustee to the Borrower from time to time as provided in the Master Trust Agreement.

"Calculation Date" means each April 1 and October 1 occurring after the Effective Date.
“Calculation Period” means a twelve (12) month period ending on a Calculation Date.

“Capital Appreciation Bonds” means any Permitted Debt hereafter incurred as to which interest is payable only at the maturity or prior redemption of such Permitted Debt.

“Capital Expenditures” means expenditures made or liabilities incurred for the acquisition of any fixed assets or improvements, replacements, substitutions or additions thereto that have a useful life of more than one (1) year which are capitalized in accordance with GAAP.

“Capitalized Interest Period” means the period from (and including) the date of the initial draw under this Agreement to (but excluding) the first day of the initial Payment Period.


“Commission” means the Texas Transportation Commission and its successors and assigns.

“Construction Agreements” means the Design-Build Contract and each of the design-bid-build agreements for the Project as set forth on Exhibit A to the Project Agreement, as amended from time to time and as each has been assigned by TxDOT to the Borrower.

“Construction Contractors” means each of the contractor counterparties as identified in the applicable Construction Agreement and its permitted successors or assigns.

“Construction Fund” has the fund by the name established pursuant to Section 401 of the Master Trust Agreement.

“Construction Period” means the period from the Effective Date through the Substantial Completion Date.

"Construction and Ramp-Up Period" means the period (i) commencing with the delivery of Initial Obligations and ending thirty-six (36) months after Substantial Completion of Segments F-1, F-2 and G or (ii) commencing with the delivery of any Additional Obligations to finance the Costs of any additional System Segment and ending thirty-six (36) months after the date of which such System Segments reach “substantial completion” under the terms of the construction agreement related thereto.

“Construction Schedule” means the schedule or schedules on which the proposed construction timetables for elements of the Project are set forth, attached as Schedule II to this Agreement.
“Control” means, when used with respect to any particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person whether through the ownership of voting securities or partnership or other ownership interests, by contract or otherwise, and the terms “Controlling,” “Controlled by” and “under common Control with” have meanings correlative to the foregoing.

“Covenant Default” has the meaning provided in Section 20(a)(vi).

“CPI” means the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100 (not seasonally adjusted), or its successor, published by the Bureau of Labor Statistics, with, unless otherwise specified herein, January 2014 as the base period.

“Credit Facility” means any letter of credit, standby bond purchase agreement, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument, or any agreement relating to the reimbursement of any payment thereunder (or any combination of the foregoing), which is obtained by the Borrower and is issued by a financial institution, insurance provider or other Person and which provides security or liquidity in respect of any Permitted Debt.

“Debt Service Payment Commencement Date” means the October 1 or April 1 most recently preceding the fifth (5th) anniversary of the Substantial Completion Date.

“Default Rate” means an interest rate of 200 basis points above the TIFIA Interest Rate.

“Deferred Income Bond” means any Permitted Debt (a) as to which interest accruing thereon prior to the applicable Interest Commencement Date of such Permitted Debt is (i) compounded on each Valuation Date for such Deferred Income Bond and (ii) payable only at the maturity or prior redemption of such Permitted Debt and (b) as to which interest accruing after the applicable Interest Commencement Date is payable on the first interest payment date immediately succeeding the Interest Commencement Date and thereafter on the dates specified in or determined pursuant to the Supplemental Agreement authorizing the Permitted Debt. For the purposes of receiving payment of the redemption price if a Deferred Income Bond is redeemed prior to maturity, the principal amount of a Deferred Income Bond shall be deemed to be its Appreciated Value.

"Design-Build Contract" means the Development Agreement Grand Parkway Project bearing contract No. 86-XXDB002, with respect to Segments F-1, F-2 and G, dated as of March 22, 2013, as amended from time to time, between TxDOT and the Zachry-Odebrecht Parkway Builders and assigned by TxDOT to the Borrower.

“Development Default” means (a) the Borrower fails to diligently prosecute the work related to the Project or (b) the Borrower fails to complete the Project in accordance with the Financial Plan as the same may be amended from time to time with the consent of the TIFIA Lender.
"Discretionary Capital Expenditures" means any Capital Expenditures set forth in any Financial Plan approved by the TIFIA Lender in accordance with Section 22(a) that are not Required Capital Expenditures or Major Maintenance Costs.

"Effective Date" means the date of this Agreement.

"Eligible Project Costs" means amounts in the Project Budget, substantially all of which are paid by or for the account of the Borrower in connection with the Project, including any prior Project expenditures incurred after June 26, 2011, all of which shall arise from the following:

(a) development phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, permitting, preliminary engineering and design work, and other preconstruction activities;

(b) construction, reconstruction, rehabilitation, replacement, and acquisition of real property (including land related to the Project and improvements to land), environmental mitigation, construction contingencies, and acquisition of equipment; or

(c) capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction.

"Environmental Laws" has the meaning provided in Section 14(t).

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"Event of Default" has the meaning provided in Section 20.

"Event of Loss" means any event that causes any portion of the Project to be damaged, destroyed or rendered unfit for normal use for any reason whatsoever, including through a failure of title, or any loss of such property, or a condemnation.

"Extendible Maturity Bonds" means bonds the maturity of which may be extended in accordance with the applicable Bond Resolution.

"FHWA" means the Federal Highway Administration, an agency of USDOT.

"FHWA Division Office" means the Texas Division Office of FHWA, located in Austin, Texas.
“Final Maturity Date” means October 1, 2050, as the same may be adjusted in connection with an update to the Financial Plan pursuant to Section 22(a)(iii); provided that the Final Maturity Date shall be no later than the earlier of (i) the date which is 35 years following the Substantial Completion Date or (ii) February 6, 2054.

“Financial Plan” means (a) the financial plan to be delivered within sixty (60) days after the Effective Date in accordance with Section 22(a) and (b) any updates thereto required pursuant to Section 22(a).

“Financial Statements” has the meaning provided in Section 14(aa).

“First Supplemental Agreement” means the First Supplemental Agreement dated as of August 1, 2013, between the Borrower and the Trustee authorizing the issuance of a portion of the Initial Obligations.

“First Tier Credit Agreement” means, collectively, an obligation entered into on a parity with Outstanding First Tier Obligations in the form of a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase obligations, purchase or sale agreement, interest rate swap, cap and floor agreement, or commitment or other contract or agreement authorized, recognized and approved by the Borrower as a First Tier Credit Agreement, whether authorized or approved in anticipation of, simultaneously with, or subsequent to, the authorization of the First Tier Obligations in connection with which it is executed.

"First Tier Debt Service Fund" means the First Tier Debt Service Fund created by Section 507 of the Master Trust Agreement.

"First Tier Interest Account" means an account in the First Tier Debt Service Fund created by Section 507 of the Master Trust Agreement.

“First Tier Non-TELA Obligations” means any Series of First Tier Obligations and any First Tier Credit Agreement that are not supported by a Toll Equity Loan Agreement.

“First Tier Obligations” means the Series 2013A Bonds and, unless otherwise specifically stated, any bond, bonds, note, notes, other obligation or obligations, including any First Tier Credit Agreement, issued, incurred or entered into pursuant to Section 207 of the Master Trust Agreement as First Tier Obligations, or all of the foregoing, as the case may be, authorized by law and issued under and secured by the provisions of the Master Trust Agreement and any Supplemental Agreement.

"First Tier Payment Obligations" means unless otherwise specifically stated in a Supplemental Agreement, all amounts payable by the Borrower under a First Tier Credit Agreement less any amounts of Principal or interest payable with respect to any First Tier Obligations pledged under a First Tier Credit Agreement as collateral for the amounts due thereunder and any payment obligations evidenced by a First Tier Obligation; and all such First Tier Payment Obligation payments shall be deemed to
constitute Principal payments of First Tier Obligations, and shall be paid from the First Tier Redemption Account as provided in Section 511(a) of the Master Trust Agreement; provided, however, that, if so provided in a First Tier Credit Agreement or in the proceedings approved by the Borrower in connection therewith, some or all of the amounts payable under a First Tier Credit Agreement may be designated to be Second Tier Payment Obligations or Subordinate Tier Payment Obligations.

"First Tier Redemption Account" means an account in the First Tier Debt Service Fund created by Section 507 of the Master Trust Agreement.

"First Tier Reserve Account" shall mean the First Tier Reserve Account within the First Tier Debt Service Fund as such terms are defined and as set forth in the Master Trust Agreement, the First Supplemental Agreement and the award certificate related to the Series 2013A Bonds.

"First Tier Reserve Requirement" means the lesser of (i) the maximum annual Debt Service Requirements (as defined in the Master Trust Agreement) of all the First Tier Obligations secured or to be secured by the First Tier Reserve Account, (ii) 1.25 times the average annual Debt Service Requirements of all First Tier Obligations secured or to be secured by the First Tier Reserve Account, or (iii) ten (10) percent of the aggregate principal amount of the Outstanding First Tier Obligations secured or to be secured by the First Tier Reserve Account, as determined on the date each Series (as defined in the Master Trust Agreement) of First Tier Obligations secured or to be secured by the First Tier Reserve Account is issued.

"Floater/Inverse Floater Debt" means Permitted Debt which bears interest at a Variable Interest Rate (or a multiple of a Variable Interest Rate) and with respect to which each of the following conditions is met: (a) such Permitted Debt is issued concurrently in two (2) halves of equal principal amount of floating interest rate Permitted Debt and inverse floating rate Permitted Debt, with each half bearing a Variable Interest Rate (or multiple of a Variable Interest Rate), (b) such Permitted Debt and such other Permitted Debt, unless linked to bear a fixed rate of interest, are required to remain outstanding in equal principal amounts at all times, and (c) the net effect of such equal principal amounts and Variable Interest Rates (or multiples of Variable Interest Rates) is at all times a fixed interest rate to the Borrower.

"GAAP" means generally accepted accounting principles for state and local governments, which are uniform minimum standards of and guidelines for financial accounting and reporting prescribed by the Governmental Accounting Standards Board, or such other nationally recognized professional body, in effect from time to time in the United States of America.

"General Engineering Consultant" or "GEC" means an engineer or engineering firm or corporation at the time employed by the Borrower pursuant to the provisions of Section 704(a) of the Master Trust Agreement to carry out the duties imposed by the Trust Agreement on the General Engineering Consultant.
“Government” means the United States of America and its departments and agencies.

“Government Obligations” means (a) direct obligations of, or obligations on which the timely payment of principal and interest are fully and unconditionally guaranteed by, the Government, (b) bonds, debentures or notes issued by any of the following federal agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks, Export-Import Bank of the United States, Government National Mortgage Association or Federal Land Banks, (c) obligations issued or guaranteed by a Person controlled or supervised by and acting as an instrumentality of the Government pursuant to authority granted by the Congress, and (d) evidences of ownership of proportionate interests in future interest or principal payments on obligations specified in clauses (a), (b) and (c) of this definition held by a bank or trust company as custodian and which underlying obligations are not available to satisfy any claim of the custodian or any Person claiming through the custodian or to whom the custodian may be obligated, in each case.

“Governmental Approval” means all authorizations, consents, approvals, waivers, exceptions, variances, filings, permits, orders, licenses, exemptions and declarations of or with any Governmental Authority.

“Governmental Authority” means any federal, state, provincial, county, city, town, village, municipal or other government or governmental department, commission, council, court, board, bureau, agency, authority or instrumentality (whether executive, legislative, judicial, administrative or regulatory), of or within the United States of America or its territories or possessions, including the State and its counties and municipalities, and their respective courts, agencies, instrumentalities and regulatory bodies, or any entity that acts “on behalf of” any of the foregoing, whether as an agency or authority of such body.

"Grand Parkway Enhancement Fund" means the Grand Parkway Enhancement Fund created by Section 507 of the Master Trust Agreement.

"Grand Parkway Project" means State Highway 99 (Grand Parkway), proposed as an approximately 184-mile circumferential highway traversing seven counties and encircling the Greater Houston MSA region as set forth in Exhibit A to the Market Valuation Waiver Agreement, as may be amended from time to time.

"Hedge Deposit" has the meaning provided in Section 16(o)(viii)(A).

"Hedging Acquisition Account" means the account or fund established pursuant to the Supplemental Agreement authorizing the Qualified Hedge for the purpose of holding a Hedge Deposit.

"Hedging Agreement" means (a) the ISDA Master Agreement(s) and the related schedules and confirmations, to be entered into by the Borrower and a Hedging Bank prior to the first disbursement of funds hereunder, (b) any other agreement entered into, or to be entered into, by the Borrower and a Hedging Bank for a Hedging Transaction,
acceptable to the TIFIA Lender and (c) any other documentation directly relating to the foregoing all of which constitutes a Credit Agreement as defined in the Master Trust Agreement.

“Hedging Banks” means any Qualified Hedge Provider that becomes a party to a Hedging Agreement and its permitted successors and assigns.

“Hedging Obligations” means, collectively, the payment of (a) all scheduled amounts payable to the Hedging Banks by the Borrower under the Hedging Agreements (including interest accruing after the date of any filing by the Borrower of any petition in bankruptcy or the commencement of any bankruptcy, insolvency or similar proceeding with respect to the Borrower), net of all scheduled amounts payable to the Borrower by such Hedging Banks, and (b) all other indebtedness, fees, indemnities and other amounts payable by the Borrower to the Hedging Banks under such Hedging Agreements, net of all other indebtedness, fees, indemnities and other amounts payable by the Hedging Banks to the Borrower under such Hedging Agreements; provided, that Hedging Obligations shall not include Hedging Termination Obligations. For the avoidance of doubt, all calculations of such amounts payable under the Hedging Agreements shall be made in accordance with the terms of the applicable Hedging Agreements.

“Hedging Termination Obligations” means the aggregate amount payable to the Hedging Banks by the Borrower upon the early unwind of all or a portion of the Hedging Agreements, net of all amounts payable to the Borrower by such Hedging Banks upon the early unwind of all or a portion of such Hedging Agreements. For the avoidance of doubt, all calculations of such amounts payable under the Hedging Agreements shall be made in accordance with the terms of the applicable Hedging Agreements.

“Hedging Transaction” means any interest rate protection agreement, interest rate swap transaction, interest rate “cap”, “collar” or “floor” transaction, interest rate future, interest rate option or other hedging arrangement.

“Indemnitee” has the meaning provided in Section 18.

“Initial First Tier Obligations” means the Series 2013A Bonds of the Borrower issued under the Trust Agreement and First Supplemental Agreement.

"Initial Obligations" means the Series 2013A Bonds, issued as First Tier Non-TELA Obligations, the Series 2013B Bonds, the Series 2013C Bonds, the Series 2013D Bonds and the Series 2013E Bonds, each issued as Subordinate Tier TELA Obligations, and the Initial Toll Equity Note, issued as a TELA/Other Tier Obligation.

“Initial Senior Obligations” means the Series 2013A Bonds and the TIFIA Loan, which TIFIA Loan has a lien on the Project Revenues that, prior to a Bankruptcy Related Event, is subordinate to the lien on the Project Revenues of the Series 2013A Bonds.

"Initial Toll Equity Loan Agreement" means the Toll Equity Loan Agreement, dated as of July 17, 2013, as supplemented and amended from time to time, between the
Borrower and TxDOT, authorized by the Second Supplemental Agreement, which agreement is intended to be a credit agreement under Chapter 1371, Texas Government Code, and a contract providing revenue and security to pay the Series 2013B Bonds, the Series 2013C Bonds, the Series 2013D Bonds and the Series 2013E Bonds that constitute Toll Equity Loan Supported Obligations and is, for purposes of the Master Trust Agreement, a TELA/Other Tier Credit Agreement.

"Initial Toll Equity Note" means the note entitled "Grand Parkway Transportation Corporation Grand Parkway System TELA/Other Tier Toll Revenue Note, Series 2013 (Toll Equity Loan Agreement)" authorized by the Second Supplemental Agreement and issued as a TELA/Other Tier Debt Obligation to evidence the Toll Equity Loan made pursuant to the Initial Toll Equity Loan Agreement, as such may be amended or supplemented pursuant to Section 211 of the Master Trust Agreement.

"Insolvency Laws" means the United States Bankruptcy Code, 11 U.S.C. § 101 et seq., as from time to time amended and in effect, and any state bankruptcy, insolvency, receivership, liquidation, reorganization or similar law now or hereafter in effect.

"Insurance Advisor" means the qualified insurance consultant or actuary or any replacement insurance advisory firm which shall be selected by the Borrower pursuant to Section 705 of the Master Trust Agreement.

"Insurance Advisor Report" means the report of the Insurance Advisor required pursuant to Section 705 of the Master Trust Agreement.

"Interest Accounts" means the First Tier Interest Account, the Second Tier Interest Account and the Subordinate Tier Interest Account.

"Interest Commencement Date" means, with respect to any particular Deferred Income Bond, the date determined by the Supplemental Agreement after which interest accruing on such Deferred Income Bond shall be payable on the first interest payment date succeeding such Interest Commencement Date and periodically thereafter on the dates determined pursuant to such Supplemental Agreement.

"Interim Payment Date" means any day occurring during a Payment Period that (a) is a date on which interest on or principal of Senior Obligations or Pari Passu Obligations is scheduled to be paid and (b) is not a Semi-Annual Payment Date.

"Interim Payment Period" means, at any time that interest on or principal of any Senior Obligations or Pari Passu Obligations is scheduled to be paid on an Interim Payment Date, the period commencing on the immediately preceding Payment Date and ending on such Interim Payment Date.

"Investment Grade Rating" means a rating no lower than 'BBB-', 'Baa3' or the equivalent rating from a Nationally Recognized Rating Agency.
"Junior Operating Expenses" means consisting of TELA Supported Junior Operating Expenses and Non-TELA Supported Junior Operating Expenses, the Borrower's reasonable and necessary accrued operating expenses of maintaining, repairing and operating (a) the System Segments and portions of System Segments comprising a portion of the Project and the portion of Segment D within Harris County and (b) any additional System Segments (or portions thereof) as determined by the Borrower, which includes, without limiting the generality of the foregoing, any repair or replacement of any part of such portions of the System relating to any insurance or condemnation proceeds, expenses (including reasonably allocated portions thereof) for toll collection, all premiums for insurance and payments into any self-insurance reserve fund, all administration and engineering expenses relating to operation of (a) the System Segments and portions of System Segments comprising a portion of the Project and the portion of Segment D within Harris County and (b) any additional System Segments (or portions thereof) as determined by the Borrower. Any allocation of expenses between TELA Supported Junior Operating Expenses and Non-TELA Supported Junior Operating Expenses shall be on a consistent and rational basis.

"Junior Operation and Maintenance Fund" means the Junior Operation and Maintenance Fund created by Section 507 of the Master Trust Agreement.

"Lien" means any mortgage, pledge, hypothecation, assignment, mandatory deposit arrangement, encumbrance, attachment, lien (statutory or other), charge or other security interest, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including any sale-leaseback arrangement, any conditional sale or other title retention agreement, any financing lease having substantially the same effect as any of the foregoing, and the filing of any financing statement or similar instrument under the UCC or comparable law.

"Loan Amortization Schedule" means the Loan Amortization Schedule attached as Appendix Two to the Note, a copy of which is attached hereto as Exhibit A, delivered pursuant to Section 9(h), as amended from time to time in accordance with Section 7 and Section 9(h).

"Loan Underwriting Rate" means with respect to Variable Interest Rate Senior Obligations, for any period, the initial rate equal to the sum of the long-term fixed swap rate, plus the swap margin, plus the applicable Bank Lending Margin, contemplated in an updated Base Case Financial Model prepared by the Borrower in respect of such Variable Interest Rate Senior Obligations, and to be set forth in each certificate delivered pursuant to Section 16(o) of this Agreement.
"Long Dated Qualified Hedge" has the meaning provided in Section 16(o)(viii)(A).

"Loss Proceeds" means any proceeds of insurance resulting from any Event of Loss.

"Major Maintenance" means all reasonably necessary periodic major overhaul and repair (excluding any maintenance or repair of a routine or ordinary course nature) of the Project, equipment and systems that constitute Major Maintenance Costs that are required to be performed in accordance with Section 517 of the Master Trust Agreement.

"Major Maintenance Costs" means all Capital Expenditures constituting Major Maintenance Expenses as defined in the Trust Agreement.

"Major Maintenance Fund" means the fund by that name established pursuant to Section 507 of the Master Trust Agreement.

"Master Trust Agreement" means the Trust Agreement dated as of August 1, 2013 by and between the Borrower and Trustee pursuant to which Obligations are issued.

"Market Valuation Waiver Agreement" means the Market Valuation Waiver Agreement for SH 99 (Grand Parkway) among TxDOT and each of Brazoria County, Texas, Chambers County, Texas, Fort Bend County, Texas, Galveston County, Texas, Harris County, Texas, Liberty County, Texas, and Montgomery County, Texas, effective as of March 25, 2009, as amended, supplemented or superseded by any similar agreement among such parties.

"Material Adverse Effect" means a material adverse change in (a) the System, (b) the business, operations, properties, condition (financial or otherwise) or prospects of the Borrower or the System, (c) the legality, validity or enforceability of any material provision of the Trust Agreement, TIFIA Loan Document or Principal Project Contracts, (d) the ability of the Borrower or the Principal Project Party to perform or comply with any of its material obligations under any Security Documents, TIFIA Loan Document or Principal Project Contracts to which it is a party, (e) the validity, perfection or priority of the Liens provided under the Security Documents on the Trust Estate in favor of the Secured Parties or (f) the TIFIA Lender’s rights or remedies available under any TIFIA Loan Document.

"Misrepresentation Default" has the meaning provided in Section 20(a)(vi).

"Nationally Recognized Rating Agency" means Standard & Poor’s Rating Group, Moody’s Investors Services, Inc., Fitch Ratings or any other nationally recognized statistical rating organization identified as such by the Securities and Exchange Commission.

"Net Cash Flow" means, with respect to any period, an amount equal to (a) all Project Revenues received by the Borrower during such period (excluding liquidated
damages (other than delay liquidated damages), Loss Proceeds, and other extraordinary non-recurring items) minus (b) the Senior Operating Expenses for such period.

"Net Loss Proceeds" means remaining Loss Proceeds after excluding any proceeds of business interruption insurance, delay-in-start-up insurance, proceeds covering liability of the Borrower to third parties, and Loss Proceeds used or to be used by the Borrower to repair or restore the Project in accordance with Section 706 of the Master Trust Agreement.

"Non-TELA Supported Junior Operating Expenses" means the Junior Operating Expenses of or allocable to any additional System Segments (or portions thereof) as determined by the Borrower and which are not supported by a Toll Equity Loan Agreement.

"Note" means the Promissory Note delivered by the Borrower in substantially the form of Exhibit A.

"Obligations" means the Initial Obligations, the TIFIA Loan and any Additional Obligations.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Operation and Maintenance Reserve Fund" means the Operation and Maintenance Reserve Fund created by Section 507 of the Master Trust Agreement.

"Operating Expenses" means the Senior Operating Expenses and the Junior Operating Expenses.

"Organizational Documents" means, with respect to any Person, (a) to the extent such Person is a corporation, the certificate or articles of incorporation and the by-laws of such Person, (b) to the extent such Person is a limited liability company, the certificate of formation or articles of formation or organization and operating or limited liability company agreement of such Person and (c) to the extent such Person is a partnership, joint venture, trust or other form of business, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization or formation of such Person.

"Other Loan Documents" has the meaning set forth in Section 20(a)(vi).

"Other Material Indebtedness" means any indebtedness of the Borrower, other than the Initial First Tier Obligations in an aggregate principal amount equal to or greater than $1,000,000 that is senior to, or in parity with, the TIFIA Loan in right of payment or in right of security.
"Outstanding" means when used with reference to Obligations, at any date of which the amount of the Outstanding Obligations is to be determined, the aggregate of all Obligations secured by the Trust Agreement, except:

(a) Obligations paid, cancelled or delivered to the Trustee for cancellation at or prior to such date;

(b) Obligations for the full payment of the Principal of, premium, if any, and interest on which cash shall have been theretofore deposited with the Paying Agent and which (i) shall have matured by their terms, or otherwise shall have become payable, but shall not have been surrendered for payment or (ii) shall have been purchased by the Trustee but shall not have been presented for payment;

(c) Obligations which are deemed paid pursuant to Section 1201(b) of the Master Trust Agreement; and

(d) Obligations in exchange or in lieu of which other Obligations have been delivered under the Master Trust Agreement.

“Outstanding TIFIA Loan Balance” means the aggregate principal amount drawn by the Borrower and then outstanding (including capitalized interest) with respect to the TIFIA Loan, as determined in accordance with Section 7.

“Oversight Agreement” means the agreement between the Federal Highway Administration, FHWA Division Office and TxDOT attached as Exhibit F and incorporated herein.

“Pari Passu Obligations” means any borrowing or indebtedness constituting Second Tier Obligations of the Borrower permitted, or not prohibited, under Section 17(a) of this Agreement and under Section 208 of the Master Trust Agreement, which ranks pari passu in right of payment with the TIFIA Loan.

“Partially Subordinated Hedge” means a Qualified Hedge, some or all of the Hedging Termination Obligations of which are subordinate to the payment of principal of and interest on Senior Obligations and, other than Hedging Termination Obligations, are subordinate to the payment of the principal of and interest on the TIFIA Loan and are paid in accordance with the provisions of the Supplemental Agreement authorizing such Qualified Hedge.

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, and all regulations promulgated thereunder.

"Paying Agent" means the Trustee.

“Payment Date” means each Semi-Annual Payment Date or Interim Payment Date.
“Payment Default” has the meaning set forth in Section 20(a)(i).

“Payment Period” means any period of six (6) months that ends on a Semi-Annual Payment Date, commencing with the six (6) month period ending on the Debt Service Payment Commencement Date.

“Permitted Debt” means:

(a) the Initial Obligations;

(b) Additional Obligations; provided, that any Additional Senior Obligations shall satisfy each of the requirements set forth in the definition for that term;

(c) the TIFIA Loan; and

(d) indebtedness incurred in respect of Qualified Hedges.

“Permitted Hedging Termination” means the early termination, in whole or in part, of any Hedging Transaction (a) at the request of the Borrower as a result of a determination by the Borrower that such (or any part of such) Hedging Transaction is no longer necessary or required under the terms of this Agreement, (b) pursuant to the terms of any Hedging Agreement evidencing such Hedging Transaction that provides for the notional amount of such Hedging Transaction to amortize or otherwise be reduced from time to time or (c) as may be required pursuant to Section 16(o)(vii).

“Permitted Investments” means (with respect to the investment of the proceeds of the TIFIA Loan or any construction or reserve account established and maintained pursuant to the Trust Agreement):

(a) Government Obligations;

(b) certificates of deposit where the certificates are collaterally secured by securities of the type described in clause (a) of this definition and held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest, but this collateral is not required to the extent the certificates of deposit are insured by an agency of the Government;

(c) repurchase agreements, when collateralized by securities of the type described in clause (a) of this definition and held by a third party as escrow agent or custodian, of a market value not less than the amount of the repurchase agreement so collateralized, including interest;

(d) investment agreements or guaranteed investment contracts rated, or with any financial institution whose senior long-term debt obligations are rated, or guaranteed by a financial institution whose senior long-term debt obligations are rated, at the time such agreement or contract is entered into, in one of the two (2) highest rating categories for comparable types of obligations by any Nationally Recognized Rating Agency;
(e) money market funds that invest solely in obligations of the United States, its agencies and instrumentalities, and having a rating by a Nationally Recognized Rating Agency equal to the then applicable rating of the United States of America by such Nationally Recognized Rating Agency; and

(f) a public funds investment pool, as described by Section 2256.016, Texas Government Code, as amended, and continuously rated no lower than AAA or AAA-m or an equivalent rating by at least one Nationally Recognized Rating Agency or as otherwise provided by Section 2256.019, Texas Government Code, as amended.

With respect to any Permitted Investments maintained in the First Tier Reserve Account and the Operation and Maintenance Reserve Fund, such Permitted Investments shall mature not more than one (1) year from the date of the investment therein. With respect to any Permitted Investments maintained in the Rate Stabilization Fund and the Grand Parkway Enhancement Fund, such Permitted Investments shall mature not more than five (5) years from the date of the investment therein. Notwithstanding the above only investments made subsequent to the Effective Date of this Agreement shall be required to comply with the above requirements.

"Permitted Liens" means:

(a) Liens imposed pursuant to the TIFIA Loan Documents;

(b) Liens imposed pursuant to the Trust Agreement or imposed pursuant to the TELA/Other Tier Credit Agreement;

(c) Liens imposed by law for taxes that are not yet due or are being contested in compliance with Section 16(n);

(d) carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than thirty (30) days or are being contested in compliance with Section 16(n);

(e) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance, and other social security laws or regulations;

(f) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(g) judgment liens in respect of judgments that do not constitute an Event of Default under Section 20(a)(vii);

(h) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from
the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary of the Borrower;

(i) any Lien on any property or asset of the Borrower existing on the Effective Date; provided that (i) such Lien shall not apply to any other property or asset of the Borrower and (ii) such Lien shall secure only those obligations which it secures on the Effective Date and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof;

(j) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition, (ii) such Lien shall not apply to any other property or assets of the Borrower and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof; and

(k) purchase money security interests in equipment hereafter acquired by the Borrower; provided that (i) such security interests secure indebtedness for borrowed money permitted by Section 17(a), (ii) such security interests are incurred, and the indebtedness secured thereby is created, within ninety (90) days after such acquisition, (iii) the indebtedness secured thereby does not exceed the fair market value of such equipment at the time of such acquisition and (iv) such security interests do not apply to any other property or assets (other than accessions to such equipment) of the Borrower.

“Person” means and includes an individual, a general or limited partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization and any Governmental Authority.

"Policy Costs" means a periodic fee or charge required to be paid to maintain a Reserve Surety Agreement.

"Principal" means (i) the principal amount of an Obligation or (ii) when used in connection with determining whether owners of a percentage of the principal amount of Outstanding Obligations has given any consent, order, request, direction or other act (1) with respect to any Obligation that evidences one or more financial hedge obligations, the amount, if any, that would be payable by the Borrower if the transaction in respect of which such financial hedge obligations are payable were terminated as of a recent date (within 30 days of the date of determination) specified by the Borrower, and (2) with respect to any other Obligation, means the Outstanding unpaid principal sum or amount of such Obligation.

“Principal Project Contracts” means the Construction Agreements and the Project Agreement.

“Principal Project Party” means any Person (other than the Borrower) party to a Design-Build Contract, for so long as such Design-Build Contract remains in effect.
"Project" means the initial project of the System, financed through the issuance of the Initial Obligations under the Trust Agreement, the First Supplemental Agreement, the Second Supplemental Agreement and the TIFIA Loan that includes all of Segments D (from 0.72 miles north of Kingsland Boulevard to 0.30 miles north of Colonial Parkway), Segment E, Segment F-1, Segment F-2 and Segment G.

"Project Accounts" means the Construction Fund, Grand Parkway Enhancement Fund, Rate Stabilization Fund, Operation and Maintenance Reserve, Major Maintenance Fund and Revenue Fund.

"Project Agreement" means the Project Agreement effective July 17, 2013, as supplemented and amended from time to time, between TxDOT and the Borrower, which grants the Borrower the license to perform the design, construction, financing, operation and/or maintenance of the Project and the System and the right to receive from TxDOT tolls from the users of the Project and the System.

"Project Budget" means the budget for the Project in the aggregate amount of $[insert Project budget amount] attached to this Agreement as Schedule I showing a summary of all Eligible Project Costs and the estimated sources and uses of funds for the Project, as amended from time to time with the approval of the TIFIA Lender.

"Project Costs" means (a) the costs paid or incurred (to the extent paid, such costs shall be reimbursed to the Person who paid such costs) or to be paid or incurred by the Borrower in connection with or incidental to the acquisition, design, construction and equipping of the Project, including legal, administrative, engineering, planning, design, insurance and financing costs, provided such costs were expended no earlier than March 4, 2005, (b) amounts, if any, required by the Trust Agreement to be paid into any fund or account upon the incurrence of Senior Obligations; (c) payments when due (whether at the maturity of principal, the due date of interest, or upon optional or mandatory prepayment) on any indebtedness of the Borrower (other than the TIFIA Loan) incurred for the Project, including capitalized interest on the Senior Obligations; (d) costs of equipment and supplies and initial working capital and reserves required by the Borrower for the commencement of operation of the Project, including general administrative expenses and overhead of the Borrower other than to the extent such amounts constitute direct or indirect costs unallowable to the Borrower and its contractors under 18 C.F.R. Part 31; and (e) the repayment of obligations incurred by the Borrower, the proceeds of which obligations were used to pay items (a) through (d) of this definition.

"Project Revenues" means Revenues of the System as defined in the Master Trust Agreement.

"Public Safety Officers" means licensed public safety officers, if any, in the employment of or under contract to TxDOT for the purpose of performing public safety duties in connection with the System.

"Put Bonds" means Permitted Debt which by its terms may be tendered by and at the option of the holder thereof for payment prior to the stated maturity or redemption.
date thereof either (a) by the Borrower and by the Person and/or from the source specified in a Supplemental Agreement or (b) without recourse to the Borrower, by the Person and/or from the source specified in a Supplemental Agreement; provided, however, that such payment by the Borrower shall in any event be required to be supported by a Credit Facility.

“Qualified Hedge” means, to the extent from time-to-time permitted by law, with respect to Permitted Debt any Hedging Transaction entered into with a Qualified Hedge Provider and meeting the requirements of Section 16(o).

“Qualified Hedge Provider” means any bank or trust company authorized to engage in the banking business that is organized under or licensed as a branch or agency under the laws of the United States or any state thereof that has an Acceptable Credit Rating.

“Rate Coverage Test” shall have the meaning set forth in Section 16(l).

"Rate Stabilization Fund" means the Rate Stabilization Fund created by Section 507 of the Master Trust Agreement.

“Rating Category” or “Categories” means one of the generic rating categories of a Nationally Recognized Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

"Rebate Fund" shall have the meaning as set forth in the Master Trust Agreement.

"Redemption Accounts" means the First Tier Redemption Account, the Second Tier Redemption Account and the Subordinate Tier Redemption Account.

“Related Documents” means the Project Agreement, the Master Custodial Agreement (and all joinder agreements), the Toll Rate Agreement, the Toll Equity Loan Agreement, the Security Documents, the Market Valuation Waiver Agreement and the Principal Project Contracts.

“Required Capital Expenditures” means Capital Expenditures certified by the Borrower to the Trustee to be required to be made under the Master Trust Agreement, but excluding any Major Maintenance Costs.

"Requisition” has the meaning provided in Section 4(a).

“Reserve Accounts” means the First Tier Reserve Account, the Rate Stabilization Fund, the Operation and Maintenance Reserve Fund and the Grand Parkway Enhancement Fund.

"Reserve Surety Agreement" means any substitute for cash and Permitted Investments in any respective Reserve Account as may be provided in a Supplemental Agreement.
“Revenue Fund” means the fund by that name established pursuant to Section 503 of the Master Trust Agreement.

"Second Tier Credit Agreement" means, collectively, this TIFIA Loan Agreement and any other obligation entered into on a parity with Outstanding Second Tier Obligations in the form of a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase obligations, purchase or sale agreement, interest rate swap, cap and floor agreement, or commitment or other contract or agreement authorized, recognized and approved by the Borrower on as a Second Tier Credit Agreement, whether authorized or approved in anticipation of, simultaneously with, or subsequent to, the authorization of the Second Tier Obligations in connection with which it is executed.

"Second Tier Interest Account" means an account in the Second Tier Debt Service Fund created by Section 507 of the Master Trust Agreement.

"Second Tier Obligations" means unless otherwise specifically stated, any bond, bonds, note, notes, other obligation or obligations, including any Second Tier Credit Agreement, issued, incurred or entered into pursuant to Section 208 of the Master Trust Agreement as Second Tier Obligations, or all of the foregoing, as the case may be, authorized by law and issued under and secured by the provisions of the Trust Agreement and any Supplemental Agreement and includes the TIFIA Loan Agreement and the Note.

"Second Tier Redemption Account" means an account in the Second Tier Debt Service Fund created by Section 507 of the Master Trust Agreement.

"Second Tier Reserve Account" shall have the meaning as set forth in the Master Trust Agreement.

“Secretary” means the United States Secretary of Transportation.

“Second Supplemental Agreement” means the Second Supplemental Agreement dated as of August 1, 2013, between the Borrower and the Trustee.

“Secured Obligations” means the Permitted Debt, including the obligations of the Borrower under this Agreement, the Hedging Obligations and the Hedging Termination Obligations.

“Secured Parties” means the Trustee, on behalf of the owners of the Obligations issued under the Trust Agreement, the TIFIA Lender and the Hedging Banks.

“Security Documents” means the Trust Agreement as supplemented by the Third Supplemental Agreement designating the TIFIA Loan as a Second Tier Obligation.

"Segment D" as defined in the Market Valuation Waiver Agreement.

"Segment E" as defined in the Market Valuation Waiver Agreement.
"Segment F-1" as defined in the Market Valuation Waiver Agreement.

"Segment F-2" as defined in the Market Valuation Waiver Agreement.

"Segment G" as defined in the Market Valuation Waiver Agreement.

"Semi-Annual Payment Date" means each April 1 and October 1 or, if such date is not a Business Day, the next Business Day following such April 1 or October 1.

"Senior Debt Service" means, with respect to the Senior Obligations, for any period, as of any date of calculation, an amount equal to the sum of all fees and interest and principal of Senior Obligations accruing and payable during such period, as set forth in the Base Case Financial Model (as it may be updated pursuant to Section 22(a)(ii)). In determining the principal amount of Senior Obligations due in such period (unless a different subsection of this definition applies for purposes of determining principal maturities or amortization), payment shall be assumed to be made in accordance with any amortization schedule established for such Senior Obligations, including any scheduled redemption of Permitted Debt on the basis of Accreted Value or Appreciated Value, as applicable, and for such purpose the redemption payment shall be deemed a principal payment.

In calculating Senior Debt Service for any future period (except as otherwise specifically provided herein):

(a) any Senior Obligations bearing interest at a Variable Interest Rate shall be deemed to bear interest at the Bank Lending Margin plus the fixed rate on the applicable Qualified Hedge (which shall reflect any premium or margin payable thereon);

(b) to the extent the requirements of Section 16 (o) have been waived or otherwise not applicable so that paragraph (a) of this definition does not apply, any Variable Interest Rate Senior Obligation for which the interest rate payable thereon has not yet been determined shall be deemed to bear interest at all times the greater of (i) the average interest rate on such Variable Interest Rate Senior Obligations for the most recently completed sixty (60) month period or the period such Variable Interest Rate Senior Obligations have been Outstanding if less than sixty (60) months, or (ii) assuming the Variable Interest Rate Senior Obligations were being issued on the date of calculation, an interest rate (1) if in the opinion of bond counsel delivered at the time of the issuance thereof such Variable Interest Rate Senior Obligations are obligations described in Section 103 of the Code, the greater of (A) the average of the Security Industry and Financial Markets Association Municipal Swap Index ("SIFMA Index") for the twelve (12) month period ending seven (7) days preceding the date of calculation plus 100 basis points, or (B) the average of the SIFMA Index for the sixty (60) month period ending seven (7) days preceding the date of calculation plus 100 basis points; or (2) if the Variable Interest Rate Senior Obligations are not as described in clause (1) above, the greater of (A) the average of the London Interbank Offered Rate ("LIBOR") for the time period most closely resembling the reset period for the Variable Interest Rate Senior Obligations for the twelve (12) month period ending seven (7) days preceding the date of
calculation plus 100 basis points, or (B) the average of LIBOR for the time period most closely resembling the reset period for the Variable Interest Rate Senior Obligations for the sixty (60) month period ending seven (7) days preceding the date of calculation plus 100 basis points; provided that if the SIFMA Index or LIBOR shall cease to be published, the index to be used in its place shall be that index which the Borrower determines, in writing, most closely replicates such index, with the consent of the TIFIA Lender, such consent not to be unreasonably withheld. Notwithstanding the foregoing, in no event shall the assumed variable rate be in excess of the maximum interest rate allowed by law on obligations of the Borrower;

(c) any Put Bonds outstanding during such period which by their terms are not required to be paid by the Borrower upon tender by the holder thereof shall be assumed to mature on the stated maturity date thereof;

(d) any Put Bonds outstanding during such period which by their terms are required to be paid by the Borrower upon tender by the holder thereof shall be assumed to mature on the earliest to occur of (i) the stated maturity date thereof, (ii) the date provided in an applicable Supplemental Agreement, or (iii) if the Credit Facility securing such Put Bonds expires within six (6) months or less of the date of calculation and has not been renewed or replaced, the expiration date of such Credit Facility;

(e) the principal amount of any Put Bonds tendered for payment by the Borrower which are required to be paid by the Borrower which have not yet been purchased in lieu of such payment by the Borrower shall be deemed to mature on the date required to be paid pursuant to such tender;

(f) subject to the provisions of the Supplemental Agreement authorizing any Extendible Maturity Bonds, Extendible Maturity Bonds outstanding during such period shall be deemed to mature on the later of the stated maturity date or the date to which such stated maturity date has been extended; and

(g) the principal and/or interest portion (whether by redemption or otherwise) of Capital Appreciation Bonds and Deferred Income Bonds shall be the Accreted Value and Appreciated Value thereof, respectively, due and payable during such period.

"Senior Debt Service Coverage Ratio" means, for any Calculation Period, the ratio of Net Cash Flow for such Calculation Period to Senior Debt Service for such Calculation Period.

"Senior Obligations" means the Initial Senior Obligations and any Additional Senior Obligations.

"Senior Operating Expenses" means the Borrower's reasonable and necessary accrued operating expenses of maintaining, repairing and operating the System, excluding (a) the System Segments and portions of System Segments comprising a portion of the Project and the portion of Segment D within Harris County and (b) any additional System Segments (or portions thereof) as determined by the Borrower, which
includes, without limiting the generality of the foregoing, any repair or replacement of any part of such portions of the System relating to any insurance or condemnation proceeds, expenses (including reasonably allocated portions thereof) for toll collection, all premiums for insurance and payments into any self-insurance reserve fund, all administration and engineering expenses relating to operation of the System, excluding (a) the System Segments and portions of System Segments comprising a portion of the Project and the portion of Segment D within Harris County and (b) any additional System Segments (or portions thereof) as determined by the Borrower, fees and expenses of the Traffic Consultant, the General Engineering Consultant, the Trustee and of the Paying Agents, Policy Costs, legal expenses, expenses for Public Safety Officers and any other expenses required to be paid by the Borrower as shown in the Annual Budget for the System, excluding (a) the System Segments and portions of System Segments comprising a portion of the Project and the portion of Segment D within Harris County and (b) any additional System Segments (or portions thereof) as determined by the Borrower.

"Senior Operation and Maintenance Fund" means the Senior Operation and Maintenance Fund created by Section 506 of the Master Trust Agreement.

"Series 2013A Bonds" means the Grand Parkway Transportation Corporation Grand Parkway System First Tier Toll Revenue Bonds, Series 2013A issued in the original aggregate principal amount of $200,000,000.

"Series 2013B Bonds" means the Grand Parkway Transportation Corporation Grand Parkway System Subordinate Tier Toll Revenue Bonds, Series 2013B (TELA Supported) issued in the initial aggregate principal amount of $1,414,934,856.15.

"Series 2013C Bonds" means the Grand Parkway Transportation Corporation Grand Parkway System Subordinate Tier Toll Revenue Tender Bonds, Series 2013C (TELA Supported - Interim Construction Financing) issued in the original aggregate principal amount of $836,440,000.

"Series 2013D Bonds" means the Grand Parkway Transportation Corporation Grand Parkway System Subordinate Tier Toll Revenue Tender Bonds, Taxable Series 2013D (TELA Supported) issued in the original aggregate principal amount of $106,890,000.

"Series 2013E Bonds" means the Grand Parkway Transportation Corporation Grand Parkway System Subordinate Tier Toll Revenue Bonds, Taxable Series 2013E (TELA Supported) issued in the original aggregate principal amount of $361,810,000.

“Servicer” means such entity or entities as the TIFIA Lender shall designate from time-to-time to perform, or assist the TIFIA Lender in performing, certain duties hereunder.

“Short Term Qualified Hedge” has the meaning provided in Section 16(o)(viii)(A).

“State” means the State of Texas.
"Subordinate Tier Credit Agreement" means, collectively, an obligation entered into on a parity with the Outstanding Subordinate Tier Obligations in the form of a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase obligations, purchase or sale agreement, interest rate swap, cap and floor agreement, or commitment or other contract or agreement authorized, recognized and approved by the Borrower as a Subordinate Tier Credit Agreement, whether authorized or approved in anticipation of, simultaneously with, or subsequent to, the authorization of the Subordinate Tier Obligations in connection with which it is executed.

"Subordinate Tier Interest Account" means an account in the Subordinate Tier Debt Service Fund created by Section 507 of the Master Trust Agreement.

"Subordinate Tier Obligations" means the Series 2013B Bonds, the Series 2013C Bonds, the Series 2013D Bonds, the Series 2013E Bonds and, unless otherwise specifically stated, any bond, bonds, note, notes, other obligation or obligations, including any Subordinate Tier Credit Agreement, issued, incurred or entered into pursuant to Section 209 of the Master Trust Agreement as Subordinate Tier Obligations, or all of the foregoing, as the case may be, authorized by law and issued under and secured by the provisions of the Master Trust Agreement and any Supplemental Agreement.

"Subordinate Tier Redemption Account" means an account in the Subordinate Tier Debt Service Fund created by Section 507 of the Master Trust Agreement.

"Subordinate Tier Reserve Account" means an account in the Subordinate Tier Debt Service Fund created by Section 507 of the Master Trust Agreement.

"Subordinate Tier TELA Obligations" means any Series of Subordinate Tier Obligations and any Subordinate Tier Credit Agreement that are supported by a Toll Equity Loan Agreement.

"Subordinated Hedging Termination Obligations" means Hedging Termination Obligations under the Hedging Agreements other than those arising as a result of a Permitted Hedging Termination or as a result of a tax or illegality event or upon failure of the Borrower to pay any Hedging Obligations when due.

"Subsequent Qualified Hedge" has the meaning provided in Section 16(o)(iii).

"Subsidiary" means, with respect to any Person (herein referred to as the "parent"), any corporation, limited liability company, partnership association or other business entity of which more than fifty percent (50%) of the securities or other ownership interests having ordinary voting power is, or with respect to which rights to control management (pursuant to any contract or other agreement or otherwise) are, at the time as of which any determination is being made, owned, controlled, or held by the parent or one or more Subsidiaries of the parent or by the parent and one or more Subsidiaries of the parent.
“Substantial Completion” means the opening of the Project to vehicular or passenger traffic or a comparable event.

“Substantial Completion Date” means the date on which Substantial Completion occurs, as such date may be adjusted in connection with an update to the Financial Plan pursuant to Section 22(a)(iii).

"Supplemental Agreement" means any supplemental agreement to the Master Trust Agreement, now or hereafter duly authorized and entered into in accordance with the provisions of Article XI of the Master Trust Agreement, together with, to the extent applicable, the related award certificate of the Borrower.

"System" means the certain portions of the Grand Parkway Project designated as such by the Commission, initially the Project and the portion of Segment D within Harris County, and any System Segment or other toll project or facilities added to, grouped with, or otherwise constituted and declared to be a part of the System by the Borrower in accordance with State law and pursuant to an order or orders adopted by the Commission.

"System Segment" shall have the meaning given such term in Section 201 of the Master Trust Agreement.

“System Segment Improvement” shall mean any System Segment or improvement or enhancement to a System Segment within the Ultimate Project Scope which comprises a portion of the System.

"TELA/Other Tier Credit Agreement" means the Toll Equity Loan Agreement.

"TELA/Other Tier Debt Obligations" means a Toll Equity Note and any amendment or supplement, if any, thereunder incurred or entered into pursuant to Sections 207, 208 or 209 of the Master Trust Agreement as additional TELA/Other Tier Debt Obligations.

"TELA/Other Tier Obligations" means, collectively, the TELA/Other Tier Debt Obligations and the TELA/Other Tier Payment Obligations.

"TELA/Other Tier Payment Fund" means the TELA/Other Tier Payment Fund created by Section 507 of the Master Trust Agreement.

"TELA/Other Tier Payment Obligations" means, unless otherwise specifically stated in a Supplemental Agreement, all amounts payable by the Borrower under a TELA/Other Tier Credit Agreement, other than payment obligations evidenced by a TELA/Other Tier Debt Obligation; and all such TELA/Other Tier Payment Obligations shall be deemed to constitute Principal payment of TELA/Other Tier Obligations, and shall be paid from the TELA/Other Tier Payment Fund and specified in a Supplemental Agreement.
"TELA Supported Junior Operating Expenses" means the Junior Operating Expenses of or allocable to (a) the System Segments and portions of System Segments comprising a portion of the Project and the portion of Segment D within Harris County and (b) any additional System Segments (or portions thereof) as determined by the Borrower that are supported by a Toll Equity Loan Agreement.

“Third Supplemental Agreement” means that Revised Third Supplemental Agreement, executed February 6, 2014, between the Borrower and the Trustee, supplementing the Master Trust Agreement.

“TIFIA Debt Service” means (a) with respect to any Semi-Annual Payment Date occurring on or after the Debt Service Payment Commencement Date, the principal portion of the Outstanding TIFIA Loan Balance and any interest payable thereon, in each case, (i) as set forth on Exhibit G and (ii) due and payable on such Semi-Annual Payment Date in accordance with the provisions of Section 9(c)(i).

“TIFIA Debt Service Account” means the Second Tier Debt Service Fund established pursuant to Section 507 of the Master Trust Agreement.

“TIFIA Interest Rate” has the meaning provided in Section 6.

“TIFIA Lender” has the meaning provided in the preamble hereto.

“TIFIA Lender’s Authorized Representative” means the Administrator and any other Person who shall be designated as such pursuant to Section 27.

“TIFIA Loan” means the secured loan made by the TIFIA Lender to the Borrower hereunder, pursuant to the Act, in a principal amount not to exceed $840,645,000 (excluding capitalized interest), to be used to pay Eligible Project Costs.

“TIFIA Loan Documents” means this Agreement, the Note and the Trust Agreement.

"Toll Equity Loan" means the loan or loans consisting of advances from time to time from TxDOT incurred by the Borrower and paid to the Trustee pursuant to a Toll Equity Loan Agreement and evidenced by a Toll Equity Note. For the avoidance of doubt, as of any date of determination, the Outstanding amount under a Toll Equity Loan shall be the aggregate outstanding amount of all advances drawn under such Toll Equity Loan commitment plus the aggregate outstanding amount of interest compounded in accordance therewith as of such date.

"Toll Equity Loan Agreement" means (i) the Initial Toll Equity Loan Agreement and (ii) any other Toll Equity Loan Agreement, each as supplemented and amended from time to time, between the Borrower and TxDOT, which shall be a credit agreement under Chapter 1371, Texas Government Code, and a contract providing revenue and security to pay certain Additional Obligations, as determined in such agreement, and, for purposes of the Trust Agreement, shall be a TELA/Other Tier Credit Agreement.
"Toll Equity Loan Supported Obligations" means any Series of the First Tier TELA Obligations, Second Tier TELA Obligations and Subordinate Tier TELA Obligations, respectively.

"Toll Equity Note" means (i) the Initial Toll Equity Note and (ii) any note executed and delivered pursuant to a Supplemental Agreement relating to a new Toll Equity Loan Agreement and issued as TELA/Other Tier Obligation to evidence a Toll Equity Loan, all as may be amended, supplemented or delivered pursuant to Section 211 of the Master Trust Agreement.

"Toll Rate Agreement" means the Toll Rate Agreement, dated as of August 1, 2013, as supplemented and amended from time to time, between the Borrower and the Commission which, among other matters, the Commission covenants with respect to certain rates and charges relating to the System for the benefit of the Borrower, the Trustee and the Owners of any Obligations.

"Toll Rate Schedule" means the schedule of tolls, fees or charges to be collected for the use of the System established by the Commission pursuant to the Toll Rate Agreement, any changes in such tolls, rates and charges and any changes in design of the overall configuration and toll road plans of the System from that included in the Traffic and Revenue Study and the Grand Parkway Engineer's Report, dated June 26, 2013, prepared by Jacobs Engineering Group, Inc.

"Total Debt Service Coverage Ratio" means, for any Calculation Period, the ratio of Net Cash Flow for such Calculation Period to the sum of (a) Senior Debt Service for such Calculation Period and (b) TIFIA Debt Service (whether or not required to be paid under the provisions of Section 9) for such Calculation Period.

"Traffic Engineer" means initially CDM Smith, Inc., Austin, Texas and shall include any replacement traffic consultant firm which shall be selected by the Borrower and approved by the TIFIA Lender.

"Traffic and Revenue Study" means the Comprehensive Traffic and Revenue Study Update 2012 Final Report dated June 26, 2013 prepared by the Traffic Engineer, and any amendments, supplements or updates thereto.

"Trust Agreement" means the Master Trust Agreement, as amended and supplemented from time to time by any Supplemental Agreement.

"Trust Estate" means, to the extent and under the terms and conditions provided in the Master Trust Agreement, (a) all Project Revenues and all rights to receive the same, whether in the form of accounts receivable, contract rights and the proceeds of such rights whether now owned or held or hereafter coming into existence, including as assigned and transferred to the Borrower by the Commission in accordance with the Project Agreement, (b) all of the Commission’s right, title and interest as a "Beneficiary" for the System under the Master Custodial Agreement pursuant to the related joinder agreement among the custodian under such Master Custodial Agreement, the Department and the Borrower, and the Toll Rate Agreement, but not as a "Beneficiary" for any other
toll projects, (c) all of the Borrower's right, title and interest in and to any Toll Equity Loan Agreement, (d) all money, including investment earnings, held by the Trustee in the various funds and accounts created under the Trust Agreement (but excluding moneys on deposit in an Obligation purchase fund or redemption account created for the benefit of only certain Obligations to be purchased or redeemed, the Rebate Fund and any amounts held in an account of the Construction Fund that are restricted to another use such as right-of-way contribution that may be used only for that purpose) and, to the extent set forth in a Supplemental Agreement, any Additional Obligation Security, (e) any insurance proceeds, (f) any condemnation proceeds, (g) any liquidated damages for delayed completion under a construction contract relating to the acquisition or construction of a System Segment and (h) all payments received by the Borrower pursuant to a Credit Agreement, but only to the extent of the terms and provisions of such Credit Agreement.

"Trustee" means U.S. Bank National Association or its successor as Trustee under the provisions of the Master Trust Agreement.

"TxDOT" or "Department" means the Texas Department of Transportation, or any successor thereto.

"Ultimate Project Scope" shall have the meaning of "ultimate project scope" as set forth in the Market Valuation Waiver Agreement.

"Uncontrollable Force" means any cause beyond the control of the Borrower, including: (a) a tornado, flood or similar occurrence, landslide, earthquake, fire or other casualty, strike or labor disturbance, freight embargo, act of a public enemy, explosion, war, blockade, terrorist act, insurrection, riot, general arrest or restraint of government and people, civil disturbance or similar occurrence, sabotage, or act of God (provided that the Borrower shall not be required to settle any strike or labor disturbance in which it may be involved) or (b) the order or judgment of any federal, state or local court, administrative agency or governmental officer or body, if it is not also the result of willful or negligent action or a lack of reasonable diligence of the Borrower and the Borrower does not control the administrative agency or governmental officer or body; provided that the diligent contest in good faith of any such order or judgment shall not constitute or be construed as a willful or negligent action or a lack of reasonable diligence of the Borrower.

"Uniform Commercial Code" or "UCC" means the Uniform Commercial Code, as in effect from time to time in the State.

"USDOT" means the United States Department of Transportation.

"Valuation Date" means (a) with respect to any Capital Appreciation Bonds, the date or dates set forth in the Supplemental Agreement authorizing such Capital Appreciation Bonds on which specific Accreted Values are assigned to the Capital Appreciation Bonds and (b) with respect to any Deferred Income Bonds, the date or dates on or prior to the Interest Commencement Date set forth in the Supplemental Agreement.
authorizing such Deferred Income Bonds on which specific Appreciated Values are assigned to the Deferred Income Bonds.

“Variable Interest Rate” means a variable interest rate to be borne by any Permitted Debt. The method of computing such variable interest rate shall be specified in the Supplemental Agreement pursuant to which such Permitted Debt is incurred. Such Supplemental Agreement shall also specify either (i) the particular period or periods of time for which each value of such variable interest rate shall remain in effect or (ii) the time or times upon which any change in such variable interest rate shall become effective.

“Variable Interest Rate Bonds” means Permitted Debt which bears a Variable Interest Rate but does not include any Permitted Debt for which the interest rate has been fixed during the remainder of the term thereof to maturity; provided, however, that Permitted Debt bearing a Variable Interest Rate shall not be deemed Variable Interest Rate Bonds if (a) the Borrower has entered into a Qualified Hedge with respect to such Permitted Debt during the period for which such Qualified Hedge is in effect, or (b) such Permitted Debt constitutes Floater/Inverse Floater Debt; provided, further, that Permitted Debt bearing a fixed rate of interest shall be deemed Variable Interest Rate Bonds to the extent that the Borrower has entered into a Qualified Hedge pursuant to which the Borrower is obligated to pay a floating rate of interest and receives a fixed rate of interest and shall be deemed to bear interest at the lesser of the rate determined pursuant to clause (a) of the definition of the term Senior Debt Service or the maximum interest rate, if any, payable pursuant to such Qualified Hedge.

“Variable Interest Rate Senior Obligation” means any Senior Obligations under a Trust Agreement that accrue interest at a Variable Interest Rate.

SECTION 2. Interpretation. Unless the context shall otherwise require, the words “hereto”, “herein”, “hereof” and other words of similar import refer to this Agreement as a whole. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders and vice versa. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise require. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. Whenever the Borrower’s knowledge is implicated in this Agreement or the phrase “to the Borrower’s knowledge” or a similar phrase is used in this Agreement, the Borrower’s knowledge or such phrase(s) shall be interpreted to mean to the best of the Borrower’s knowledge after reasonable and diligent inquiry. Unless the context shall otherwise require, references to any Person shall be deemed to include such Person’s successors and permitted assigns. Unless the context shall otherwise require, references to sections, subsections, schedules, exhibits, appendices and provisions are to the applicable sections, subsections, schedules, exhibits, appendices and provisions of this Agreement. The schedules and exhibits to this Agreement, and the appendices and schedules to such exhibits, are hereby incorporated by reference and made an integral part of this Agreement. The headings or titles of this Agreement and its sections, schedules or exhibits, as well as any table of contents, are for convenience of reference only and shall not define or limit its provisions. Unless the context shall otherwise require, all references to any resolution, contract, agreement, lease or other document shall be...
deemed to include any amendments or supplements to, or modifications or restatements or replacements of, such documents that are approved from time-to-time in accordance with the terms thereof and hereof. Every request, order, demand, application, appointment, notice, statement, certificate, consent or similar communication or action hereunder by any party shall, unless otherwise specifically provided, be delivered in writing in accordance with Section 37 and signed by a duly authorized representative of such party.

SECTION 3. TIFIA Loan Amount. The principal amount of the TIFIA Loan shall not exceed $840,645,000; provided, however, in no event shall the maximum principal amount of the TIFIA Loan disbursed by the TIFIA Lender, together with the amount (excluding any interest that is capitalized in accordance with the terms hereof) of any other credit assistance provided under the Act, exceed the lesser of thirty-three percent (33%) of Eligible Project Costs or, if the TIFIA Loan does not receive an Investment Grade Rating from at least two (2) Nationally Recognized Rating Agencies, the amount of the Initial First Tier Obligations. TIFIA Loan proceeds shall be disbursed in accordance with Section 4.

SECTION 4. Disbursement Conditions.

(a) TIFIA Loan proceeds shall be available solely to pay or defease all or a portion of the Series 2013C Bonds and/or the Series 2013D Bonds and/or any Obligations issued to refund, in whole or in part, the Series 2013C Bonds and/or the Series 2013D Bonds, provided the proceeds of the Series 2013C Bonds or the Series 2013D Bonds, as applicable, shall have been used by the Borrower solely for the payment of, or to reimburse the Borrower for Eligible Project Costs incurred in connection with the Project. Each disbursement of the TIFIA Loan shall be made pursuant to a requisition and certification (a "Requisition") in the form set forth in Appendix One to Exhibit D submitted by the Borrower to, and approved by, the TIFIA Lender, all in accordance with the procedures of Exhibit D and subject to (i) with respect to the initial disbursement, the conditions set forth in Section 13(a), and (ii) with respect to each subsequent disbursement, the conditions set forth in Section 13(b); provided, however, that no disbursements of TIFIA Loan proceeds shall be made on or after the date that is one (1) year after the Substantial Completion Date.

(b) The Borrower shall deliver copies of each Requisition to the TIFIA Lender, the FHWA TIFIA Joint Program Office (HITJ), the Servicer, if any, and the FHWA Division Office on or before the first day of each month for which a disbursement is requested, or the next succeeding Business Day if such first day is not a Business Day. If the TIFIA Lender shall expressly approve a Requisition or shall not expressly deny a Requisition, disbursements of funds shall be made on the fifteenth (15th) day of the month for which a disbursement has been requested or on the next succeeding Business Day if such fifteenth (15th) day is not a Business Day. Express TIFIA Lender approval or denial shall be substantially in the form annexed hereto as Appendix Three to Exhibit D. In no event shall disbursements be made more than once each month. At the time of any disbursement, the sum of all prior disbursements of TIFIA Loan proceeds and the disbursement then to be made shall not exceed the cumulative disbursements through the end of the then-current year set forth in the Anticipated TIFIA Loan Disbursement Schedule, as the same may be amended from time to time.
(c) The Borrower anticipates that it will draw down all of the proceeds of the TIFIA Loan to reimburse Eligible Project Costs for the purpose of paying or defeasing all or a portion of the Series 2013C Bonds and/or the Series 2013D Bonds and/or any Obligations issued to refund, in whole or in part, the Series 2013C Bonds and/or the Series 2013D Bonds. The Borrower shall deliver to the TIFIA Lender on or before the tenth day of the month commencing April 10, 2014 and on or before the tenth day of each month thereafter, or if any such date is not a Business Day, on the next succeeding Business Day, a certificate from the Borrower's Authorized Representative which shall include the following:

(1) The amount of Eligible Project Costs financed from the proceeds of the Initial Obligations for the preceding month;

(2) Supporting documentation to verify that such proceeds were expended for Eligible Project Costs;

(3) Certifications from the Borrower's Authorized Representative that:

(a) The proceeds were expended for Eligible Project Costs; and

(b) No Event of Default has occurred and is continuing or, if there is such an Event of Default at the time when such certificate is delivered, the certificate shall specify all the actions that the Borrower is taking to remedy such Event of Default.

The information to be provided as described above is intended to document Eligible Project Costs in connection with the reimbursement of Eligible Project Costs for the purpose of paying or defeasing, in whole or part, all or a portion of the Series 2013C Bonds and/or the Series 2013D Bond and/or any Obligations issued to refund, in whole or in part, the Series 2013C Bonds and/or the Series 2013D Bonds.

The TIFIA Lender shall review each such certificate for compliance with TIFIA disbursement requirements. Within fourteen (14) Business Days of receipt of each such certificate, the TIFIA Lender shall deliver a notice to the Borrower, confirming the Eligible Project Costs set forth in the applicable certificate that have been approved and the cumulative amount of Eligible Project Costs approved as of the notice date. Such approved amounts of Eligible Project Costs will be disbursed, in whole or in part, at such time as the Borrower submits a requisition for disbursement of TIFIA Loan Proceeds in accordance with the procedures of Exhibit D and upon satisfaction of the conditions precedent to disbursement as set forth herein.

(d) The Borrower may amend the Anticipated TIFIA Loan Disbursement Schedule by submitting a revised version thereof to the TIFIA Lender no later than thirty (30) days prior to the proposed effective date thereof, together with a detailed explanation of the reasons for such revisions. Such revised Anticipated TIFIA
Loan Disbursement Schedule shall become effective upon the TIFIA Lender's approval thereof, which approval shall be granted in the TIFIA Lender's sole discretion.

As a condition to each disbursement of the TIFIA Loan, the Borrower shall provide to the TIFIA Lender evidence satisfactory to the TIFIA Lender that, prior thereto or simultaneously therewith, a disbursement of Initial Obligation proceeds for the payment of Eligible Project Costs has occurred such that as of any such TIFIA Loan disbursement, the Outstanding TIFIA Loan Balance (including such disbursement) shall not exceed thirty three percent (33%) of the total amount of Eligible Project Costs.

SECTION 5. Term. The term of the TIFIA Loan shall extend from the Effective Date to the Final Maturity Date or to such earlier or later date as all amounts due or to become due to the TIFIA Lender hereunder have been paid.

SECTION 6. Interest Rate. The interest rate with respect to the TIFIA Loan (the "TIFIA Interest Rate") shall be 3.65% per annum. Interest will be computed on the Outstanding TIFIA Loan Balance (as well as on any past due interest but only to the extent authorized under Texas law) from time-to-time on the basis of a 365-day or 366-day year, as appropriate, for the actual number of days elapsed and will be compounded semi-annually; provided, however, in the event of a Payment Default, the Borrower shall pay interest on any overdue amount from its due date to the date of actual payment at the Default Rate. Upon the occurrence of an Event of Default described in Section 20(a)(iii) or 20(a)(xii), the interest rate on the Outstanding TIFIA Loan Balance shall be the Default Rate and shall continue to bear interest at such rate until, with respect to (a) an Event of Default described in Section 20(a)(iii), such Development Default has been cured or (b) an Event of Default described in Section 20(a)(xii), the TIFIA Loan has been paid in full. Notwithstanding anything in this Agreement to the contrary, the maximum net effective interest rate on the TIFIA Loan shall never exceed fifteen (15) percent, as provided by Chapter 1204, Texas Government Code, as amended.

SECTION 7. Outstanding TIFIA Loan Balance and Revisions to Exhibit G and the Loan Amortization Schedule.

(a) The Outstanding TIFIA Loan Balance will be (i) increased on each occasion on which the TIFIA Lender shall disburse loan proceeds hereunder, by the amount of such disbursement of loan proceeds; (ii) increased on each occasion on which interest on the TIFIA Loan is capitalized pursuant to the provisions of Section 9(b) hereof, by the amount of interest so capitalized; (iii) increased on each occasion on which the interest portion of any TIFIA Debt Service is not paid by the Borrower on the applicable Semi-Annual Payment Date (including on account of any deferral of such interest payment pursuant to Section 9(c)(i)), by the amount of such unpaid interest, which shall be capitalized; and (iv) decreased upon each payment or prepayment of the principal amount of the TIFIA Loan, by the amount of principal so paid. The TIFIA Lender may in its discretion at any time and from time-to-time, or when so requested by the Borrower, advise the Borrower by written notice of the amount of the Outstanding TIFIA Loan Balance as of the date of such notice, and its determination of such amount in any such notice shall be deemed conclusive absent manifest error. Upon any determination of the Outstanding TIFIA Loan Balance, the TIFIA Lender may, but shall
not be obligated to, make applicable revisions to Exhibit G and the Loan Amortization Schedule pursuant to Section 9 and in such event shall provide the Borrower with a copy of such Exhibit G and Loan Amortization Schedule as revised, but no failure to provide or delay in providing the Borrower with such copy shall affect any of the obligations of the Borrower under this Agreement or the other TIFIA Loan Documents. The Loan Amortization Schedule, as of the Effective Date, has been determined based on the Anticipated TIFIA Loan Disbursement Schedule in effect on the Effective Date.

(b) The TIFIA Lender shall make applicable revisions to Exhibit G and the Loan Amortization Schedule pursuant to Section 9(h), (i) as of the Debt Service Payment Commencement Date and (ii) upon any prepayment of the TIFIA Loan; provided that in no event shall the TIFIA Debt Service due on the Debt Service Payment Commencement Date be revised or altered. Upon any such revisions, the TIFIA Lender shall provide the Borrower with copies of such Exhibit G and Loan Amortization Schedule as revised, but no failure to provide or delay in providing the Borrower with such copies shall affect any of the obligations of the Borrower under this Agreement or the other TIFIA Loan Documents. Each of Exhibit G and the Loan Amortization Schedule, as of the Effective Date, has been determined based on the Anticipated TIFIA Loan Disbursement Schedule in effect on the Effective Date.

SECTION 8. Security and Priority; Flow of Funds.

(a) As security for the TIFIA Loan, the Borrower shall pledge, assign and grant, or shall cause to be pledged, assigned and granted, to the Trustee, a Lien on the Trust Estate in accordance with the provisions of the Security Documents. The TIFIA Loan shall be secured by a Lien on the Trust Estate subordinate, during any period when an Event of Default described in Section 20(a)(xi)(A) has not occurred, only (except as otherwise required by law) to the Lien on the Trust Estate of the First Tier Obligations, Hedging Obligations and Hedging Termination Obligations related to First Tier Obligations (other than Subordinated Hedging Termination Obligations). Upon the occurrence of an Event of Default described in Section 20(a)(xi)(A), the TIFIA Loan shall be secured by a security interest in the Trust Estate on a parity with the First Tier Obligations; the Hedging Obligations and the Hedging Termination Obligations related to First Tier Obligations (other than Subordinated Hedging Termination Obligations).

(b) Except (i) for Permitted Liens, (ii) to the extent otherwise provided in paragraph (a) of this Section, or (iii) as may be entitled to priority as a matter of law, the Trust Estate will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge of the Borrower created under the Security Documents, and all corporate action on the part of the Borrower to that end has been duly and validly taken.

(c) The Borrower shall not use Project Revenues to make any payments or satisfy any obligations other than in accordance with the provisions of this Section 8 and the Security Documents and shall not apply any portion of the Project Revenues in contravention of this Agreement or the Security Documents.
(d) The Trust Agreement provides that all Project Revenues shall, subject to Section 503 of the Master Trust Agreement, be deposited in the Revenue Fund and applied substantially in the following order of priority, as more fully described, and in accordance with the requirements specified in Section 508 of the Master Trust Agreement:

(1) Rebate Fund;
(2) Senior Operation and Maintenance Fund;
(3) First Tier Interest Account;
(4) First Tier Redemption Account;
(5) First Tier Reserve Account;
(6) Second Tier Interest Account;
(7) Second Tier Redemption Account;
(8) Second Tier Reserve Account;
(9) Subordinate Tier Interest Account;
(10) Subordinate Tier Redemption Account;
(11) Subordinate Tier Reserve Account;
(12) Junior Operation and Maintenance Fund;
(13) Operation and Maintenance Reserve Fund;
(14) TELA/Other Tier Payment Fund;
(15) Rate Stabilization Fund;
(16) Major Maintenance Fund; and
(17) Grand Parkway Enhancement Fund.

SECTION 9. Payment of Principal and Interest.

(a) Payment Dates. The Borrower agrees to pay the principal of and interest on the TIFIA Loan by making payments in accordance with the provisions of this Agreement and the Trust Agreement on each Semi-Annual Payment Date and on each
other date (including the Final Maturity Date on which payment thereof is required to be made hereunder.

(b) Capitalized Interest Period. No payment of the principal of or interest on the TIFIA Loan is required to be made during the Capitalized Interest Period. On each April 1 and October 1 occurring during the Capitalized Interest Period, interest accrued on the TIFIA Loan in the six (6) month period ending immediately prior to such date shall be capitalized and added to the Outstanding TIFIA Loan Balance. Within thirty (30) days after the end of the Capitalized Interest Period, the TIFIA Lender shall give written notice to the Borrower stating the Outstanding TIFIA Loan Balance as of the close of business on the last day of the Capitalized Interest Period, which statement thereof shall be deemed conclusive absent manifest error; provided, however, that no failure to give or delay in giving such notice shall affect any of the obligations of the Borrower hereunder or under any of the other TIFIA Loan Documents.

(c) Payment of TIFIA Debt Service.

(i) On each Semi-Annual Payment Date occurring on or after the Debt Service Payment Commencement Date, the Borrower shall pay TIFIA Debt Service in the amounts set forth in respect of such Semi-Annual Payment Date on Exhibit G hereto, which payments shall be made in accordance with Section 9(e);

(d) Accrual of Amounts on Interim Payment Dates.

(i) If any First Tier Obligations or Pari Passu Obligations require the payment of principal or interest on any Interim Payment Date after the Debt Service Payment Commencement Date, the Borrower shall promptly notify the Servicer and the TIFIA Lender thereof in writing, identifying the period covered by such Interim Payment Period and the Interim Payment Date.

(ii) On any such Interim Payment Date during the period on and after the Debt Service Payment Commencement Date, the Borrower shall transfer or otherwise deposit, or cause to be transferred or otherwise deposited, into the TIFIA Debt Service Account an amount equal to the amount of TIFIA Debt Service due and payable on the next succeeding Semi-Annual Payment Date (as shown on Exhibit G, as the same may be revised as provided in Section 7(b)) multiplied by a fraction, the numerator of which is equal to the number of months contained in the Interim Payment Period ending on such Interim Payment Date and the denominator of which is equal to six (6); and

(iii) Notwithstanding the foregoing provisions of this Section 9(d) or any other provision of this Agreement, at any time when no First Tier Obligations or Pari Passu Obligations are outstanding, or when no First Tier Obligations or Pari Passu Obligations are outstanding other than First Tier Obligations or Pari Passu Obligations with respect to which principal and interest are payable on Semi-Annual Payment Dates, the TIFIA Debt Service hereunder
shall be payable only on each Semi-Annual Payment Date (subject to any prepayments pursuant to Section 10). In the event that an Interim Payment Date is other than the first Business Day of a calendar month, the method for calculating any amount required to be transferred or deposited into the TIFIA Debt Service Account pursuant to this Section 9(d) shall be determined at such time by the parties hereto.

(e) Manner of Payment. Payments under this Agreement and the Note shall be made by wire transfer on or before each Payment Date in immediately available funds in accordance with payment instructions provided by the TIFIA Lender’s Authorized Representative pursuant to Section 37, as modified in writing from time-to-time by the TIFIA Lender’s Authorized Representative. The Borrower may make, or caused to be made, any such payment (or portion thereof) with funds then on deposit in the TIFIA Debt Service Account.

(f) Final Maturity Date. Notwithstanding anything herein to the contrary, the Outstanding TIFIA Loan Balance and any accrued interest thereon shall be due and payable in full on the Final Maturity Date.

(g) Note; Adjustments to Loan Amortization Schedule. As evidence of the Borrower’s obligation to repay the TIFIA Loan, the Borrower shall issue and deliver to the TIFIA Lender, on or prior to the Effective Date, the Note substantially in the form of Exhibit A, having a maximum principal amount (excluding capitalized interest) of $840,645,000 (subject to increase or decrease as herein provided) and bearing interest at the rate set forth in Section 6. The TIFIA Lender is hereby authorized to enter on the grid attached to such Note as Appendix One the amount of each disbursement made under this Agreement and to amend the Loan Amortization Schedule from time-to-time in accordance with Section 7. Absent manifest error, the TIFIA Lender’s determination of such matters as set forth on Appendix One to the Note and the Loan Amortization Schedule shall be conclusive evidence thereof.

SECTION 10. Prepayment.

(a) Mandatory. The Borrower shall prepay the TIFIA Loan in whole or in part, without penalty or premium from any Net Loss Proceeds but only following the determination thereof in accordance with and as provided in the Trust Agreement and as provided in Section 16(q) hereof.

Each prepayment pursuant to this Section 10(a) shall be accompanied by a certificate signed by the Borrower’s Authorized Representative identifying the provision of this Agreement pursuant to which such prepayment is being made and containing a calculation in reasonable detail of the amount of such prepayment.

(b) Optional. The Borrower may prepay the TIFIA Loan in whole or in part (and, if in part, the amounts thereof to be prepaid shall be determined by the Borrower; provided, however, that such prepayments shall be in principal amounts of $1,000,000 or any integral multiple of $100,000 in excess thereof), at any time or from time-to-time,
without penalty or premium, by paying to the TIFIA Lender such principal amount of the TIFIA Loan to be prepaid, together with the unpaid interest accrued on the amount of principal so prepaid to the date of such prepayment. Each prepayment of the TIFIA Loan shall be made on such date and in such principal amount as shall be specified by the Borrower in a written notice delivered to the TIFIA Lender. In the case of any prepayment, such written notice shall be delivered to the TIFIA Lender not less than ten (10) days or more than thirty (30) days prior to the date set for prepayment.

(c) General. Notice having been given as provided in Section 10(b), the principal amount of the TIFIA Loan stated in such notice or the whole thereof, as the case may be, shall become due and payable on the prepayment date stated in such notice, together with interest accrued and unpaid to the prepayment date on the principal amount then being prepaid. The amount of principal and interest due and payable as a result of a mandatory or optional prepayment shall be paid (i) in case the entire unpaid balance of the principal of the Note is to be prepaid, upon presentation and surrender of such Note evidencing the obligation to repay such TIFIA Loan to the Borrower or its representative at the principal office of the TIFIA Lender, and (ii) in case only part of the unpaid balance of principal of such Note is to be prepaid, the TIFIA Lender may make a notation on the Note indicating the amount of principal of and interest on such Note then being prepaid. All such partial prepayments of principal shall be applied to reduce future payments due on the TIFIA Loan in inverse order of scheduled principal payment dates or as otherwise agreed to by the TIFIA Lender, in its sole discretion. If said monies shall not have been so paid on the prepayment date, such principal amount of such Note shall continue to bear interest until payment thereof at the rate provided for in Section 6.

SECTION 11. [Reserved]

SECTION 12. Compliance with Laws. The Borrower shall, and shall require its contractors and subcontractors to, abide by all applicable federal and state laws. The list of federal laws attached as Exhibit E is illustrative of the type of requirements generally applicable to transportation projects and is not intended to be exhaustive. The FHWA Division Office has oversight responsibility for ensuring compliance with all applicable provisions of federal law. Pursuant to 23 U.S.C. § 106(c) and the Oversight Agreement, TxDOT will be responsible for certain Project oversight activities. The Borrower agrees to cooperate with TxDOT and the FHWA Division Office in carrying out their duties under the Oversight Agreement. The Borrower agrees that there will be no irreversible or irretrievable commitment of resources, including physical construction, before all state and/or federal environmental permits required for commencement of construction of the relevant portion of the Project are finalized and approved by the appropriate resource agencies. In the event that an environmental permit that has not been obtained is required after construction has begun, the Borrower shall take immediate steps to acquire that permit. If the Borrower begins construction before all required permits have been obtained, the Borrower shall assume the risk of any loss associated therewith.

SECTION 13. Conditions Precedent.

(a) Notwithstanding anything in this Agreement to the contrary, this Agreement shall not become effective and the TIFIA Lender shall have no obligation to
make the initial disbursement of loan proceeds to the Borrower until each of the following conditions precedent shall have been satisfied or waived in writing by the TIFIA Lender:

(i) The Borrower shall have duly executed and delivered to the Trustee each of the TIFIA Loan Documents to which the Borrower is a party, including the Note, each in form and substance satisfactory to the TIFIA Lender.

(ii) Counsel to the Borrower shall have rendered to the TIFIA Lender legal opinions satisfactory to the TIFIA Lender in its sole discretion that include those opinions set forth on Exhibit H-1.

(iii) The Borrower shall have provided a certificate as to the absence of debarment, suspension or voluntary exclusion from participation in Government contracts, procurement and non-procurement matters substantially in the form attached hereto as Exhibit C with respect to the Principal Project Party.

(iv) The Borrower shall have provided to the TIFIA Lender evidence satisfactory to the TIFIA Lender that the Project has satisfied the applicable planning and programmatic requirements of 23 U.S.C. §§ 134 and 135.

(v) The Borrower shall have provided evidence to the TIFIA Lender’s satisfaction, not later than fourteen (14) days prior to Effective Date, of the assignment by at least two (2) Nationally Recognized Rating Agencies of an Investment Grade Rating to the Initial Senior Obligations and a rating on the TIFIA Loan.

(vi) The Borrower shall have delivered to the TIFIA Lender a certificate designating the Borrower’s Authorized Representative and such person’s position and incumbency.

(vii) Certified copies of the Trust Agreement shall have been executed by each of the parties thereto and delivered to the TIFIA Lender, each in form and substance satisfactory to the TIFIA Lender, and all conditions contained in such documents to the closing of the transactions contemplated thereby shall have been fulfilled or effectively waived (provided, that for purposes of this Section 13(a)(vii), any such waiver shall be subject to the TIFIA Lender’s consent in its sole discretion).

(viii) The Borrower shall have demonstrated to the TIFIA Lender’s satisfaction that the funds forecasted to be available under the Base Case Projections will be sufficient to complete the Project.

(ix) The Borrower shall have delivered an original fully executed counterpart (or a certified copy) of the Traffic and Revenue Study in form and substance acceptable to the TIFIA Lender.
(x) The Borrower shall have provided to the TIFIA Lender certified copies of the Principal Project Contracts and such agreements shall be in full force and effect and in form and substance satisfactory to the TIFIA Lender.

(xi) The Borrower shall certify, based on information from TxDOT, that TxDOT has acquired or will have acquired all of the right of way to be refinanced with proceeds of the TIFIA Loan.

(xii) The Borrower shall have demonstrated to the TIFIA Lender’s satisfaction that it or TxDOT (as applicable) has all permits and Governmental Approvals necessary to commence construction.

(xiii) The Borrower shall have delivered to the TIFIA Lender a Base Case Financial Model acceptable to the TIFIA Lender on or prior to the Effective Date demonstrating that the projected Project Revenues shall be sufficient to meet the Loan Amortization Schedule and satisfy the Rate Coverage Test contained in Section 16(l) hereof.

(xiv) [Reserved]

(xv) The Borrower shall have made arrangements satisfactory to the TIFIA Lender to pay to the TIFIA Lender, within thirty (30) Business Days after the receipt of the invoices, the reasonable fees and expenses of the TIFIA Lender’s counsel and financial advisors and any auditors or other consultants employed by the TIFIA Lender for the purposes hereof.

(xvi) The Borrower shall have provided evidence of compliance with the National Environmental Policy Act of 1969 (42 U.S.C. § 4321 et seq.).

(xvii) The TIFIA Lender shall have delivered its initial TIFIA Lender’s Authorized Representative certificate.

(xviii) The Borrower shall have delivered such other agreements, documents, instruments, opinions and other items required by the TIFIA Lender, all in form and substance satisfactory to the TIFIA Lender, including evidence that all other Project funding requirements have been met (including evidence of other funding sources or funding commitments and evidence of the closing of the Initial Obligations).

(xix) The Borrower shall have registered with the Federal System for Award Management (formerly the federal Central Contractor Registry) and obtained a Data Universal Number System number and obtained a Federal Employer Identification Number.

(xx) The Borrower shall have provided to the TIFIA Lender evidence of compliance with the insurance requirements of Section 705 of the Master Trust Agreement.
(xxi) The Borrower shall have provided to the TIFIA Lender evidence that the Borrower is duly organized and validly existing under the laws of its jurisdiction of formation, with full power, authority and legal right to own its properties and carry on its business as now conducted, including a copy of its Organizational Documents, as in effect on the Effective Date, certified, if applicable, by the Secretary of State of its jurisdiction of formation and which shall have not been amended since the date of the last amendment thereto shown on the certificate.

(xxii) The Borrower shall have provided the TIFIA Lender records of the Eligible Project Costs incurred prior to the Effective Date, in form and substance satisfactory to TIFIA Lender.

(xxiii) The Borrower shall have provided evidence to the TIFIA Lender’s satisfaction that the performance security instruments to be delivered or received by the Borrower under the Principal Project Contract have been obtained and delivered and that each such instrument is in full force and effect.

(xxiv) The representations and warranties of the Borrower set forth in this Agreement (including Section 14) and in each other Related Document shall be true and correct, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

(xxv) Each of the conditions set forth in Section 13(b) shall have been satisfied or waived in writing by the TIFIA Lender.

(b) Notwithstanding anything in this Agreement to the contrary, the TIFIA Lender shall have no obligation to make any disbursement of loan proceeds to the Borrower (including the initial disbursement hereunder) until each of the following conditions precedent shall have been satisfied or waived in writing by the TIFIA Lender:

(i) The Borrower shall have provided to the TIFIA Lender evidence satisfactory to the TIFIA Lender that prior thereto, or simultaneously therewith, a disbursement of Obligation proceeds has occurred such that as of such TIFIA Loan disbursement, the Outstanding TIFIA Loan Balance shall not exceed thirty-three percent (33%) of the total amount of Eligible Project Costs.

(ii) The Borrower shall have provided the Financial Plan, or the most recent update thereto, in each case in accordance with Section 22(a), which Financial Plan (or update thereto) reflects that amortization of the principal amount of any Senior Obligations shall not commence until after the end of the Capitalized Interest Period and on or after the Debt Service Payment Commencement Date.

(iii) To the extent not previously delivered to the TIFIA Lender, the Borrower shall have provided certified copies of all Principal Project
Contracts and all Additional Project Contracts (including, in each case, any amendment, modification or supplement thereto).

(iv) The Borrower shall have demonstrated to the TIFIA Lender’s satisfaction that it or TxDOT (as applicable) has all permits and Governmental Approvals necessary as of the time of the applicable disbursement for the development, construction, operation and maintenance of the Project.

(v) Unless the Borrower has adopted a self insurance program as provided in Section 705 of the Master Trust Agreement, each of the insurance policies obtained by the Borrower in satisfaction of the condition in Section 13(a)(xx) is in full force and effect, and no notice of termination thereof has been issued by the applicable insurance provider.

(vi) At the time of, and immediately after giving effect to, any disbursement of TIFIA Loan proceeds then currently requested, (A) no Event of Default or event of default under any other Related Document and (B) no event which with the giving of notice or the passage of time or both would constitute an Event of Default or event of default under any Related Document, in each case, shall have occurred and be continuing.

(vii) The representations and warranties of the Borrower set forth in this Agreement (including Section 14) and in each other Related Document shall be true and correct in all material respects (except to the extent any representation and warranty itself is qualified by “materiality,” “Material Adverse Effect” or a similar qualifier, in which case, it shall be true and correct in all respects) as of each date on which any disbursement of the TIFIA Loan is made, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct in all material respects (except to the extent any such representation and warranty itself is qualified by “materiality,” “Material Adverse Effect” or a similar qualifier, in which case, it shall be true and correct in all respects) as of such earlier date).

(viii) Since the date the Borrower submitted the Application to the TIFIA Lender, there shall not have occurred a material adverse change in (a) the rights or authority of the Commission to set, charge and collect tolls on the Project, (b) the right or authority of the Borrower or TxDOT, as applicable, whether directly or indirectly through contract with a third party, to construct or operate and maintain the Project, (c) the legality, validity or enforceability of any material provision of the Trust Agreement, TIFIA Loan Document or Principal Project Contracts, (d) the validity, perfection or priority of the Liens provided under the Security Documents on the Trust Estate in favor of the Secured Parties or (e) the TIFIA Lender’s rights or remedies available under any TIFIA Loan Document.
(ix) The Borrower shall have delivered to the TIFIA Lender a Requisition that complies with the provisions of Section 4, and the TIFIA Lender shall have approved (or deemed to have approved in accordance with Section 4(b)) such Requisition.

(x) The Borrower shall have delivered such other agreements, documents, certificates, instruments, opinions and other items required by the TIFIA Lender, all in form and substance satisfactory to the TIFIA Lender.

(xi) As required pursuant to Section 603(b)(9) of the Act, evidence satisfactory to the TIFIA Lender that the total federal assistance provided to the Project shall not exceed eighty percent (80%) of Eligible Project Costs.

SECTION 14. Representations and Warranties of Borrower. The Borrower hereby represents and warrants that, as of the Effective Date and, as to each of the representations and warranties below other than those contained in clauses (b) and (l) of this Section, as of each date on which any disbursement of the TIFIA Loan is requested or made:

(a) Organization; Power and Authority. The Borrower is a transportation corporation duly organized, validly existing and in good standing under the laws of Texas, has full legal right, power and authority to enter into the Related Documents to which it is a party then in existence, to execute the Note, and to carry out and consummate all transactions contemplated hereby and thereby and has duly authorized the execution, delivery and performance of the Related Documents.

(b) Officers' Authorization. As of the Effective Date, the officers of the Borrower executing any Related Documents to which the Borrower is a party are or were duly and properly in office and fully authorized to execute the same.

(c) Due Execution; Enforceability. Each of the TIFIA Loan Documents has been duly authorized, executed and delivered by the Borrower and constitutes the legal, valid and binding agreement of the Borrower enforceable in accordance with its terms, except as such enforceability (i) may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and (ii) is subject to general principles of equity (regardless of whether enforceability is considered in equity or at law).

(d) Non-Contravention. The execution and delivery of the Related Documents to which the Borrower is a party, the consummation of the transactions contemplated in the Related Documents and the fulfillment of or compliance with the terms and conditions of the Related Documents will not (i) conflict with the Borrower’s Organizational Documents or the Borrower’s Enabling Act, or (ii) conflict in any material respect with, or constitute a violation, breach or default (with due notice or the passage of time or both) by the Borrower of or under, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, loan agreement, lease, contract or other
agreement or instrument to which the Borrower is a party or by which it or its properties
are otherwise subject or bound, or result in the creation or imposition of any prohibited
Lien, charge or encumbrance of any nature whatsoever upon any of the property or assets
of the Borrower.

(e) Consents and Approvals. No consent or approval of any trustee, holder of any indebtedness of the Borrower or any other Person, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with (i) the execution and delivery by the Borrower of the Related Documents, except as have been obtained or made and as are in full force and effect or, (ii) (A) the consummation of any transaction contemplated by the Related Documents or (B) the fulfillment of or compliance with the Borrower of the terms and conditions of the Related Documents, except as have been obtained or made and as are in full force and effect or as are ministerial in nature and can reasonably be expected to be obtained or made in the ordinary course on commercially reasonable terms and conditions when needed.

(f) Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or other Governmental Authority, pending, or to the knowledge of the Borrower after reasonable inquiry and investigation, threatened against or affecting the Project, the Borrower or the assets, properties or operations of the System, which in any case (i) could reasonably be expected to result in a Material Adverse Effect or (ii) could reasonably be expected to adversely affect the Borrower’s ability to receive System Revenues in amounts sufficient to meet the revenue projections contained in the Base Case Model. To the Borrower’s knowledge, there are no actions of the type described above pending or, threatened against or affecting the Principal Project Party, except for matters arising after the Effective Date that could not reasonably be expected to result in a Material Adverse Effect. The Borrower is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any Governmental Approval, which default could reasonably be expected to result in a Material Adverse Effect.

(g) Security Interests. The Trust Agreement establishes, in favor of the Trustee for the benefit of the TIFIA Lender, the valid and perfected Lien on the Trust Estate which it purports to create; such Lien is in full force and effect and is not subordinate or junior to any other Liens in respect of the Trust Estate except as provided in the Trust Agreement or to the extent such other Liens are entitled to priority as a matter of law and the Borrower is not in breach of any covenants set forth in Section 16(a) of this Agreement and the Security Documents with respect thereto. The Trustee’s Lien in and to the Trust Estate (for the benefit of the Secured Parties) is valid, effective and perfected under State law without any further action by the Borrower or any other party, and no documents or instruments are required or necessary to be recorded or filed for record in any place to establish the Trustee’s Lien in and to the Trust Estate to the extent contemplated by the Trust Agreement. All taxes and filing fees that are due and payable in connection with the execution, delivery or recordation of the Trust Agreement, or any Principal Project Contract in effect as of the date hereof, have been paid.
(h) **No Debarment.** Neither the Borrower, any Borrower Related Party, the Principal Project Party, nor any of their respective principals (as defined in 2 C.F.R. § 180.995) is debarred, suspended or voluntarily excluded from participation in Government contracts, procurement or non-procurement matters or delinquent on a Government debt as more fully set forth in the certificate delivered in substantially the form of **Exhibit C.**

(i) **Accuracy of Representations and Warranties.** The representations, warranties and certifications of the Borrower set forth in this Agreement and the other Related Documents are true and accurate, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).

(j) **Compliance with NEPA.** The Borrower has complied, with respect to the Project, with all applicable requirements of the National Environmental Policy Act of 1969 (42 U.S.C. § 4321 et seq.).

(k) **Transportation Improvement Program.** The Project has been included in the metropolitan transportation improvement program of the Houston-Galveston Transportation Policy Council of the Houston-Galveston Area Council, in the State transportation plan and the approved State transportation improvement program to the extent required by 23 U.S.C. § 602(a)(1).

(l) **Credit Ratings.** The Series 2013A Bonds, the Series 2013B Bonds, the Series 2013C Bonds, the Series 2013D Bonds and the Series 2013E Bonds of the Borrower under the Trust Agreement have received an Investment Grade Rating from at least two (2) Nationally Recognized Rating Agencies, the obligations of the Borrower under this Agreement have received a credit rating from at least two (2) Nationally Recognized Rating Agencies, and written evidence of such ratings has been provided to the TIFIA Lender prior to the Effective Date, and no such rating has been reduced, withdrawn or suspended as of the Effective Date.

(m) **No Defaults.** The Borrower is not in default under the terms of any Related Document, and no event has occurred or condition exists which, with due notice or lapse of time or both, would constitute an Event of Default.

(n) **Permits.** All authorizations, consents, approvals, licenses, permits and reviews required as of the Effective Date and any subsequent date on which this representation is made (or deemed made) for the undertaking and completion by the Borrower of the Project have been obtained or effected and are in full force and effect and there is no basis for the revocation of any such authorization, consent, commitments or approval.

(o) **Principal Project Contracts.** Each Principal Project Contract is in full force and effect and all conditions precedent to the obligations of the respective parties under each Principal Project Contract have been satisfied. The Borrower has delivered to the TIFIA Lender a fully executed and complete copy of each such Principal...
Project Contract (including all exhibits, schedules and other attachments) that is in effect, including any amendments or modifications thereto and any related credit support instruments or side letters. No event has occurred that gives the Borrower or, to the Borrower’s knowledge, any Construction Contractor, the right to terminate any such Construction Agreements. The Borrower is not in breach of any material term in or in default under any of such agreements or contracts, and to the knowledge of the Borrower no party to any of such agreements or contracts is in breach of any material term therein or in default thereunder.

(p) Information. The information furnished by the Borrower to the TIFIA Lender, when taken as a whole, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained therein not misleading as of the date made or furnished; provided that no representation or warranty is made with regard to projections or other forward-looking statements provided by or on behalf of the Borrower (including the Base Case Financial Model and the assumptions therein) except that the assumptions in the Base Case Financial Model were reasonable in all material respects when made.

(q) OFAC. None of the Borrower, any Borrower Related Party, nor, to the knowledge of the Borrower, the Principal Project Party (i) is in violation of: (A) any applicable anti-money laundering laws, including those contained in the Bank Secrecy Act of 1970, as amended, and the regulations promulgated thereunder; (B) any applicable economic sanction laws administered by OFAC or by the United States Department of State; or (C) any applicable anti-drug trafficking, anti-terrorism, or anti-corruption laws, civil or criminal; or (ii) is a Person (1) that is charged with, or has reason to believe that he, she or it is under investigation for, any violation of any such laws; (2) that has been convicted of any violation of such laws; (3) that has been subject to civil penalties pursuant to, or had any of its property seized or forfeited under any such laws; (3) that is named on the list of “Special Designated Nationals or Blocked Persons” maintained by OFAC (or any successor United States government office or list), or any similar list maintained by the United States Department of State (or any successor United States government office or list); (4) with whom any United States Person, any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, having its principal place of business within the United States or any of its territories, is prohibited from transacting business of the type contemplated by this Agreement and the other Related Documents under any other applicable law; (5) that is owned, controlled by, or affiliated with any Person identified in clause (1), (2), (3) or (4) of this clause (ii); or (6) that is in violation of any obligation to maintain appropriate internal controls as required by the governing laws of the jurisdiction of such Person as are necessary to ensure compliance with the economic sanctions, laundering and anti-corruption laws of the United States and the jurisdiction where the Person resides, is domiciled or has its principal place of business.

(r) [Reserved].

(s) Compliance with Law. The Borrower and any Borrower Related Party is in compliance in all material respects with, and has conducted (or caused to be
conducted) its business and operations and the business and operations of the Project in compliance in all material respects with, all applicable laws (other than Environmental Laws, which are addressed in clause (t) of this Section 14). To the Borrower’s knowledge, the Principal Project Party is, and has caused its respective contractors and subcontractors to be, in compliance in all material respects with all applicable laws, including those set forth on Exhibit E. No notices of violation of any applicable law have been issued, entered or received by the Borrower, any Borrower Related Party or, to the Borrower’s knowledge and solely in respect of the Project or the Principal Project Contracts, the Principal Project Party, that in each case could reasonably be expected to result in a Material Adverse Effect.

(t) Environmental Matters. Except as set forth in Schedule 14(t), the Borrower, each Borrower Related Party and, to the Borrower’s knowledge, the Principal Project Party is in compliance with all applicable laws relating to (i) air emissions, (ii) discharges to surface water or ground water, (iii) noise emissions, (iv) solid or liquid waste disposal, (v) the use, generation, storage, transportation or disposal of toxic or hazardous substances or wastes, (vi) biological resources (such as threatened and endangered species) or (vii) other environmental, health or safety matters (collectively, “Environmental Laws”), in each case to the extent related to the Project. All Governmental Approvals for the Project relating to Environmental Laws have been, or, when required, will be, obtained by TxDOT or the Borrower (as applicable) and are (or, as applicable, will be) in full force and effect. Except as set forth in Schedule 14(t), neither the Borrower nor any Borrower Related Party has received any communication or notice (written or oral), whether from a Governmental Authority, employee, citizens group, or any other Person, that alleges that the Borrower or such Borrower Related Party is not in full compliance with all Environmental Laws and Governmental Approvals relating thereto in connection with the Project and, to the Borrower’s knowledge, there are no circumstances that may prevent or interfere with full compliance in the future. The Borrower has provided to the TIFIA Lender all assessments, reports, data, results of investigations or audits, and other information in the possession of or reasonably available to the Borrower or any Borrower Related Party regarding environmental matters pertaining to the Project.

(u) Sufficient Rights and Utilities. The Borrower or TxDOT, as applicable, possesses either valid legal and beneficial title to, leasehold title in, or other valid legal rights with respect to the real property relating to the Project, in each case as is necessary and sufficient for the construction, operation, maintenance and repair of the Project. The Principal Project Contracts and the Governmental Approvals listed in Schedule 14(u) create rights in the Borrower or TxDOT (as applicable) sufficient to enable the Borrower to construct, operate, maintain and repair the Project and to perform its obligations under the Principal Project Contracts to which it is a party. All utility services, means of transportation, facilities and other materials necessary for the construction and operation of the Project (including, as necessary, gas, electrical, water and sewage services and facilities) are, or will be when needed, available to the Project and arrangements in respect thereof have been made on commercially reasonable terms.
(v) **Insurance.** Schedule 14(v) lists all insurance policies of any nature maintained by the Borrower with respect to the Project as of the Effective Date, as well as a summary of the terms of each such policy, if any. The Borrower is in compliance with all insurance obligations required under each Construction Agreements and has implemented all insurance requirements contained in Section 705 of the Master Trust Agreement.

(w) **Title.** The Borrower has valid legal and beneficial title to Project Revenues on which it purports to grant Liens pursuant to the Trust Agreement, in each case free and clear of any Lien of any kind, except for Permitted Liens.

(x) **No Liens.** Except for Permitted Liens, the Borrower has not created, and is not under any obligation to create, and has not entered into any transaction or agreement that would result in the imposition of, any Lien upon the System or any of its revenues, properties or assets in relation to the System.

(y) **Intellectual Property.** Except as set forth in Schedule 14(y), the Borrower owns, or has adequate licenses or other valid rights to use, all material patents, trademarks, service marks, trade names, copyrights, franchises, formulas, licenses and other rights with respect thereto and has obtained assignment of all licenses and other rights of whatsoever nature necessary for the Project and the operation of its business as currently contemplated without, to the Borrower's knowledge, any conflict with the rights of others. Excluding the use of commercially available “off-the-shelf” software, to the Borrower's knowledge, no product, process, method, substance, part or other material produced or employed or presently contemplated to be produced by or employed by the Project infringes or will infringe any patent, trademark, service mark, trade name, copyright, franchise, formula, license or other intellectual property right of any third party.

(z) **Investment Company Act.** The Borrower is not, and after applying the proceeds of the TIFIA Loan will not be, required to register as an “investment company” within the meaning of the Investment Company Act of 1940, as amended, and is not “controlled” by a company required to register as an “investment company” under the Investment Company Act of 1940, as amended.

(aa) **Financial Statements.** Each income statement, balance sheet and statements of operations, changes in member capital and cash flow (collectively, “Financial Statements”) delivered to the TIFIA Lender pursuant to Section 22(d) has been prepared in accordance with GAAP (except for requirements and procedures established by the Texas State Comptroller and the Texas State Auditor) and presents fairly, in all material respects, the financial condition of such Person as of the respective dates of the balance sheets included therein and the results of operations of such Person for the respective periods covered by the statements of income included therein. Except as reflected in such Financial Statements, there are no liabilities or obligations of such Person of any nature whatsoever for the period to which such Financial Statements relate that are required to be disclosed in accordance with GAAP.
(bb) [Reserved]

(cc) **ERISA.** Neither Borrower nor any ERISA Affiliate maintains or otherwise has any liability in respect of any plan or other arrangement that is subject to ERISA or Section 412 of the Code.

(dd) **Transactions with Related Governmental Authorities.** Other than the Principal Project Contracts and the other agreements set forth on Schedule 14(dd) hereto, the Borrower is not engaged in any transaction or series of transactions with any Governmental Authority or other Person in connection with the Project.

(ee) **Sufficient Funds.** The aggregate of all funds that are (i) undrawn but committed, or reasonably expected to be available, under the Trust Agreement and this Agreement, and (ii) received or receivable delay payments and insurance proceeds in respect of any casualty loss (other than any proceeds of business interruption insurance, delay-in-start-up insurance and proceeds covering liability of the Borrower to third parties) will be sufficient to pay all Eligible Project Costs and other amounts necessary to achieve Substantial Completion.

(ff) **Federal Involvement.** As required pursuant to Section 603(b)(9) of the Act, the total federal assistance provided to the Project does not exceed eighty percent (80%) of Eligible Project Costs.

(gg) **Patriot Act.** To the extent the Patriot Act is applicable to any Borrower Related Party, the Borrower and, to the Borrower’s actual knowledge, each such other Borrower Related Party, has established an anti-money laundering compliance program as required by the Patriot Act.

(hh) **Right of Way.** Based on information from TxDOT, TxDOT has acquired or will have acquired all of the right of way to be refinanced with proceeds of the TIFIA Loan.

**SECTION 15. Representations and Warranties of TIFIA Lender.** The TIFIA Lender represents and warrants that:

(a) **Power and Authority.** The TIFIA Lender has all requisite power and authority to make the TIFIA Loan and to perform all transactions contemplated by the Related Documents to which it is a party.

(b) **Due Execution; Enforceability.** The Related Documents to which the TIFIA Lender is a party have been duly authorized, executed and delivered by TIFIA Lender, and are legally valid and binding agreements of the TIFIA Lender, enforceable in accordance with their terms.

(c) **Officers’ Authorization.** The officers of the TIFIA Lender executing each of the Related Documents to which the TIFIA Lender is a party is duly and properly in office and fully authorized to execute the same on behalf of the TIFIA Lender.
SECTION 16. **Affirmative Covenants.** The Borrower covenants and agrees as follows until the date all Secured Obligations (other than contingent indemnity obligations) are paid in full and the TIFIA Lender no longer has any commitment to make disbursements to the Borrower, unless the TIFIA Lender waives compliance in writing:

(a) **Securing Liens.** The Borrower shall at any and all times, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning, securing and confirming the Liens in and to the Trust Estate (whether now existing or hereafter arising) granted to the Trustee for the benefit of the TIFIA Lender pursuant to the Security Documents, or intended so to be granted pursuant to the Security Documents, or which the Borrower may become bound to grant, and the Trust Estate is and will be free and clear of any pledge, Lien, charge or encumbrance thereon or with respect thereto that has priority over, or equal rank with, the Liens created by the Security Documents, other than as permitted by such documents or by this Agreement, and all corporate action on the part of the Borrower to that end shall be duly and validly taken at such times. The Borrower shall at all times, to the extent permitted by law, defend, preserve and protect the Liens on the Trust Estate granted pursuant to the Security Documents and all the rights of the Trustee for the benefit of the TIFIA Lender under the Security Documents against all claims and demands of all Persons whomsoever, subject to Permitted Liens.

(b) **Copies of Documents.** The Borrower shall furnish to the TIFIA Lender a copy of any offering document and cash flow projections prepared in connection with the incurrence of any Permitted Debt, prior to the incurrence of any such Permitted Debt, as well as copies of any continuing disclosure documents, prepared by or on behalf of the Borrower in connection with the incurrence of such Permitted Debt, in each case promptly following the preparation or filing thereof. The Borrower shall provide to the TIFIA Lender, promptly after execution thereof, a copy of each Additional Project Contract that commits the Borrower to spend, or is reasonably expected to involve expenditures by the Borrower of, more than $1,000,000.

(c) **Use of Proceeds.** The Borrower shall use the proceeds of the TIFIA Loan only to pay, or to reimburse the Borrower for, Eligible Project Costs.

(d) **Prosecution of Work.** The Borrower shall diligently prosecute the work relating to the Project and complete the Project in accordance with the Construction Schedule, and in accordance with the highest standards of the Borrower’s industry, using its best efforts at all times.

(e) **Operations and Maintenance.** The Borrower shall (A) operate and maintain the System (1) in a reasonable and prudent manner and (2) substantially in accordance with the Financial Plan (except as necessary to prevent or mitigate immediate threats to human health and safety or to prevent or mitigate physical damage to material portions of the System) and (B) maintain the System in good repair, working order and condition and in accordance with the requirements of the Trust Agreement.
Borrower shall at all times do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the rights, licenses, permits, franchises and authorizations material to the conduct of its business, and comply in all material respects with all applicable federal, state and local laws, rules, regulations, orders, decrees, judgments or administrative decisions, whether now in effect or hereafter enacted, of any Governmental Authority having jurisdiction over the Borrower or its assets or operations.

(f) Insurance.

(i) The Borrower shall at all times maintain insurance on the System in accordance with the requirements set forth in Section 705 of the Master Trust Agreement and, otherwise, with responsible insurers, or maintain a self-insurance program, as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to such works or properties in accordance with the requirements of the Trust Agreement.

(ii) The Borrower shall deliver to the TIFIA Lender (A) certifications, notices and reports of the Insurance Advisor, (B) insurance brokers’ letters and (C) certificates of insurance, in each case, as and when such materials are required to be delivered to the Trustee pursuant to the Trust Agreement and, upon the request of the TIFIA Lender, copies of underlying insurance policies obtained by or on behalf of the Borrower.

(g) Notice. The Borrower shall, within five (5) Business Days after the Borrower learns of the occurrence, give the TIFIA Lender notice of any of the following events, setting forth details of such event:

(i) Events of Default: any Event of Default or any event which, given notice or the passage of time or both, would constitute an Event of Default;

(ii) Litigation: the filing of any actual litigation, suit or action, or the delivery to the Borrower of any written claim, which could reasonably be expected to have a Material Adverse Effect;

(iii) Insurance Claim: any insurance claims related to the Project in excess of $1,000,000 either individually or in the aggregate;

(iv) Amendments: any amendments delivered to, received from or entered into with any counterparty under a Principal Project Contract;

(v) Defaults: any material breach or default or event of default on the part of the Borrower or any other party under any Principal Project Contract;

(vi) Uncontrollable Force: the occurrence of any Uncontrollable Force;
(vii) Project Changes: any (A) change to the Project Cost forecasts in excess of ten percent (10%) of total forecasted Project Costs or (B) material change to the Construction Schedule; and

(viii) Other Adverse Events: the occurrence of any other event or condition, that could reasonably be expected to result in a Material Adverse Effect.

(h) Remedied Action. Within thirty (30) calendar days after the Borrower learns of the occurrence of an event specified in Section 16(g), the Borrower’s Authorized Representative shall provide a statement to the TIFIA Lender setting forth the actions the Borrower proposes to take with respect thereto.

(i) Maintain Legal Structure. The Borrower shall maintain its existence as a transportation corporation under the laws of the State of Texas.

(j) Annual Rating. The Borrower shall, commencing in 2014, no later than the last Business Day of June of each year during the term of the TIFIA Loan, provide to the TIFIA Lender a rating on the Senior Obligations, together with the rating report or letter delivered by such Nationally Recognized Rating Agency in connection with such rating, in each case prepared no earlier than June 1 of such year.

(k) Accounts.

(i) The Borrower shall maintain the First Tier Reserve Account in an amount equal to the First Tier Reserve Requirement in accordance with the provisions of the Trust Agreement. Amounts in the First Tier Reserve Account shall be made available to ensure the timely payment of debt service payments on the First Tier Obligations, as provided in the Trust Agreement. The Borrower may replace all or a portion of the required balance of each such account, in accordance with the terms of the Trust Agreement, with an irrevocable letter of credit, insurance policy or similar instrument provided by a financial institution with an Acceptable Credit Rating.

(ii) The Borrower shall cause the other Reserve Accounts to be funded in such amounts and under such conditions as are required by the Trust Agreement.

(iii) Amounts on deposit in the Project Accounts shall be held uninvested or invested in Permitted Investments. Any such Permitted Investments must mature or be redeemable at the election of the holder on or prior to the date on which the funds invested in such Permitted Investments are needed for any payment from the applicable Project Account.

(l) Rate Coverage. The Borrower shall, subject to the remainder of this paragraph, agree to take steps to cause the Commission to fix, charge and collect rates and charges for the System as provided in the Toll Rate Agreement, such that Net
Cash Flow in any Calculation Period shall be projected to produce a Senior Debt Service Coverage Ratio at least equal to 1.30 in such Calculation Period (the “Rate Coverage Test”); provided, the Borrower may apply amounts forecasted to be on deposit in the Rate Stabilization Fund in meeting the Rate Coverage Test during any Construction and Ramp-Up Period pursuant to the Toll Rate Agreement.

On each Calculation Date the Borrower shall provide the TIFIA Lender a forecast of the Net Cash Flow for the subsequent Calculation Period and evidence of compliance with the Rate Coverage Test for the Calculation Period then ended.

If the forecast furnished by the Borrower pursuant hereto demonstrates that projected Net Cash Flow may be inadequate to satisfy the Rate Coverage Test for any Calculation Period until the Final Maturity Date, or if the Borrower fails to satisfy the Rate Coverage Test in respect of any Calculation Period then ended, the Borrower shall (A) within thirty (30) days after request by the TIFIA Lender, engage the Traffic Engineer to review and analyze the operations of the Project and recommend actions regarding revising the rates or changing the methods of operations, or any other actions to increase the Net Cash Flow so as to satisfy the Rate Coverage Test, (B) cause the Traffic Engineer to issue its report, including any such recommended actions, no later than ninety (90) days following such engagement, and (C) either (1)(i) subject to the Toll Rate Agreement, request the Commission to implement the Traffic Engineer’s recommendations with respect to the Toll Rate Schedule and (ii) otherwise implement the Traffic Engineer’s recommendations for matters within the control of the Borrower or (2)(i) undertake an alternative course of action after demonstrating to the TIFIA Lender’s satisfaction the manifest errors contained in the Traffic Engineer’s recommended actions or (ii) to the extent agreed upon by the TIFIA Lender, undertake an alternative course of action that will ensure the Borrower’s ability to meet its payment obligations under this Agreement; provided, that the Borrower shall not be required to take any action that may result in a breach by the Borrower of its obligations under the Trust Agreement or the Toll Rate Agreement.

(m) [Reserved.]

(n) Material Obligations. The Borrower shall pay its material obligations promptly and in accordance with their terms and pay and discharge promptly all taxes, assessments and governmental charges or levies imposed upon it or upon the Project Revenues or its other income or profits or in respect of its property, before the same shall become delinquent or in default, as well as all lawful and material claims for labor, materials and supplies or other claims which, if unpaid, might give rise to a Lien upon such properties or any part thereof; provided, however, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy, claim or Lien so long as the validity or amount thereof shall be contested by the Borrower in good faith by appropriate proceedings and so long as the Borrower shall have set aside adequate reserves with respect thereto in accordance with and to the extent required by GAAP, applied on a consistent basis.

(o) Hedging.
(i) To protect against fluctuations in interest rates, the Borrower shall make arrangements for a Qualified Hedge to be in place and maintained at all times with respect to the Senior Obligations during any period in which the Senior Obligations bear interest at a Variable Interest Rate. The Borrower, at all times when the TIFIA Loan is outstanding, shall have in full force and effect Qualified Hedges with an aggregate notional amount of not less than ninety-eight percent (98%) (and not more than one hundred two percent (102%)) of the aggregate principal amount of the Variable Interest Rate Senior Obligations projected by the Borrower from time to time to be outstanding during the term of the TIFIA Loan, and such Qualified Hedges shall have a stated maturity or termination date of at least one year. Notwithstanding the foregoing, the Borrower may have up to five percent (5%) of the total principal amount of its Obligations Outstanding at any given time that is not subject to the requirements of this subsection (o).

(ii) Each Qualified Hedge shall provide for a fixed interest rate or interest rate cap resulting in fixed payment amounts payable by the Borrower which, when taken together with the Bank Lending Margin and any premium or margin payable on such Qualified Hedge, shall be a rate which is less than or equal to the Loan Underwriting Rate. The Borrower’s obligations to pay (A) any payments required in connection with the acquisition of a Qualified Hedge to assure that the fixed interest rate to be paid by the Borrower or interest rate cap provided to the Borrower under the Qualified Hedge, together with the Bank Lending Margin, shall be at or below the Loan Underwriting Rate, (B) Hedging Obligations and (C) Hedging Termination Obligations shall be from the sources and in the priority specified in the Trust Agreement. Each Qualified Hedge shall be secured and documented on terms and conditions approved by the TIFIA Lender. The Borrower shall ensure that, as of the day following the termination date of any Qualified Hedge, either (I) a Subsequent Qualified Hedge (as defined below) is in full force and effect to the extent the Senior Obligations bear interest at a Variable Interest Rate or (II) the Variable Interest Rate Senior Obligations have been converted to a fixed rate, in each case in accordance with this Agreement and the Trust Agreement.

(iii) The Borrower shall ensure that, as of the day following the termination date of any Qualified Hedge, either (I) a Subsequent Qualified Hedge (as defined below) is in full force and effect to the extent the Senior Obligations bear interest at a Variable Interest Rate or (II) the Variable Interest Rate Senior Obligations have been converted to a fixed rate, in each case in accordance with this Agreement and the Master Trust Agreement. Any Qualified Hedge entered into as of the expiration of a prior Qualified Hedge (a “Subsequent Qualified Hedge”) shall either (A) commence no later than the termination date of the Qualified Hedge which is terminating and terminate no earlier than the date which is the first (1st) anniversary of the effective date of such Subsequent Qualified Hedge or (B) commence no later than the termination date of the existing Qualified Hedge and terminate no earlier than the final maturity date of the Variable Interest Rate Senior Obligations.
(iv) The Borrower shall not commence seeking any bids from any Qualified Hedge Provider for a Subsequent Qualified Hedge unless, at least thirty (30) days prior thereto, the Borrower has delivered to the TIFIA Lender evidence satisfactory to the TIFIA Lender and certified by the Borrower that the process to be utilized by the Borrower for selecting such Subsequent Qualified Hedge is a competitive process designed to obtain a fair market price and to avoid conflicts of interest. At the time the Subsequent Qualified Hedge is priced, the Borrower shall provide to the TIFIA Lender a certificate from a qualified third party acceptable to the TIFIA Lender to the effect that either the underlying LIBOR based fixed rate or the price of acquiring such Subsequent Qualified Hedge is a fair price based on the interest rate market at the time such Qualified Hedge is priced.

(v) The Trustee shall be granted a security interest in each Qualified Hedge and payments due under each Qualified Hedge in order to secure the Borrower’s obligations to the TIFIA Lender under this Agreement. The Hedging Agreements shall provide that all payments due thereunder to the Borrower shall be made directly to the Trustee for deposit and disbursement in accordance with the Trust Agreement.

(vi) The Borrower shall neither terminate (other than Permitted Hedging Terminations), transfer nor consent to any transfer (other than to a Qualified Hedge Provider) of any existing Qualified Hedge without the TIFIA Lender’s prior written consent as long as the Borrower is required to maintain a Qualified Hedge pursuant to this Agreement.

(vii) If at any time a Hedging Bank no longer satisfies the requirements for a Qualified Hedge Provider, the Borrower shall cause such disqualified Hedging Bank to be replaced by a Qualified Hedge Provider within ten (10) Business Days of the date on which such Hedging Bank failed to qualify as a Qualified Hedge Provider, whether by means of a transfer of the disqualified Hedging Bank’s Hedging Agreement to a Qualified Hedge Provider or by means of a termination of such disqualified Hedging Bank’s Hedging Agreement and replacement thereof by a Hedging Agreement with a Qualified Hedge Provider on terms and conditions that satisfy the requirements of this Section 16(o).

(viii) Hedge Deposits.

(A) The Borrower shall make payments to the Trustee (each a “Hedge Deposit”) for deposit into the Hedge Acquisition Account to be established under the applicable Supplemental Agreement authorizing the Qualified Hedge (1) on the Semi-Annual Payment Date occurring twelve (12) months prior to entering into each Subsequent Qualified Hedge with a term of one (1) year or less (a “Short Term Qualified Hedge”) and (2) on each of the Semi-Annual Payment Dates occurring twelve (12) and six (6) months prior to entering into each
Subsequent Qualified Hedge with a term greater than one (1) year (a “Long Dated Qualified Hedge”).

(B) The Hedge Deposit for a Short Term Qualified Hedge shall be the mid-market amount estimated by the Borrower at that time to be necessary to purchase, at the scheduled termination of the then existing Qualified Hedge, a Subsequent Qualified Hedge obligating the Borrower to make payments based on a fixed rate of interest or interest rate cap equal to or less than the Loan Underwriting Rate minus the Bank Lending Margin for a period of one (1) year or less having a notional amount equal to the principal amount of the Variable Interest Rate Senior Obligations projected to be outstanding during the term of such Qualified Hedge.

(C) The first Hedge Deposit for a Long Dated Qualified Hedge shall be the mid-market amount estimated by the Borrower at that time to be necessary to provide one-half of the funds needed to purchase, at the scheduled termination of the then existing Qualified Hedge, a Subsequent Qualified Hedge obligating the Borrower to make payments based on a fixed rate of interest or interest rate cap equal to or less than the Loan Underwriting Rate minus the Bank Lending Margin for a period of greater than one (1) year having a notional amount equal to the principal amount of the Variable Interest Rate Senior Obligations projected to be outstanding during the term of such Qualified Hedge. The second Hedge Deposit for a Long Dated Qualified Hedge shall be the mid-market amount, if any, estimated by the Borrower at that time to be necessary, when added to the amount deposited for the first Hedge Deposit for a Long Dated Qualified Hedge, to purchase, at the scheduled termination date of the then existing Qualified Hedge, a Subsequent Qualified Hedge obligating the Borrower to make payments based on a fixed rate of interest or interest rate cap equal to or less than the Loan Underwriting Rate minus the Bank Lending Margin for a period of greater than one (1) year, having a notional amount equal to the principal amount of the Variable Interest Rate Senior Obligations projected to be outstanding during the term of such Qualified Hedge.

(D) For the purpose of determining the required Hedge Deposits, the Borrower shall provide the anticipated notional amounts of the Subsequent Qualified Hedge to a qualified third party who shall in turn calculate the amount of the Hedge Deposit in accordance with (vii) (B) and (C) above. The Borrower shall select, subject to the TIFIA Lender’s approval, the qualified third party at least fifteen (15) days prior to the applicable Semi-Annual Payment Date.

(E) The Borrower’s obligation to make any Hedge Deposit payments shall be from the sources and in the priority specified in the Supplemental Agreement authorizing the Qualified Hedge.
(F) Provided that no Event of Default has occurred and is continuing, funds on deposit in the Hedging Acquisition Account shall be applied towards the purchase of a Subsequent Qualified Hedges. Any remaining balance in the Hedging Acquisition Account after such purchase which exceeds the amount required to satisfy the Hedge Deposit requirements in this clause (vii) shall be transferred to the Revenue Account, as provided in the Trust Agreement.

(p) **OFAC Compliance.** The Borrower shall not, nor shall it knowingly permit the Principal Project Party or any Person owning (excluding Persons owning securities effected on a recognized public stock exchange, unless such securities were acquired in a transaction involving an initial public offering) or Controlling the Borrower or the Principal Project Party, in each case if the OFAC regulations are applicable to such entity, to (i) violate (A) any applicable anti-money laundering laws, including those contained in the Bank Secrecy Act, (B) any applicable economic sanction laws administered by OFAC or by the United States Department of State, or (C) any applicable anti-drug trafficking, anti-terrorism, or anti-corruption laws, civil or criminal; or (ii) be a Person (A) that is charged with, or has reason to believe that he, she or it is under investigation for, any violation of any such laws, (B) that has been convicted of any violation of, has been subject to civil penalties pursuant to, or had any of its property seized or forfeited under any such laws, (C) that is named on the list of "Special Designated Nationals or Blocked Persons" maintained by OFAC (or any successor United States government office or list), or any similar list maintained by the United States Department of State (or any successor United States government office or list), (D) with whom any United States Person, any entity organized under the laws of the United States or its constituent states or territories, or any entity, regardless of where organized, having its principal place of business within the United States or any of its territories, is prohibited from transacting business of the type contemplated by this Agreement and the other Related Documents under any other applicable law, (E) that is owned, controlled by, or affiliated with any Person identified in clause (A), (B), (C) or (D) of this clause (ii), or (F) is in violation of any obligation to maintain appropriate internal controls as required by the governing laws of the jurisdiction of such Person as are necessary to ensure compliance with the economic sanctions, anti-money laundering and anti-corruption laws of the United States and the jurisdiction where the Person resides, is domiciled or has its principal place of business. Borrower’s knowledge regarding the compliance by the Principal Project Party or any Person owned by or Controlling the Principal Project Party may be established by certifications to the Borrower by such Person or party. The Borrower shall not knowingly make a payment to any Principal Project Party that has violated any of the laws referenced in clause (i) of the preceding sentence or that is a Person described in clause (ii) of the preceding sentence.

(q) **Revenue Sharing.** On any Calculation Date after December 31, 2028 and only if there is after such date at least $100,000,000 on deposit in the Grand Parkway Enhancement Fund, the Borrower shall be required to deliver to the TIFIA Lender at least 60 days prior to the one year anniversary of such Calculation Date written evidence of the Borrower’s official intent to commence construction on a System Segment Improvement. If the Borrower shall fail to deliver evidence of its intent to
commence construction of such System Segment Improvement the Borrower shall commence to prepay the TIFIA Note commencing on the anniversary date and on each Calculation Date thereafter in an amount equal to fifty percent (50%) of the amounts deposited into the Grand Parkway Enhancement Fund from the immediately preceding Calculation Date to the then current Calculation Date. At such time as the Borrower shall deliver evidence to the TIFIA Lender of its intent to commence construction of a System Segment Improvement, the Borrower shall no longer be obligated to prepay the TIFIA Note until such time as there is again at least $100,000,000 on deposit in the Grand Parkway Enhancement Fund on a Calculation Date at which time the provisions of this paragraph shall be applied. At such time as the Ultimate Project Scope has been achieved, the Borrower shall commence to apply fifty percent of the amounts deposited into the Grand Parkway Enhancement Fund as described in this paragraph to prepay the TIFIA Note on each Calculation Date.

(r) Events of Loss; Loss Proceeds.

(i) If an Event of Loss shall occur with respect to the Project or any part thereof, the Borrower shall (A) diligently pursue all of its rights to compensation against all relevant insurers, reinsurers and Governmental Authorities, as applicable, in respect of such event and (B) pay or apply all Loss Proceeds stemming from such event in accordance with Section 10(a) and Section 16(r)(ii).

(ii) All Loss Proceeds shall be applied as provided in Section 706 of the Master Trust Agreement. Loss Proceeds shall be paid by the relevant insurers, reinsurers and Governmental Authorities, as applicable, directly to the Trustee as loss payee and, if paid to the Borrower, shall be received in trust and for the benefit of the Trustee segregated from other funds of the Borrower, and shall be paid over to the Trustee in the same form as received (with any necessary endorsement).

SECTION 17. Negative Covenants. The Borrower covenants and agrees as follows until the date all Secured Obligations (other than contingent indemnity obligations) are paid in full and the TIFIA Lender no longer has any commitment to make disbursements to the Borrower, unless the TIFIA Lender waives compliance in writing:

(a) Permitted Indebtedness. Except for the Initial Obligations, the Borrower shall not issue or incur indebtedness of any kind other than in accordance with the Trust Agreement. Simultaneously with the delivery of Permitted Debt described in clause (b) of the definition thereof, the Borrower shall provide to the TIFIA Lender (i) a certificate certifying that such proposed Additional Obligations are authorized pursuant to this Section 17(a) and Sections 207, 208 or 209 of the Master Trust Agreement, as applicable, and (ii) copies of the certificates required to be filed with the Trustee pursuant to Sections 207, 208 or 209, as the case may be, with respect to the issuance of such Additional Obligations. So long as the TIFIA Loan is outstanding the Borrower shall not issue First Tier Obligations or Second Tier Obligations as Toll Equity Loan Supported Obligations.
(b) **No Lien Extinguishment or Adverse Amendments.** The Borrower shall not, without the prior written consent of the TIFIA Lender, either (i) extinguish the Liens on the Trust Estate, except as provided under the Trust Agreement, (ii) amend, modify or supplement any Related Document in a manner that could adversely affect the TIFIA Lender in connection with the TIFIA Loan, (iii) waive or permit a waiver of any provision of any Related Document in a manner that could adversely affect the TIFIA Lender in connection with the TIFIA Loan, or (iv) terminate, assign, amend or modify, or waive timely performance by any party of material covenants under any other Principal Project Contract except for termination, assignment, amendment, modification or waiver that could not reasonably be expected to have a Material Adverse Effect. Except as otherwise agreed by the TIFIA Lender in writing, the Borrower will provide to the TIFIA Lender copies of any proposed amendments to any Related Document at least thirty (30) days prior to the effective date thereof.

(c) **No Prohibited Liens.** Except for Permitted Liens, the Borrower shall not create, incur, assume or permit to exist any Lien on the Project Revenues or, except as provided in Sections 17(f) and (g) hereof, assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof.

(d) **[Reserved.]**

(e) **Additional Project Contracts.** The Borrower shall not, without the prior written consent of the TIFIA Lender, enter into any Additional Project Contract (or series of related contracts or agreements) that commits the Borrower to spend, or is reasonably expected to involve expenditures by the Borrower of, more than $10,000,000.

(f) **No Prohibited Sale or Assignment.** The Borrower shall not sell or assign its rights in and to the Project or the System, a substantial portion of the assets included in the Project or the System, or its rights and obligations under any Related Document, unless such sale or assignment could not reasonably be expected to result in a Material Adverse Effect and is made by the Borrower in the ordinary course of business.

(g) **Transactions with Other Governmental Authorities.** Except for the transactions expressly contemplated in the Principal Project Contracts and the Trust Agreement, the Borrower shall not (i) sell or transfer any property or assets to, or purchase or acquire any property or assets of, or (ii) otherwise engage in any other transactions in connection with the Project with, any other Governmental Authority (including the Governmental Authorities of the State of Texas) the terms and provisions of which are materially adverse to the Borrower or the Project or that would have a Material Adverse Effect.

(h) **Organizational Documents; Fiscal Year.** The Borrower shall not at any time (i) amend or modify its Organizational Documents (other than any amendment or modification of a ministerial nature and that is not adverse to the interests of any Secured Party under the Security Documents or in the Trust Estate) or (ii) adopt any fiscal year other than the Borrower Fiscal Year, except with the prior written notice to the TIFIA Lender.
(i) **No Prohibited Business.** The Borrower will not at any time engage in any business or activity other than the design, construction, operation and maintenance of the System and activities incidental or related thereto.

(j) **Change in Legal Structure.** Without the prior written consent of the TIFIA Lender, the Borrower shall not willfully consolidate with or merge into another Person unless (i) such merger or consolidation is with or into another entity established and controlled by the Commission or TxDOT and does not adversely affect or impair to any extent or in any manner (x) the Project Revenues or (y) the availability of the Project Revenues for the payment and security of the obligations of the Borrower under this Agreement; and (ii) the Borrower provides to the TIFIA Lender, no later than sixty (60) days' prior to the date of consolidation or merger, prior written notice of such consolidation or merger and the agreements and documents authorizing the consolidation or merger satisfactory in form and substance to the TIFIA Lender. The documents authorizing the consolidation or merger shall contain a provision, satisfactory in form and substance to the TIFIA Lender, that, following such consolidation or merger, the successor will assume, by operation of law or otherwise, the due and punctual performance and observance of all of the covenants, agreements and conditions of this Agreement and the other Related Documents to which the Borrower is a party. In addition, the Borrower shall provide all information concerning such consolidation or merger as shall have been reasonably requested by the TIFIA Lender.

**SECTION 18. Indemnification.** To the extent authorized and permitted by Texas law, the Borrower shall indemnify the TIFIA Lender and any official, employee, agent or representative of the TIFIA Lender (each such Person being herein referred to as an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, fines, penalties, costs and expenses (including the fees, charges and disbursements of any counsel for any Indemnitee and the costs of environmental remediation), whether known, unknown, contingent or otherwise, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (a) the execution, delivery and performance of this Agreement or any of the other Related Documents, (b) the TIFIA Loan or the use of the proceeds thereof, or (c) the violation of any law, rule, regulation, order, decree, judgment or administrative decision relating to the environment, the preservation or reclamation of natural resources, the management, release or threatened release of any hazardous material or to health and safety matters; in each case arising out of or in direct relation to the Project; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the negligence or willful misconduct of such Indemnitee. In case any action or proceeding is brought against an Indemnitee by reason of any claim with respect to which such Indemnitee is entitled to indemnification hereunder, the Borrower shall be entitled, at its expense, to participate in the defense thereof; provided that such Indemnitee has the right to retain its own counsel, at the Borrower's expense, and such participation by the Borrower in the defense thereof shall not release the Borrower of any liability that it may have to such Indemnitee. Any Indemnitee against whom any indemnity claim contemplated in this Section 18 is made shall be entitled, after consultation with the Borrower and upon consultation with legal counsel wherein such Indemnitee is advised that such indemnity claim is meritorious, to compromise or settle any such
indemnity claim. Any such compromise or settlement shall be binding upon the Borrower for purposes of this Section 18. Nothing herein shall be construed as a waiver of any legal immunity that may be available to any Indemnitee. To the extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any of the other Related Documents, the TIFIA Loan and the other transactions contemplated hereby and thereby, or the use of the proceeds thereof. All amounts due to any Indemnitee under this Section shall be payable promptly upon demand therefor. The obligations of the Borrower under this Section shall survive the payment or prepayment in full or transfer of the Note, the enforcement of any provision of this Agreement or the other Related Documents, any amendments, waivers (other than amendments or waivers in writing with respect to this Section) or consents in respect hereof or thereof, any Event of Default, and any workout, restructuring or similar arrangement of the obligations of the Borrower hereunder or thereunder.

SECTION 19. Sale of TIFIA Loan. The TIFIA Lender shall not sell the TIFIA Loan at any time prior to the Substantial Completion Date. After such date, the TIFIA Lender may sell the TIFIA Loan to another entity or reoffer the TIFIA Loan into the capital markets only in accordance with the provisions of this Section. Such sale or reoffering shall be on such terms as the TIFIA Lender shall deem advisable. However, in making such sale or reoffering the TIFIA Lender shall not change the terms and conditions of the TIFIA Loan without the prior written consent of the Borrower, which consent shall not be unreasonably withheld. The TIFIA Lender shall provide (a) at least sixty (60) days prior to any sale or reoffering of the TIFIA Loan, written notice to the Borrower to the effect that the TIFIA Lender is considering the sale or reoffering of the TIFIA Loan and (b) at least thirty (30) days prior to any sale or reoffering of the TIFIA Loan, written notice to the Borrower confirming TIFIA Lender’s intention to consummate such a sale or reoffering; provided, however, that no such notice shall be required during the continuation of any Event of Default. The provision of any notices pursuant to this Section shall not (x) obligate the TIFIA Lender to sell nor (y) provide the Borrower with any rights or remedies in the event the TIFIA Lender, for any reason, does not sell the TIFIA Loan. The TIFIA Lender and the Borrower agree that for so long as any Senior Obligations or Hedging Agreements remain outstanding, the provisions contained in Section 8(a) hereof and in the Trust Agreement with respect to the TIFIA Lender’s right to a first priority security interest in the Trust Estate upon the occurrence of a Bankruptcy Related Event shall be of no force or effect following the complete sale of the TIFIA Loan to a commercial entity. However, should an assignment or sale be made to a federal government agency or instrumentality, the federal government shall retain the right to a first priority security interest in the Trust Estate upon the occurrence of any Bankruptcy Related Event.

SECTION 20. Events of Default and Remedies.

(a) An “Event of Default” shall exist under this Agreement if:

(i) Payment Default. The Borrower shall fail to pay any of the principal amount of or interest on the TIFIA Loan (including TIFIA Debt Service required to have been paid pursuant to the provisions of Section 9, and any mandatory prepayment required pursuant to the provisions of Section 10(a) but
only to the extent such deferral is due to insufficient funds), when and as the payment thereof shall be required under this Agreement or the Note or on the Final Maturity Date (each such failure, a “Payment Default”);

(ii) Covenant Default. The Borrower shall fail to observe or perform any covenant, agreement or obligation of the Borrower under this Agreement, the Note or any other TIFIA Loan Document (other than in the case of any Payment Default or any Development Default), and such failure shall not be cured within thirty (30) days after receipt by the Borrower from the TIFIA Lender of written notice thereof; provided, however, that if such failure is capable of cure but cannot reasonably be cured within such thirty (30) day period, then no Event of Default shall be deemed to have occurred or be continuing under this clause (ii) if and so long as within such thirty (30) day period the Borrower shall commence actions reasonably designed to cure such failure and shall diligently pursue such actions until such failure is cured; provided such failure is cured within one hundred eighty (180) days of the first occurrence of such failure;

(iii) Development Default. A Development Default shall occur, in which case the TIFIA Lender may (A) suspend the disbursement of TIFIA Loan proceeds under this Agreement and (B) pursue such other remedies as provided in this Section 20. If so requested in connection with a Development Default, the Borrower shall immediately repay any unexpended TIFIA Loan proceeds previously disbursed to the Borrower;

(iv) Misrepresentation Default. Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to the TIFIA Loan Documents (or in any certificates delivered by the Borrower in connection with the TIFIA Loan Documents) shall prove to have been false or misleading in any material respect when made;

(v) [Reserved]

(vi) Cross Default. (A) Any of the representations, warranties or certifications of the Borrower made in or delivered pursuant to the Security Documents, or made in or delivered pursuant to the documents (the “Other Loan Documents”) under which any Other Material Indebtedness shall be created or incurred, shall prove to be false or misleading in any material respect (each a “Misrepresentation Default”), or any default shall occur in respect of the performance of any covenant, agreement or obligation of the Borrower under the Security Documents or the Other Loan Documents, and such default shall be continuing after the giving of any applicable notice and the expiration of any applicable grace period specified in the Security Documents or the Other Loan Documents (as the case may be) with respect to such default (each a “Covenant Default”) and the Borrower shall have failed to cure such Misrepresentation Default or Covenant Default or to obtain an effective written waiver thereof in accordance with the terms of such Senior Obligations or Other Material Indebtedness;
(B) The Borrower shall default in the timely performance of any covenant, agreement or obligation under any Related Document or any Related Document shall be terminated prior to its scheduled expiration (unless in any case such default or termination could not reasonably be expected to have a Material Adverse Effect), and the Borrower shall have failed to cure such default or to obtain an effective written waiver thereof, or to obtain an effective revocation of such termination (as the case may be); provided, however, that no Event of Default shall be deemed to have occurred or be continuing under this clause if, in the case of any termination of a Principal Project Contract, the Borrower replaces such Principal Project Contract with a replacement agreement (i) entered into with another counterparty that (I) is of similar or greater creditworthiness and experience as the counterparty being replaced (or otherwise reasonably acceptable to the TIFIA Lender) and (II) is not, at the time of such replacement, suspended or debarred or subject to a proceeding to suspend or debar from bidding, proposing or contracting with any federal or state department or agency, (2) on substantially the same terms and conditions as the Principal Project Contract being replaced (or otherwise reasonably acceptable to the TIFIA Lender) and (3) effective as of the date of termination of the Principal Project Contract being replaced;

(vii) Judgments. One or more judgments for the payment of money in an aggregate amount in excess of $1,000,000 (inflated annually by the CPI) and not otherwise covered by insurance shall be rendered against the Borrower and the same shall remain undischarged for a period of thirty (30) consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower to enforce any such judgment;

(viii) [Reserved]

(ix) Failure to Maintain Existence. The Borrower shall fail to maintain its existence as a transportation corporation under the laws of Borrower’s Enabling Act;

(x) [Reserved.]

(xi) Occurrence of a Bankruptcy Related Event. (A) A Bankruptcy Related Event shall occur with respect to the Borrower or (B) a Bankruptcy Related Event shall occur with respect to any Borrower Related Party (other than the Borrower);

(xii) Project Abandonment. The Borrower shall abandon the Project;

(xiii) [Reserved.]

(xiv) Cessation of Operations. Operation of the System shall cease for a continuous period of not less than one hundred eighty (180) days unless such cessation of operations shall occur by reason of an Uncontrollable
Force and the Borrower shall be self-insured in an amount sufficient to cover, or shall have in force an insurance policy or policies under which the Borrower is entitled to recover substantially all debt service payments on First Tier Obligations, TIFIA Debt Service and costs and expenses of the Borrower during such cessation of operations.

(b) Upon the occurrence of an Event of Default described in clause (iii) of Section 20(a), all obligations of the TIFIA Lender hereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loan shall immediately be deemed terminated.

(c) [Reserved.]

(d) (i) Upon the occurrence of any Event of Default described in clause (xi)(A) of Section 20(a), all obligations of the TIFIA Lender hereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loan shall automatically be deemed terminated.

(ii) Upon the occurrence of any other Event of Default, the TIFIA Lender, by written notice to the Borrower, may suspend or terminate all of its obligations hereunder with respect to the disbursement of any undisbursed amounts of the TIFIA Loan.

(e) Whenever any Event of Default hereunder shall have occurred and be continuing, the TIFIA Lender shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid hereunder or under the Note or the other TIFIA Loan Documents, and may prosecute any such judgment or final decree against the Borrower including confession of judgment by the Borrower against the Borrower and collect in the manner provided by law out of the property of the Borrower the moneys adjudged or decreed to be payable, and the TIFIA Lender may take such other actions at law or in equity as may appear necessary or desirable to collect all amounts payable by Borrower under this Agreement, the Note or the other TIFIA Loan Documents then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Agreement, the Note or the other TIFIA Loan Documents.

(f) Whenever any Event of Default hereunder shall have occurred and be continuing, the TIFIA Lender may suspend or debar the Borrower from further participation in any Government program administered by the TIFIA Lender and to notify other departments and agencies of such default.

(g) No action taken pursuant to this Section shall relieve Borrower from its obligations pursuant to this Agreement, the Note or the other TIFIA Loan Documents, all of which shall survive any such action.

SECTION 21. Accounting and Audit Procedures; Inspections; Reports and Records.
(a) The Borrower shall establish fiscal controls and accounting procedures sufficient to assure proper accounting for all Project-related transactions (including collection of Project Revenues, and any other revenues attributable to the Project or System, and TIFIA Loan requisitions received and disbursements made with regard to the Project), so that audits may be performed to ensure compliance with and enforcement of this Agreement. The Borrower shall use accounting, audit and fiscal procedures conforming to GAAP (except for requirements and procedures established by the Texas State Comptroller and the Texas State Auditor), including, with respect to the TIFIA Loan, accounting of principal and interest payments, disbursements, prepayments and calculation of interest and principal amounts outstanding.

(b) So long as the TIFIA Loan or any portion thereof shall remain outstanding and until five (5) years after the TIFIA Loan shall have been paid in full, the TIFIA Lender shall have the right, upon reasonable prior notice and during normal business hours, to visit and inspect any of the locations or properties of the Borrower, to examine its books of account and records, to make copies and extracts therefrom at the Borrower's expense, and to discuss the Borrower's affairs, finances and accounts with, and to be advised as to the same by, its officers and employees and its independent public accountants (and by this provision the Borrower irrevocably authorizes its independent public accountants to discuss with the TIFIA Lender the affairs, finances and accounts of the Borrower, whether or not any representative of the Borrower is present, it being understood that nothing contained in this Section 21(b) is intended to confer any right to exclude any such representative from such discussions), all at such reasonable times and intervals as the TIFIA Lender may desire. The Borrower agrees to pay all out-of-pocket expenses incurred by the TIFIA Lender in connection with the TIFIA Lender's exercise of its rights under this Section 21(b) at any time when an Event of Default shall have occurred and be continuing.

(c) The Borrower shall maintain and retain all files relating to the Project and the TIFIA Loan until five (5) years after the later of the date on which (i) all rights and duties hereunder and under the Note (including payments) have been fulfilled and any required audits have been performed and (ii) any litigation relating to the Project, the TIFIA Loan or this Agreement is finally resolved or, if the TIFIA Lender has reasonable cause to extend such date, a date to be mutually agreed upon by the TIFIA Lender and the Borrower. The Borrower shall provide to the TIFIA Lender in a timely manner all records and documentation relating to the Project that the TIFIA Lender may reasonably request from time to time.

(d) The Borrower shall provide to the TIFIA Lender, promptly after the sending or receipt thereof, copies of (i) all reports or other written materials, other than those that are ministerial in nature, sent to or received from any Nationally Recognized Rating Agency that has provided, or is being requested to provide, a rating on any indebtedness of the Borrower, (ii) all notices and other written communications, other than those that are non-substantive or ministerial in nature, required to be provided by the Borrower to the Trustee, (iii) all reports, notices and other written materials, other than those that are non-substantive or ministerial in nature, received by it from the Trustee, and (iv) all reports, notices and other written materials, other than those that are non-substantive or ministerial in nature, required to be sent to the Trustee under the Security Documents, including all such notices, other than those that are non-substantive or ministerial in nature.
ministerial in nature, relating to any of the Principal Project Contracts; unless, in each case, the TIFIA Lender notifies the Borrower that any such reports, notices and/or other written materials no longer need to be provided.

(e) The TIFIA Lender shall have the right to conduct from time to time independent financial and compliance audits of the Borrower in accordance with the Single Audit Act of 1984, as amended, and Office of Management and Budget Circular A 133, “Audits of State and Local Governments” (as applicable), or as otherwise requested by the TIFIA Lender. Upon reasonable notice, the Borrower shall cooperate fully in conducting audits and shall provide full access to any books, documents, papers or other records which are pertinent to the Project or the TIFIA Loan, to the Secretary of the United States Department of Transportation, or the designee thereof, for necessary project or programmatic audits pursuant to 23 U.S.C. § 603, 49 C.F.R. §80.19, 31 U.S.C. § 6503(h) and 31 U.S.C. § 7503(b).

SECTION 22. Financial Plan, Statements, and Reports.

(a) The Borrower shall provide to the TIFIA Lender and the FHWA Division Office, within sixty (60) days after the Effective Date and annually thereafter not later than ninety (90) days after the beginning of each Borrower Fiscal Year, a Financial Plan. The Financial Plan submitted within sixty (60) days after the Effective Date should be consistent in all respects with the projections, assumptions and other information contained or reflected in the Base Case Financial Model. The initial and each subsequent Financial Plan delivered hereunder shall be subject to approval by the TIFIA Lender, the FHWA Division Office and, for the period through the Substantial Completion Date, FHWA’s Office of Innovative Program Delivery. The FHWA Division Office’s approval of such Financial Plan, which consolidates all prior financial plans, is required prior to physical commencement of construction of the Project.

(i) The Financial Plan shall be prepared in accordance with recognized financial reporting standards, such as those in the “Guide for Prospective Financial Information” of the American Institute of Certified Public Accountants, shall meet FHWA’s Major Project Financial Plan requirements, as amended from time to time, and shall be in form and substance satisfactory to the TIFIA Lender.

(ii) The Financial Plan shall include: (A) a certificate signed by the Borrower’s Authorized Representative to the effect that the Financial Plan, including the assumptions and supporting documentation, is accurate and reasonable to the best of the Borrower’s knowledge and belief; (B) a certificate signed by the Borrower’s Authorized Representative demonstrating that annual projected Project Revenues shall be sufficient to meet the Loan Amortization Schedule and to meet the Rate Coverage Test established pursuant to Section 16(1), and (C) an electronic copy of the updated Base Case Financial Model for the period from inception thereof through the Final Maturity Date, in substantially the form heretofore provided to the TIFIA Lender, based upon assumptions and projections with respect to the Project Revenues, expenses and
other financial aspects of the Project which shall reflect the prior experience and
current status of the Project, and the expectations of management with respect to
the Project, as of the most recent practicable date prior to the delivery of such
model.

(iii) For the period through Substantial Completion, the
Financial Plan shall: (A) provide the current estimate of the total cost of the
Project and the remaining cost to complete the Project, identify any significant
cost changes since the previous Financial Plan, discuss reasons for and
implications of the cost changes, and include a summary table showing the history
of Project Costs by major activity or category since the Base Case Financial
Model delivered as of the Effective Date and since the preceding Financial Plan;
(B) provide the current schedule and implementation plan for completing the
Project, including the projected Substantial Completion Date; (C) identify major
milestones for each phase of the Project and compare current milestone dates with
milestone dates in the Base Case Financial Model delivered as of the Effective
Date and since the preceding Financial Plan, and discuss reasons for changes in
Project milestones; (D) provide current estimates of sources and uses of funds for
the Project, identify any significant funding changes since the preceding Financial
Plan, discuss reasons for and implications of the funding changes, and include a
summary table showing the history of Project funding since the Base Case
Financial Model as of the Effective Date and since the preceding Financial Plan;
(E) provide an updated cash flow schedule showing annual cash needs versus
available revenue and funding to meet those needs and identify any potential
revenue and funding shortfalls, and addressing contingency measures that will or
may be taken to address any shortfalls; (F) based on the updated cash flow
schedule, provide projected debt service coverage ratios for any Senior
Obligations and the TIFIA Loan through the Final Maturity Date; (G) provide
cost containment strategies and risk mitigation plans that have been or may be
implemented to address factors that are affecting or could affect the scheduled
completion or financial viability of the Project; (H) provide the total value of
approved changes in Project design or scope, and provide a listing of each
individual change valued at $10,000,000 or more, setting forth the rationale or
need for the proposed change and describing the impact of such change on the
Project; (I) contain, in form and substance satisfactory to the TIFIA Lender, a
written narrative report on the progress of design, permitting, acquisition and
construction of the Project since the Base Case Financial Model as of the
Effective Date and since the preceding Financial Plan, describing in reasonable
detail all significant activities concerning Project status including any material
matters that may affect the future performance of the Borrower’s obligations
under this Agreement and the causes thereof; and (J) comply in all respects with
FHWA’s Major Project Financial Plan requirements.

(iv) For the period following Substantial Completion until
repayment of the TIFIA Loan in full, the Financial Plan shall: (A) provide an
updated cash flow schedule showing annual cash inflows (Project Revenues,
interest and other income) and outflows (Operations and Maintenance Expenses,
Capital Expenditures, First Tier Debt Service, TIFIA Debt Service (whether or not required to be paid pursuant to the provisions of Section 9), replenishment of reserves and other uses) with a narrative identifying any potential revenue or funding shortfall and discussing contingency measures that will or may be taken to address any shortfalls; (B) provide current and estimated amounts of Project Revenues received and the amounts deposited into each of the accounts and subaccounts established under the Trust Agreement and the amount disbursed from such funds and accounts and the balance in each of the funds and accounts; (C) provide an updated schedule of actual and projected Project Revenues, showing actual and projected debt service coverage ratios for the Senior Obligations and the TIFIA Loan; (D) provide a schedule of then current toll rates and planned increases; and (E) include a written narrative report explaining any variances in costs or revenues since the Base Case Financial Model and the preceding Financial Plan and describing in reasonable detail any material matters that may affect the future performance of the Borrower’s obligations under this Agreement and the causes thereof to include traffic and revenue reports, operational contracts, and third-party transactions.

(b) Not later than ninety (90) days following Substantial Completion, the Borrower shall provide the TIFIA Lender with a final written narrative report, summarizing all significant activities and events, since the Base Case Financial Model, affecting the operation, maintenance, financing, or management of the Project in a form reasonably satisfactory to the TIFIA Lender. Such report shall include an updated cash flow schedule and currently projected Total Debt Service Coverage Ratios for all Borrower Fiscal Years during the term of the TIFIA Loan. For the avoidance of doubt, the Borrower must comply with the continued reporting requirements of the FHWA Major Projects Financial Plan Guidance, as amended from time to time.

(c) For the period through Substantial Completion, the Borrower shall provide the TIFIA Lender with written notification at least thirty (30) days prior to instituting any increase or decrease of the overall Project Costs in an amount equal to or greater than $2,500,000, which notification shall set forth the nature of the proposed increase or decrease and an estimate of the impact of such increase or decrease on the capital costs and operating costs of the Project, and the Financial Plan. The Borrower’s notice shall demonstrate that the proposed increase or decrease is consistent with the provisions of this Agreement, is necessary or beneficial to the Project and does not materially impair the TIFIA Lender’s security or the Borrower’s ability to comply with its obligations under the Related Documents, including any financial ratios or covenants included therein.

(d) The Borrower shall furnish to the TIFIA Lender:

(i) As soon as available, but no later than the last day of each month, commencing after the first full month after Substantial Completion of any System Segment, as defined in the Master Trust Agreement, the Borrower shall cause to be filed with the TIFIA Lender the monthly report required to be filed with the Trustee pursuant to Section 709 of the Master Trust Agreement certified
by the chief executive officer or chief financial officer of the Borrower or any Borrower’s Authorized Representative fairly representing in all material respects the financial condition of the Borrower as at the end of such period and the results of its operations and its cash flows for such period (subject to normal year-end audit adjustments); and

(ii) As soon as available, but no later than one hundred eighty (180) days after the end of each fiscal year of the Borrower, commencing with the Fiscal Year in which Substantial Completion occurs, the Borrower shall cause to be filed with the TIFIA Lender the annual report required to be filed with the Trustee pursuant to the penultimate paragraph of Section 709 of the Master Trust Agreement, certified without a “going concern” or like qualification or exception, or qualification as to the scope of the audit, by an independent public accounting firm selected by the Borrower and which is reasonably acceptable to the TIFIA Lender.

All such financial statements with respect to the Borrower shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP (except for requirements and procedures established by the Texas Comptroller and the Texas State Auditor or in the case of non-U.S. Persons, substantially equivalent principles) applied consistently throughout the periods reflected therein (except for changes approved or required by the independent public accountants certifying such statements and disclosed therein).

(e) All such financial statements shall be complete and correct in all material respects and shall be prepared in reasonable detail and in accordance with GAAP (except for requirements and procedures established by the Texas Comptroller and the Texas State Auditor) applied consistently throughout the periods reflected therein (except for changes approved or required by the independent public accountants certifying such statements and disclosed therein).

(f) The Borrower shall furnish to the TIFIA Lender, together with each delivery of annual audited or the monthly financial reports of the Borrower pursuant to Section 22(d), a certificate signed by the chief executive officer or chief financial officer of the Borrower or any Borrower’s Authorized Representative, stating whether or not, to the Borrower’s knowledge, during the monthly or annual period (as the case may be) covered by such financial statements or reports, there occurred any Event of Default or event which, with notice or lapse of time or both, would become an Event of Default, and, if any such Event of Default or other event shall have occurred during such period, the nature of such Event of Default or other event and the actions that the Borrower has taken or intends to take in respect thereof.

SECTION 23. Project Oversight and Monitoring.

(a) Project Development, Design and Construction. The TIFIA Lender shall have the right in its sole discretion to monitor (or direct its agents to monitor) development, including environmental compliance, design, right-of-way
acquisition, and construction of the Project. TxDOT shall be responsible for administering construction oversight of the Project in accordance with the Project Agreement. TxDOT’s oversight of Project development, environmental compliance, design, right-of-way acquisition, and construction monitoring shall be conducted pursuant to the Oversight Agreement, which may be amended from time to time upon mutual agreement of TxDOT and FHWA, or when so required by federal statute or otherwise required by the United States Congress. The Borrower agrees to cooperate in good faith with the TIFIA Lender in the conduct of such monitoring by promptly providing the TIFIA Lender with such reports, documentation or other information as shall be requested by the TIFIA Lender, or its agents, including any independent engineer reports, documentation or information.

(b) Reporting. The Borrower shall furnish to the TIFIA Lender:

(i) Quarterly Construction Progress Report. At such time as the reports required by Section 407 of the Master Trust Agreement are required to be filed with the Trustee, the Borrower shall provide the TIFIA Lender a report executed by a Borrower’s Authorized Representative (A) of the amount of Project Costs expended since the Effective Date as well as during the preceding calendar quarter and the amount of Project Costs estimated to be required to complete the Project, (B) providing an assessment of the overall construction progress of the Project since the date of the last report and since the Effective Date, together with an assessment of how such progress compares to the Construction Schedule, (C) specifying the projected Substantial Completion Date, (D) providing a detailed description of all material problems (including actual and anticipated cost and/or schedule overruns, if any) encountered or anticipated in connection with the construction of the Project since the date of the last report, together with an assessment of how such problems may impact the Construction Schedule and the meeting of critical dates thereunder and a detailed description of the proposed solutions to any such problems, (E) specifying the delivery status of major equipment, if any, and the effect, if any, that the anticipated delivery dates of such equipment has on the overall Construction Schedule, (F) specifying any proposed or pending change orders, (G) specifying any material changes or deviations from the Borrower’s land procurement plans or schedule, and (H) a discussion or analysis of such other matters related to the Project as the TIFIA Lender may reasonably request. The Borrower shall respond, and use commercially reasonable efforts to cause the Construction Contractors to respond, to the TIFIA Lender’s inquiries regarding such report, the construction of the Project and any Construction Contractor’s performance of its obligations under the Construction Agreement to which it is a party.

(ii) Construction Contractor Reports. During the Construction Period, promptly after receipt thereof, a copy of each report delivered by each Construction Contractor to the Borrower pursuant to the Construction Agreement to which it is a party.
(iii) Traffic and Operating Report. For the period commencing after the Substantial Completion Date of each System Segment comprising a portion of the Project, deliver to the TIFIA Lender, (x) not later than the last day of the month, a traffic and operating report for the preceding calendar month showing the information required by Section 709 of the Master Trust Agreement; and (y) not later than the last day of the month following the close of each calendar quarter, the operating data for the Project for the previous financial quarter, including total Project Revenues received and total Operations and Maintenance Expenses and Capital Expenditures incurred, (B) the variances for such period between the Project Revenues actually received and the budgeted Project Revenues as shown in the Financial Plan, together with a brief narrative explanation of the reasons for any such variance of ten percent (10%) or more, and (C) the variances for such period between the actual Operations and Maintenance Expenses incurred and the budgeted Operations and Maintenance Expenses as shown in the Financial Plan, together with a brief narrative explanation of the reasons for any such variance of ten percent (10%) or more.

(iv) Permits. Promptly after the receipt or filing thereof, as the case may be (but in no event later than thirty (30) days after such receipt or filing), a copy of (A) each Governmental Approval or other consent or approval obtained by the Borrower, or obtained by any Construction Contractor and delivered to the Borrower pursuant to any Construction Agreement after the Effective Date, and (B) each filing made by the Borrower with any Governmental Authority with respect to a Governmental Approval, except such as are routine or ministerial in nature.

(c) Project Operations. For the period following Substantial Completion, the TIFIA Lender shall have the right, in its sole discretion, to monitor (or direct its agents to monitor) the Project's operations and to require reporting on the operation and management of the Project and to provide copies of any contracts in excess of $10,000,000 relating to the operation, maintenance and safety services for the Project as may be required from time to time. The Borrower agrees to cooperate in good faith with the TIFIA Lender in the conduct of such monitoring by promptly providing the TIFIA Lender with such reports, documentation, or other information as shall be requested by the TIFIA Lender. In the event that the TIFIA Lender retains a financial oversight advisor under contract with the TIFIA Lender, which decision shall be within the sole discretion of the TIFIA Lender, to carry out the provisions of this Section, the full cost of such monitoring shall be borne by the Borrower. Any costs incurred by the TIFIA Lender for such monitoring shall be promptly reimbursed by the Borrower upon demand therefor in the form of an invoice reasonably acceptable to the Borrower.

SECTION 24. No Personal Recourse. No official, employee or agent of the TIFIA Lender or the Borrower or any Person executing this Agreement or any of the other TIFIA Loan Documents shall be personally liable on this Agreement or such other TIFIA Loan Documents by reason of the issuance, delivery or execution hereof or thereof.
SECTION 25. **No Third Party Rights.** The parties hereby agree that this Agreement creates no third party rights against the Borrower, the United States or the TIFIA Lender, solely by virtue of the TIFIA Loan, and the Borrower agrees to indemnify and hold the above Federal parties harmless, to the extent permitted by law and in accordance with Section 18, from any lawsuit or claim arising in law or equity solely by reason of the TIFIA Loan, and that no third party creditor or creditors of the Borrower shall have any right against the TIFIA Lender with respect to the TIFIA Loan made pursuant to this Agreement.

SECTION 26. **Borrower's Authorized Representative.** The Borrower shall at all times have appointed a Borrower's Authorized Representative by designating such Person or Persons from time to time to act on the Borrower's behalf pursuant to a written certificate furnished to the TIFIA Lender and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the Borrower.

SECTION 27. **TIFIA Lender's Authorized Representative.**

(a) The TIFIA Lender shall at all times have appointed the TIFIA Lender's Authorized Representative by designating such Person or Persons from time to time to act on the TIFIA Lender's behalf pursuant to a written certificate furnished to the Borrower and the Servicer, if any, containing the specimen signature or signatures of such Person or Persons and signed by the TIFIA Lender.

(b) Pursuant to a Delegation of Authority dated July 24, 2003, the Administrator delegated the authority to enter into contracts and sign all contractual and funding documents (with the exception of the term sheets and credit agreements) necessary to implement the Act, including entering into technical amendments to, and restatements of, term sheets and credit agreements that do not materially impair the credit quality of the revenues pledged to repay the TIFIA Lender. This authority was delegated to the Associate Administrator for Administration who in turn delegated such authority to the Director of the Office of Innovative Program Delivery on June 15, 2009. Pursuant to these delegations the above named officers, any of whom alone may act, serve as the TIFIA Lender's Authorized Representative under this Agreement, in addition to the Administrator for the purposes set forth herein.

SECTION 28. **Servicer.** The TIFIA Lender may from time to time designate another entity or entities to perform, or assist the TIFIA Lender in performing, the duties of the Servicer or specified duties of the TIFIA Lender under this Agreement and the Note. The TIFIA Lender shall give the Borrower written notice of the appointment of any successor or additional Servicer and shall enumerate the duties or any change in duties to be performed by any Servicer. Any references in this Agreement to the TIFIA Lender shall be deemed to be a reference to the Servicer with respect to any duties which the TIFIA Lender shall have delegated to such Servicer. The TIFIA Lender may at any time assume the duties of any Servicer under this Agreement and the Note.
SECTION 29. Fees and Expenses.

(a) Commencing in Federal Fiscal Year (FFY) 2015 and continuing thereafter each year throughout the term of this Agreement, the Borrower shall pay to the TIFIA Lender a loan servicing fee on or before the fifteenth (15th) of November. The TIFIA Lender shall establish the amount of this annual fee, and the Servicer shall notify the Borrower of the amount, at least thirty (30) days before payment is due.

(b) In establishing the amount of the fee, the TIFIA Lender will adjust the previous year’s base amount in proportion to the percentage change in CPI. For the FFY 2015 calculation, the TIFIA Lender will use the FFY 2014 base amount of $12,483 which applies to other TIFIA borrowers, as the previous year’s base amount. The TIFIA Lender will calculate the percentage change in the CPI, before seasonal adjustment, from August of the previous year to August of the current year and will then adjust the previous year’s base amount in proportion to the CPI percentage change. To calculate the amount of the fee, the TIFIA Lender shall round the current year’s base amount using increments of $500. Results with the ending integers between 250-499 or between 750-999 shall be rounded upward, and results with the ending integers between 001-249 or between 501-749 shall be rounded downward. The CPI adjustments in the following years shall begin with the base amount, not the rounded fee.

(c) The Borrower shall cooperate and respond to any reasonable request of the Servicer for information, documentation or other items reasonably necessary for the performance by the Servicer of its duties hereunder.

(d) The Borrower agrees, whether or not the transactions hereby contemplated shall be consummated, to reimburse the TIFIA Lender on demand from time-to-time on and after the Effective Date for any and all fees, costs, charges and expenses incurred by it (including the reasonable fees, costs and expenses of counsel and other advisors) in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the other TIFIA Loan Documents and the transactions hereby and thereby contemplated, including reasonable attorneys’, engineers’, and planning fees and professional costs, including all such fees, costs and expenses incurred as a result of or in connection with:

(i) the enforcement of or attempt to enforce any provision of this Agreement or any of the other TIFIA Loan Documents;

(ii) any amendment, modification, or requested amendment or modification of, waiver, consent or requested waiver or consent under or with respect to, or the protection or preservation of any right or claim under, this Agreement, any other Related Document or the Trust Estate, or advice in connection with the administration, preservation in full force and effect and enforcement of this Agreement or any other Related Document or the rights of the TIFIA Lender thereunder; and
(iii) any work-out, restructuring or similar arrangement of the obligations of the Borrower under this Agreement or the other TIFIA Loan Documents during the pendency of one or more Events of Default.

The obligations of the Borrower under this Section shall survive the payment or prepayment in full or transfer of the Note, the enforcement of any provision of this Agreement or the other TIFIA Loan Documents, any such amendments, waivers or consents, any Event of Default, and any such workout, restructuring or similar arrangement.

SECTION 30. Amendments and Waivers. No amendment, modification, termination or waiver of any provision of this Agreement shall in any event be effective without the written consent of each of the parties hereto.

SECTION 31. Governing Law. This Agreement shall be governed by the federal laws of the United States if and to the extent such federal laws are applicable and the internal laws of the State, if and to the extent such federal laws are not applicable.

SECTION 32. Severability. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

SECTION 33. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective permitted successors and assigns and shall inure to the benefit of the parties hereto and their permitted successors and assigns. Neither the Borrower's rights or obligations hereunder nor any interest therein may be assigned or delegated by the Borrower without the prior written consent of the TIFIA Lender.

SECTION 34. Remedies Not Exclusive. No remedy conferred herein or reserved to the TIFIA Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 35. Delay or Omission Not Waiver. No delay or omission of the TIFIA Lender to exercise any right or remedy provided hereunder upon a default of the Borrower (except a delay or omission pursuant to a written waiver) shall impair any such right or remedy or constitute a waiver of any such default or acquiescence therein. Every right and remedy given by this Agreement or by law to the TIFIA Lender may be exercised from time to time, and as often as may be deemed expedient by the TIFIA Lender.

SECTION 36. Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto or in connection herewith may be executed in any number of counterparts and by the different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document.
SECTION 37. Notices; Payment Instructions. Notices hereunder shall be (a) in writing, (b) effective upon receipt (except as otherwise provided herein) and (c) given by (i) nationally recognized courier service, (ii) hand delivery or (iii) solely with respect to ministerial or non-substantive notices, email, in each case to:

If to TIFIA Lender

TIFIA Joint Program Office (HITJ)
Federal Highway Administration
Room E64-301
1200 New Jersey Avenue, SE
Washington, DC 20590
Attention: Director
Email: TIFIACredit@dot.gov

with copies to:

Federal Highway Administration
Texas Division Office
300 E. 8th Street, Room 826
Austin, Texas 78701
Attention: Division Administrator

If to Borrower:

Grand Parkway Transportation Corporation
125 E. 11th Street
Austin, Texas 78701-2483
Attention: Benjamin Asher
Email: benjamin.asher@txdot.gov

Notices required to be provided herein shall be provided to such different addresses or to such further parties as may be designated from time to time by a Borrower’s Authorized Representative with respect to notices to the Borrower or by the TIFIA Lender’s Authorized Representative with respect to notices to the TIFIA Lender or the Servicer. The Borrower shall make any payments hereunder or under the Note in accordance with the payment instructions hereafter provided by the TIFIA Lender’s Authorized Representative, as modified from time-to-time by the TIFIA Lender’s Authorized Representative. Each such notice, request or communication shall be effective (x) if delivered by hand or by nationally recognized courier service, when delivered at the address specified in this Section 37 (or in accordance with the latest unrevoked written direction from the receiving party) and (y) if given by email, when such email is delivered to the address specified in this Section 37 (or in accordance with the latest unrevoked written direction from the receiving party) and all necessary confirmations have been received in accordance herewith; provided that notices received on a day that is not a Business Day or after 5:00 p.m. Eastern Time on a Business Day will be deemed to be effective on the next Business Day.

SECTION 38. Effectiveness. This Agreement shall be effective on the Effective Date.

SECTION 39. Termination. This Agreement shall terminate upon payment in full by the Borrower of the TIFIA Loan, provided, however, that the indemnification requirements of Section 18, the reporting and record keeping requirements of Section 21(b) and (c) and the
payment requirements of Section 29 shall survive the termination of this Agreement as provided in such sections.

SECTION 40. Integration. This Agreement constitutes the entire contract between the parties relating to the subject matter hereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

GRAND PARKWAY TRANSPORTATION CORPORATION

By: [Signature]
Name: James Bass
Title: President, Board of Directors

[Borrower Signature Page to TIFIA Loan Agreement]
UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Federal Highway Administrator

By:

Name: Gregory G. Nadeau
Title: Deputy Administrator

Date: February 6, 2014

[TIFIA Signature Page to TIFIA Loan Agreement]
## Sources of Funds

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Toll Revenue Bond Proceeds (Series 2013)</td>
<td>$2,913,430,971</td>
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<tr>
<td><strong>Total Sources</strong></td>
<td><strong>$2,913,430,971</strong></td>
</tr>
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## Uses of Funds

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<thead>
<tr>
<th>Cost</th>
<th>Total Inflated Costs</th>
<th>Eligible Cost?</th>
<th>Eligible Amount</th>
<th>Ineligible Amount</th>
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<tbody>
<tr>
<td><strong>Construction Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ZO Developer Costs</td>
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<td>$1,043,553,000</td>
<td>$0</td>
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<tr>
<td>GEC Management &amp; Oversight</td>
<td>39,752,417</td>
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<td>39,752,417</td>
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<tr>
<td>Construction Management</td>
<td>45,431,334</td>
<td>Yes</td>
<td>45,431,334</td>
<td>0</td>
</tr>
<tr>
<td>Material Testing</td>
<td>8,518,375</td>
<td>Yes</td>
<td>8,518,375</td>
<td>0</td>
</tr>
<tr>
<td>Contingencies</td>
<td>100,000,000</td>
<td>Yes</td>
<td>96,135,465</td>
<td>3,864,535</td>
</tr>
<tr>
<td>ROW</td>
<td>366,250,050</td>
<td>Yes</td>
<td>366,250,050</td>
<td>0</td>
</tr>
<tr>
<td>Toll Integrator Costs</td>
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<td>Yes</td>
<td>23,306,446</td>
<td>0</td>
</tr>
<tr>
<td>Pre-Development Costs</td>
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<td>No</td>
<td>0</td>
<td>300,000,000</td>
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<tr>
<td>Segment D&amp;E Costs</td>
<td>354,600,000</td>
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<td>354,600,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Construction Costs</strong></td>
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<td>$1,977,547,087</td>
<td>$303,864,535</td>
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<tr>
<td><strong>Other Costs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HCTRA Reimbursement</td>
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<td>77,000,000</td>
<td>0</td>
</tr>
<tr>
<td>TxDOT Reimbursement</td>
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<td>Yes</td>
<td>90,948,459</td>
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<tr>
<td><strong>Total Other Costs</strong></td>
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<td>$167,948,459</td>
<td>$0</td>
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<tr>
<td><strong>Financing Costs</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capitalized Interest Fund</td>
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<td>$270,287,016</td>
<td>$59,276,984</td>
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<td>Debt Service Reserve Fund</td>
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<td>17,963,579</td>
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<td>Rate Stabilization Fund</td>
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<td>100,000,000</td>
<td>0</td>
</tr>
<tr>
<td>Cost of Issuance</td>
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<td>14,010,296</td>
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<td><strong>Total Financing Costs</strong></td>
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<td>$402,260,891</td>
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<td><strong>Total Cost including</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reimbursements</td>
<td>$2,913,430,971</td>
<td></td>
<td>$2,547,756,436</td>
<td>$365,674,535</td>
</tr>
</tbody>
</table>
## SCHEDULE II

Grand Parkway

TIFIA Eligible Project Costs

<table>
<thead>
<tr>
<th>Eligible Costs ($000)</th>
<th>Toll Revenue Bond Proceeds</th>
<th>TIFIA Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Construction Costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ZO Developer Costs</td>
<td>$1,043,553,000</td>
<td>$699,180,510</td>
</tr>
<tr>
<td>GEC Management &amp; Oversight</td>
<td>39,752,417</td>
<td>26,634,119</td>
</tr>
<tr>
<td>Construction Management</td>
<td>45,431,334</td>
<td>30,438,994</td>
</tr>
<tr>
<td>Material Testing</td>
<td>8,518,375</td>
<td>5,707,311</td>
</tr>
<tr>
<td>Contingencies</td>
<td>96,135,465</td>
<td>64,410,762</td>
</tr>
<tr>
<td>ROW</td>
<td>366,250,050</td>
<td>245,387,534</td>
</tr>
<tr>
<td>Toll Integrator Costs</td>
<td>23,306,446</td>
<td>15,615,319</td>
</tr>
<tr>
<td>Pre-Development Costs</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Segment D&amp;E Costs</td>
<td>354,600,000</td>
<td>237,582,000</td>
</tr>
<tr>
<td><strong>Total Construction Costs</strong></td>
<td>$1,977,547,087</td>
<td>$1,324,956,548</td>
</tr>
<tr>
<td><strong>Other Costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HCTRA Reimbursement</td>
<td>$77,000,000</td>
<td>$51,590,000</td>
</tr>
<tr>
<td>TxDOT Reimbursement</td>
<td>90,948,459</td>
<td>60,935,467</td>
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<tr>
<td><strong>Total Other Costs</strong></td>
<td>$167,948,459</td>
<td>$112,525,467</td>
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<tr>
<td><strong>Financing Costs</strong></td>
<td></td>
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<tr>
<td>Capitalized Interest Fund</td>
<td>$270,287,016</td>
<td>$181,092,301</td>
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<tr>
<td>Debt Service Reserve Fund</td>
<td>17,963,579</td>
<td>12,035,598</td>
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<tr>
<td>Rate Stabilization Fund</td>
<td>100,000,000</td>
<td>67,114,624</td>
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<td>Costs of Issuance</td>
<td>14,010,296</td>
<td>9,386,898</td>
</tr>
<tr>
<td><strong>Total Financing Costs</strong></td>
<td>$402,260,891</td>
<td>$269,629,421</td>
</tr>
<tr>
<td><strong>Total Eligible Costs</strong></td>
<td>$2,547,756,436</td>
<td>$1,707,111,436</td>
</tr>
</tbody>
</table>

\(^1\)Includes preliminary estimate of $96.135 mm Construction Contingency
SCHEDULE 14(t)

ENVIRONMENTAL MATTERS

Part A List of items of non-compliance with Environmental Laws

The items listed on Schedule I hereto.

Part B List of notices and communications regarding non-compliance with Governmental Laws and Governmental Approvals

None
Schedule I
Environmental Matters

Northgate Crossing – Oral complaints were received alleging excessive construction noise and dirt being tracked onto streets in the vicinity of the neighborhood of Northgate Crossing. Although the Contractor did not believe these events were in excess of allowable limits, a community meeting was organized (both the Contractor and TxDOT were in attendance) and the complaints were discussed and addressed through additional mitigation measures.

Wetland at Contractor’s Construction Office and Yard at Segment G – The Contractor obtained a determination from an environmental consultant that a 0.43 acre area outside the Project right of way was isolated and did not need an USACE jurisdictional determination in order to fill this 0.43 acre area while constructing an office and yard. The Contractor later learned from the Corps that it believed a USACE jurisdictional determination was needed. In order to resolve this issue, the USACE and the Contractor agreed that the Contractor would purchase compensation credits for the 0.43 acres of impacted wetland. The USACE, at the Contractor’s request, has issued a Nationwide Permit 39 verification letter allowing the Contractor to resolve this issue through the purchase of mitigation credits.

In addition to the foregoing matters, attached as Schedule I-1 is a list of Project Specific Locations where the Contractor is seeking USACE’s approval for areas outside the permitted right-of-way. Contractor is seeking USACE’s approval for such areas in accordance with the USACE 404 Permits for each Segment. Contractor’s inclusion of this list shall not constitute an admission by Contractor that it is not in compliance with applicable laws. This list has been included in Schedule I at the Borrower’s request.
SCHEDULE I-1

PROJECT SPECIFIC LOCATIONS (PSLs) - Status as of January 31, 2014

PSLs (Project Specific Locations) – There are specific conditions in the USACE 404 Permits for each Segment which require ZOPB to obtain approval from the USACE for all areas outside the permitted RightOf-Way (ROW) that ZOPB will be utilizing to support the Work. PSLs are generally areas such as Segment field offices/yards, batch plants / pug-mills, borrow sources and haul roads.

The following are the PSLs that ZOPB has submitted for approval to date. Note that as the Work progresses, additional PSLs may be needed and such PSLs will require USACE approval. All of these approval documents have also been provided to TxDOT/GEC.

<table>
<thead>
<tr>
<th>Segment</th>
<th>PSL</th>
<th>CURRENT STATUS</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>F-1</td>
<td>F-1 Field Office</td>
<td>Approved</td>
<td>USACE provided letter approval on 10/08/13.</td>
</tr>
<tr>
<td>F-1</td>
<td>Haul Road at Parcel 106</td>
<td>Submitted to USACE</td>
<td>Submitted for USACE approval on 12/18/13. Pending response from USACE.</td>
</tr>
<tr>
<td>F-2</td>
<td>F-2 Field Office</td>
<td>Approved</td>
<td>USACE provided letter approval on 10/08/13.</td>
</tr>
<tr>
<td>F-2</td>
<td>Pugmill #1</td>
<td>Approved</td>
<td>USACE provided letter approval on 10/08/13.</td>
</tr>
<tr>
<td>F-2</td>
<td>Haul Road at Parcel 335</td>
<td>Submitted to USACE</td>
<td>Submitted for USACE approval on 1/06/13. Pending response from USACE.</td>
</tr>
<tr>
<td>G</td>
<td>G Field Office</td>
<td>Submitted to USACE</td>
<td>ZOPB impacted 0.43 acres of wetland prior to USACE approval. Nationwide Permit 39 verification letter issued by USACE on 10/08/13 stipulating compensation credits to be purchased by 12/31/13 (which has been extended to 1/30/14).</td>
</tr>
<tr>
<td>G</td>
<td>Pugmill #3</td>
<td>Approved</td>
<td>Pugmill #3 is located within the footprint of another PSL (Segment Ga Batch Plant footprint). USACE confirmed via email to ZPBO on 11/26/13 that no approval for this Pugmill was necessary.</td>
</tr>
<tr>
<td>G</td>
<td>Segment Ga Batch Plant</td>
<td>Approved</td>
<td>USACE provided letter approval on 10/18/13.</td>
</tr>
<tr>
<td>G</td>
<td>Segment Gb Batch Plant</td>
<td>Approved</td>
<td>USACE provided letter approval on 12/19/13.</td>
</tr>
<tr>
<td>G</td>
<td>Jim Holcomb Ponds Borrow Source</td>
<td>Submitted to USACE</td>
<td>Submitted for USACE approval on 12/04/13. USACE requested a site visit which was completed on 1/3/14. Pending letter of approval.</td>
</tr>
<tr>
<td>G</td>
<td>Anthony Roberts Pond Borrow</td>
<td>Submitted to USACE</td>
<td>Submitted for USACE approval on 12/04/13. USACE has requested a site visit which has yet to be scheduled.</td>
</tr>
</tbody>
</table>
RE-EVALUATIONS OF THE FHWA RECORD OF DECISION (ROD) - Status as of January 31, 2014

FHWA re-evaluations are generally required when the Right-Of-Way boundary identified in the National Environmental Policy Act (NEPA) approved footprint (from the FHWA Record of Decision) for the Project needs to be extended outside the NEPA approved footprint. Re-evaluations are also required for certain design changes within the NEPA approved footprint.

The following are the re-evaluations ZOPB has submitted for approval to date. These approvals are submitted to the TxDOT/GEC who then is responsible for submitting them to FHWA. Note that as the Work progresses, additional re-evaluations may be needed.

Submission: Segment F-1 Reevaluation #1 Areas
Date Submitted to TxDOT: First Submittal sent 9/23/2013, latest revision sent on 1/13/14
Current Status: TxDOT submitted to FHWA on 1/27/14

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<tr>
<th>Proposed Design Change</th>
<th>Description</th>
<th>Comments</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Station 2435+00. Adding two back slope drains for outfalls. 0.04 Acre permanent easement outside of ROW &amp; 0.006 Acre temporary construction easement</td>
<td>This also required USACE approval. USACE provided letter approval on 10/10/13.</td>
</tr>
<tr>
<td>2</td>
<td>Station 2604+00. Change from bridge to culvert creek-crossing at HCFCD L112-02-00. 0.098 Acre (178 LF) within ROW</td>
<td>This also required USACE approval. USACE provided letter approval on 10/10/13.</td>
</tr>
<tr>
<td>3</td>
<td>Station 2664+00 to 2674+50. 0.27 Acre temporary construction easement outside the ROW. Additional acreage needed for proper transitioning into existing channel.</td>
<td>This also required USACE approval. USACE provided letter approval on 10/10/13.</td>
</tr>
<tr>
<td>4</td>
<td>Station 2675+00. 3.12 Acre additional ROW outside the existing ROW. Additional acreage needed for proper drainage along Mueschke Rd.</td>
<td>This also required USACE approval. USACE provided letter approval on 10/10/13.</td>
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<td>5</td>
<td>Station 2726+00. 0.069 Acre (204 LF) within the ROW. Change from bridge to culvert creek-crossing at HCFCD M100-00-00</td>
<td>This also required USACE approval. USACE provided letter approval on 10/10/13.</td>
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<td>6</td>
<td>Station 2808+00 to 2848+00, 2848+00 to 2855+00, 2878+00 to 2882+00, 2882+00 to 2982+00, &amp; 2932+00 to 2940+00. 8.58 Acres within the ROW. Replacing bridge span with fill material</td>
<td>This also required USACE approval. USACE provided letter approval on 10/10/13.</td>
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<td>Station 2870+82 to 2892+79. 32.49 Acre outside the ROW. Additional detention pond.</td>
<td>This also required USACE approval. USACE provided letter approval on 10/10/13.</td>
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<td>8</td>
<td>Station 2905+00. 0.07 Acre outside the ROW. Additional acreage for temporary construction easement</td>
<td>This also required USACE approval. USACE provided letter approval on 10/10/13.</td>
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<td>9</td>
<td>Station 2923+00. 0.10 Acre outside the ROW. Additional acreage for temporary construction easement</td>
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Grand Parkway (SH99) Segments F-1, F-2 and G
**Submission: Segment F-1 Reevaluation #2 Areas**
**Date Submitted to TxDOT:** 12/17/2013  
**Current Status:** TxDOT submitted to FHWA on 1/9/2014

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<td>1</td>
<td>Station 2784+00 to 2794+00. 0.745 Acre outside the ROW. Additional acreage for permanent drainage easement.</td>
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<td>2</td>
<td>Station 2942+50 to 2948+00. 1.699 Acres outside the ROW. Additional ROW needed to fill active sand mine.</td>
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**Submission: Segment F-2 Reevaluation #1 Areas**
**Date Submitted to TxDOT:** First Submittal sent 9/23/2013, latest revision sent on 1/13/14  
**Current Status:** TxDOT submitted to FHWA on 1/27/2014

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<td>Station 3229+00. 0.04 Acre permanent easement &amp; 0.03 Acre temporary construction easement, both outside the ROW. Additional acreage for drainage outfall.</td>
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<td>Station 3340+00. 0.04 Acre outside the ROW. Additional acreage for temporary construction easement for drainage tie-in.</td>
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<td>3</td>
<td>Station 3473+00. 0.02 Acre outside the ROW. Additional acreage for temporary construction easement for drainage outfall.</td>
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<td>4</td>
<td>Station 3524+00. 0.068 Acre (191 LF) within the ROW. Change from bridge to culvert crossing at HCFCD Channel J121-00-00. This also required USACE approval. USACE provided letter approval on 10/3/13.</td>
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**Submission: Segment F-2 Reevaluation #2 Areas**
**Date Submitted to TxDOT:** 12/17/2013  
**Current Status:** TxDOT submitted to FHWA on 1/9/2014

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<td>Station 3243+25 to 3244+00. 0.0466 Acre outside the ROW. Temporary Construction Easement needed for proper slope grade.</td>
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<td>Station 3288+00. 0.324 Acre outside the ROW. Temporary Construction Easement for temporary road at FM 2920 NE Quad.</td>
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<td>Station 3288+00. 0.184 Acre outside the ROW. Temporary Construction Easement for temporary road at FM 2920 SE Quad.</td>
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<td>Station 3369+75 to 3371+00. 0.1818 Acre outside the ROW. Temporary Construction Easement needed for proper slope grade.</td>
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<tr>
<td>1</td>
<td>Station 3731+00. 0.14 Acre permanent easement &amp; 0.50 Acre temporary construction easement, both outside the ROW. Additional permanent and temporary easements for drainage outfall.</td>
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<td>Station 3746+00. 0.78 Acre outside the ROW. Additional ROW for an underground drainage pipe.</td>
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<td>Station ML 3775+00 / Riley Fuzzel 96+00. 0.046 Acre outside the ROW. Additional ROW for drainage outfall.</td>
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<td>Station ML 4074+00 / SJ Basin 02 10+00. 0.35 Acre outside the ROW. Additional permanent easement for drainage outfall.</td>
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<td>5</td>
<td>Station 4319+00. 0.06 Acre outside the ROW. Modify temporary construction easement.</td>
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<tr>
<td>6</td>
<td>Station 4355+00 to 4362+00. 0.40 Acre outside the ROW. Additional permanent easement for roadway embankment.</td>
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GOVERNMENTAL APPROVALS

- Environmental Approvals

  State Environmental Assessment (EA) Re-evaluation FONSI
  - Segment D (September 2008)

  FHWA – Categorical Exclusion (CE) Concurrence
  - Segment D/E Interchange (November 2009)

  FHWA – Environmental Impact Statement (EIS) Record of Decision (ROD)
  - Segment E (June 2008/June 2009)
  - Segment F-1 (November 2008/June 2009)
  - Segment F-2 (December 2009)
  - Segment G (December 2010)

  FHWA – EIS Re-evaluation
  - Segment E (June 2009)
  - Segment F-1 (May 2012)
  - Segment F-2 (May 2012)
  - Segment G (May 2012)

  USACE Section 404 Individual Permit (IP)
  - Segment E (June 2011)
  - Segment F-1 (April 2013)
  - Segment F-2 (May 2013)
  - Segment G (June 2013)

- Waivers of primacy from each of the applicable counties.
- Legal sufficiency review by the Texas Attorney General of the Design-Build Contract
SCHEDULE 14(v)

INSURANCE

Borrower is in compliance with Section 705 of the Master Trust Agreement and there are no commercial policies required on the Effective Date.
SCHEDULE 14(y)

INTELLECTUAL PROPERTY

None.
SCHEDULE 14(dd)

TRANSACTIONS WITH RELATED GOVERNMENTAL AUTHORITIES

Contracts entered into in relation to the Project that are not with a Governmental Authority and are not considered Principal Project Contracts:

- Master Lockbox and Custodial Accounts Agreement by and between the Bank of New York Trust Company, N.A., as Custodian and Texas Department of Transportation dated as of November 9, 2007 and the related Joinder Agreement made and entered into effective August 1, 2013 by the Texas Department of Transportation, the Grand Parkway Transportation Corporation and The Bank of New York Mellon Trust Company, N.A., as Custodian; and
- Statewide Toll System Integration and Maintenance Agreement by and between the Texas Department of Transportation and TransCore, LP effective as of June 18, 2012 and related Project Segment Supplement as assigned to Grand Parkway Transportation Corporation; and
- Capital Maintenance Agreement for the Grand Parkway Project by and between the Texas Department of Transportation and Zachry-Odebrecht Parkway Builders dated as of March 22, 2013, as amended from time to time, and as assigned by TxDOT to the Borrower.

Contracts with Governmental Authorities:

- Toll Rate Agreement
- Initial Toll Equity Loan Agreement
- Market Valuation Waiver Agreement
EXHIBIT A

FORM OF PROMISSORY NOTE

GRAND PARKWAY TRANSPORTATION CORPORATION
GRAND PARKWAY PROJECT
(TIFIA Project Number-2013-1011A)
SECOND TIER TOLL REVENUE PROMISSORY NOTE

Maximum Principal Amount: $840,645,000

Effective Date: February 6, 2014
Due: October 1, 2050

GRAND PARKWAY TRANSPORTATION CORPORATION, a public non-profit corporation and instrumentality of the Texas Transportation Commission created under the laws of the State of Texas (the “Borrower”), for value received, hereby promises to pay to the order of the UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Federal Highway Administrator, or its assigns (the “TIFIA Lender”), the lesser of (x) the Maximum Principal Amount set forth above and (y) the aggregate unpaid principal amount of all disbursements (the “Disbursements”) made by the TIFIA Lender (such lesser amount, together with any interest that is capitalized and added to principal in accordance with the provisions of the TIFIA Loan Agreement referred to below, being hereinafter referred to as the “Outstanding Principal Sum”), together with accrued and unpaid interest (including, if applicable, interest at the Default Rate, as defined in the TIFIA Loan Agreement) on the Outstanding Principal Sum, and all fees, costs and other amounts payable in connection therewith, all as more fully described in the below-referenced TIFIA Loan Agreement. Each Disbursement made by the TIFIA Lender to the Borrower pursuant to the TIFIA Loan Agreement and each prepayment made on account of the Outstanding Principal Sum, shall be recorded by or on behalf of the TIFIA Lender and endorsed on the grid attached hereto as Appendix One in accordance with the terms of the TIFIA Loan Agreement, which is hereby made a part hereof. The principal hereof shall be payable in the manner and at the place provided in the TIFIA Loan Agreement in accordance with Appendix Two, as revised from time to time in accordance with the TIFIA Loan Agreement, until paid in full. Such Appendix Two shall be revised or completed by or on behalf of the TIFIA Lender in accordance with the terms of the TIFIA Loan Agreement. Payments hereon are to be made in accordance with Section 37 of the TIFIA Loan Agreement as the same become due. Principal of and interest on this Note shall be paid in funds available on or before the due date and in any lawful coin or currency of the United States of America which at the date of payment is legal tender for the payment of public and private debts. If the Final Maturity Date is amended in connection with an update to the Financial Plan pursuant to Section 22(a)(iii) of the TIFIA Loan Agreement, the due date of this Note shall be deemed to be amended to change
the due date to such revised Final Maturity Date without any further action required on the part of the Borrower or the TIFIA Lender and such amendment shall in no way amend, modify or affect the other provisions of this Note without the prior written agreement of the TIFIA Lender.

This Note has been executed under and pursuant to the TIFIA Loan Agreement, dated as of the date hereof, between the TIFIA Lender and the Borrower (the “TIFIA Loan Agreement”) and is issued to evidence the obligation of the Borrower under the TIFIA Loan Agreement to repay the loan made by the TIFIA Lender and any other payments of any kind required to be paid by the Borrower under the TIFIA Loan Agreement or the other TIFIA Loan Documents referred to therein. Reference is made to the TIFIA Loan Agreement for all details relating to the Borrower’s obligations hereunder. All capitalized terms used in this Note and not defined herein shall have the meanings set forth in the TIFIA Loan Agreement.

This Note shall be subject to mandatory prepayment in accordance with the TIFIA Loan Agreement.

This Note may be prepaid at the option of the Borrower in whole or in part (and, if in part, the principal installments and amounts thereof to be prepaid are to be determined in accordance with the TIFIA Loan Agreement; provided, however, such prepayments shall be in principal amounts of $1,000,000 or any integral multiple of $100,000 in excess thereof), at any time or from time to time, without penalty or premium, by paying to the TIFIA Lender all or part of the principal amount of the Note in accordance with the TIFIA Loan Agreement.

Payment of the obligations of the Borrower under this Note is secured pursuant to Security Documents referred to in the TIFIA Loan Agreement.

The obligations of the Borrower under this Note, the TIFIA Loan Agreement and the other TIFIA Loan Documents referred to therein are subordinated in right of security to certain senior indebtedness of the Borrower, in the manner and to the extent provided in a Trust Agreement dated August 1, 2013 by and between the Borrower and U.S. Bank National Association, as trustee, as amended and supplemented from time to time and specifically as supplemented by the Third Supplemental Agreement.

On each payment due date, payments hereon are to be made in the manner and at the place specified by the TIFIA Lender.

Any delay on the part of the TIFIA Lender in exercising any right hereunder shall not operate as a waiver of any such right, and any waiver granted with respect to one default shall not operate as a waiver in the event of any subsequent default.

All acts, conditions and things required by the Constitution and laws of the state of Texas to happen, exist, and be performed precedent to and in the issuance of this Note have happened, exist and have been performed as so required. This Note is issued with the intent that the federal laws of the United States of America shall govern its construction to the extent such federal laws are applicable and the internal laws of the state of Texas shall govern its construction to the extent such federal laws are not applicable.
IN WITNESS WHEREOF, GRAND PARKWAY TRANSPORTATION CORPORATION has caused this Note to be executed in its name and its seal to be affixed hereto and attested by its duly authorized officer, all as of the Effective Date set forth above.

GRAND PARKWAY TRANSPORTATION CORPORATION

(SEAL)

By __________________________
Name: James Bass
Title: President

ATTEST:

______________________________
Secretary/Treasurer
(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED, the Undersigned hereby unconditionally sells, assigns and transfers unto

(Please Insert Social Security or other identifying number of Assignee(s)):

the within note and all rights thereunder.

Dated: __________________

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within note in every particular, without alteration or enlargement or any change whatever.
Appendix One

Maturity Date: October 1, 2050

Maximum Principal Sum: $840,645,000

Borrower: Grand Parkway Transportation Corporation

TIFIA Lender: The United States Department of Transportation

DISBURSEMENTS AND PAYMENTS OF PRINCIPAL

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount of Disbursement</th>
<th>Amount of Principal Paid</th>
<th>Unpaid Principal Sum</th>
<th>Notation Made By</th>
</tr>
</thead>
</table>

1 This Grid may be extended if the number of Disbursements, payments and extensions so requires.
# APPENDIX TWO TO EXHIBIT A

## Grand Parkway

Loan Amortization Schedule

**Initial Principal:** $840,645,000.00  
**Effective Date:** 12/15/2016  
**Interest Rate:** 3.65%

<table>
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<th>Date</th>
<th>Beginning Balance</th>
<th>Disbursements</th>
<th>Interest Accrued</th>
<th>Interest Paid</th>
<th>Loan Repayment</th>
<th>Ending Balance</th>
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<td>947,071,429.55</td>
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Total: $840,645,000.00  
Total Beginning Balance: $840,645,000.00  
Total Interest Paid: $903,969,503.48  
Total Loan Repayment: $947,071,429.55
### ANTICIPATED TIFIA LOAN DISBURSEMENT SCHEDULE

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<td>$840,645,000</td>
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EXHIBIT C

CERTIFICATION REGARDING DEBARMENT, SUSPENSION,
AND OTHER RESPONSIBILITY MATTERS—
PRIMARY COVERED TRANSACTIONS

The undersigned on behalf of Grand Parkway Transportation Corporation, hereby certifies, to the best of the undersigned’s knowledge and belief, that Zachry-Odebrecht Parkway Builders and its principals (as defined in 2 C.F.R. § 180.995):

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three (3) year period preceding the Effective Date been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and

(d) Have not within a three (3) year period preceding the Effective Date had one or more public transactions (federal, state or local) terminated for cause or default.

Capitalized terms used in the certificate and not defined shall have the respective meanings ascribed to such terms in the TIFIA Loan Agreement, dated as of February 6, 2014, between the TIFIA Lender and the Borrower, as the same may be amended from time to time.

Dated: ________________

GRAND PARKWAY TRANSPORTATION CORPORATION

By: ______________________

{25527/005/00853387.DOCv1}

C-1
EXHIBIT D

REQUISITION PROCEDURES

This Exhibit D sets out the procedures which the Borrower agrees to follow in submitting Requisitions for the disbursement of TIFIA Loan proceeds to pay directly for, or reimburse the Borrower for, Eligible Project Costs incurred in connection with the Project. Section 1 sets out the manner in which Requisitions are to be submitted and reviewed. Sections 2 through 4 set out the circumstances in which the TIFIA Lender may reject or correct Requisitions submitted by the Borrower or withhold a disbursement. The Borrower expressly agrees to the terms hereof, and further agrees that (i) the rights of the TIFIA Lender contained herein are in addition to (and not in lieu of) any other rights or remedies available to the TIFIA Lender under the TIFIA Loan Agreement, and (ii) nothing contained herein shall be construed to limit the rights of the TIFIA Lender to take actions including administrative enforcement action and actions for breach of contract against the Borrower if it fails to carry out its obligations under the TIFIA Loan Agreement during the term thereof.

Section 1. General Requirements. All requests by the Borrower for the disbursement of TIFIA Loan proceeds shall be made by electronic mail or overnight delivery service by submission to the TIFIA Lender, in accordance with Section 37 of the Agreement, of a Requisition, in form and substance satisfactory to the TIFIA Lender and completed and executed by a Borrower’s Authorized Representative. The form of Requisition is attached as Appendix One to this Exhibit D. Supporting documentation should be submitted with the requisition.

The TIFIA Lender agrees to promptly send to the Borrower in accordance with Section 37 of the Agreement, an acknowledgement of receipt of each Requisition in the form attached as Appendix Two to this Exhibit D setting forth the date of receipt by the TIFIA Lender of such Requisition and setting forth the Business Day on which disbursement will be made, absent rejection by the TIFIA Lender. All disbursement requests must be received by the TIFIA Lender at or before 5:00 P.M. (Eastern Time) on the first Business Day of a calendar month in order to obtain disbursement by the fifteenth (15th) day of such calendar month or, if either such day is not a Business Day, the next succeeding Business Day. If a Requisition is approved by the TIFIA Lender, the TIFIA Lender will notify the Borrower of such approval and of the amount so approved.

Section 2. Rejection. A Requisition may be rejected by the TIFIA Lender if it is:

(a) submitted without signature;

(b) submitted under signature of a Person other than a Borrower’s Authorized Representative;

(c) submitted after prior disbursement of all proceeds of the TIFIA Loan; or

(d) submitted without adequate documentation of Eligible Project Costs incurred or paid. Such documentation shall include invoices for costs incurred or paid.
The TIFIA Lender will notify the Borrower of any Requisition so rejected, and the reasons therefor. Any Requisition rejected for the reasons specified in (a) or (b) above must be resubmitted in proper form in order to be considered for approval. If a Requisition exceeds the balance of the TIFIA Loan proceeds remaining to be disbursed, the request will be treated as if submitted in the amount of the balance so remaining, and the TIFIA Lender will so notify the Borrower.

Section 3. Correction. A Requisition containing an apparent mathematical error will be corrected by the TIFIA Lender, after telephonic notification to the Borrower, and will thereafter be treated as if submitted in the corrected amount. The TIFIA Lender will confirm correction of the error, to the Borrower, in writing.

Section 4. Withholding. The TIFIA Lender shall be entitled to withhold approval of any pending or subsequent requests for the disbursement of TIFIA Loan proceeds if:

(a) the Borrower
   (i) fails to pay any principal or interest on the TIFIA Loan when the same is due and payable; or
   (ii) applies TIFIA Loan proceeds for purposes other than as provided in the TIFIA Loan Agreement for payment of, or reimbursement for, Eligible Project Costs which have been the subject of an approved disbursement request hereunder; or
   (iii) knowingly takes any action, or omits to take any action, amounting to fraud or violation of any applicable federal or local criminal law, in connection with the transactions contemplated hereby; or
   (iv) An Event of Default under the TIFIA Loan Agreement shall have occurred and be continuing;

(b) the Borrower
   (i) fails to construct the Project in a manner consistent with plans, specifications, engineering reports or facilities plans previously submitted to and approved by the TIFIA Lender, or with good engineering practices, where such failure prevents or materially impairs the Project from fulfilling its intended purpose, or prevents or materially impairs the ability of the TIFIA Lender to monitor compliance by the Borrower with applicable federal or local law pertaining to the Project, or with the terms and conditions of the TIFIA Loan Agreement; or
   (ii) fails to observe or comply with any applicable federal or local law, or any term or condition of the TIFIA Loan Agreement; or
   (iii) fails to deliver documentation evidencing Eligible Project Costs claimed for disbursement at the times and in the manner specified by the TIFIA Loan Agreement; and such failure continues for a period of more than thirty (30) days following written notice from the TIFIA Lender to the Borrower, the TIFIA Lender shall be entitled to withhold, from any Requisition received after such thirty (30) day period
has expired, and until such failure is cured or corrected, an amount determined by the TIFIA Lender (in its sole discretion) to be adequate for the cure or correction of such failure, which amount shall be stated in such notice; provided, that if the nature of the failure is such that it cannot reasonably be cured or corrected within such thirty (30) day period, the TIFIA Lender shall not withhold any disbursement by reason of such failure if the Borrower commences cure or correction within such thirty (30) day period and thereafter diligently completes such cure or correction within a further reasonable time period.

The foregoing notwithstanding, if, as of the date of such notice from the TIFIA Lender, the balance of the TIFIA Loan proceeds remaining to be disbursed is less than the amount determined by the TIFIA Lender to be adequate for the cure or correction of such failure, the TIFIA Lender may immediately withhold all further disbursement of TIFIA Loan proceeds until such failure is cured or corrected within the time period specified by the preceding paragraph.
APPENDIX ONE TO EXHIBIT D

FORM OF REQUISITION

United States Department of Transportation
c/o Director, TIFIA Joint Program Office (HITJ)
Federal Highway Administration
Room E64-301
1200 New Jersey Avenue, SE,
Washington, DC 20590

Federal Highway Administration
[State] Division Office
[Address]
Attention: Division Administrator

[Loan Servicer]
[Address]
[Attention]

Re: [ ] PROJECT (TIFIA # [ ])

Ladies and Gentlemen:

Pursuant to Section 4 of the TIFIA Loan Agreement, dated as of [Dated Date] (the “TIFIA Loan Agreement”), by and between GRAND PARKWAY TRANSPORTATION CORPORATION (the “Borrower”) and the UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Federal Highway Administrator (the “TIFIA Lender”), we hereby request disbursement in the amount of $__________ for Eligible Project Costs. Capitalized terms used but not defined herein have the meaning set forth in the TIFIA Loan Agreement. In connection with this Requisition the undersigned does hereby represent and certify the following:

1. This Requisition is Requisition number ________.

2. The requested date of disbursement is [___________ 15, ___][the “Disbursement Date”), which is the first Business Day following ________ 15, ___].

3. The amounts previously disbursed under the TIFIA Loan Agreement aggregate $__________, and the amounts previously disbursed from the Construction Fund under the Trust Agreement aggregate $___________.

4. The amounts hereby requisitioned have been incurred by or on behalf of the Borrower for Eligible Project Costs, and such amounts, together with the amounts set forth in paragraph 3 above, will not exceed as of the requested disbursement date thirty-three percent (33%) of reasonably anticipated Eligible Project Costs.
5. The amount of this Requisition, together with all prior Requisitions, does not exceed the amount of the TIFIA Loan, and the amount of this Requisition together with the sum of all disbursements of TIFIA Loan proceeds made and to be made for the current year will not exceed the cumulative disbursements through the end of the current year as set forth in the Anticipated TIFIA Loan Disbursement Schedule.

6. All amounts requisitioned hereunder are for Eligible Project Costs which have not been paid for or reimbursed by any previous disbursement from TIFIA Loan proceeds.

7. All documentation evidencing the Eligible Project Costs to be paid for or reimbursed by the disbursement has been delivered by the Borrower at the times and in the manner specified by the TIFIA Loan Agreement.

8. The Borrower or TxDOT has all permits and Governmental Approvals necessary as of the date hereof and on the Disbursement Date (immediately after giving effect to the above-requested disbursement of TIFIA Loan proceeds), for the development, construction, operation and maintenance of the Project.

9. The Borrower is in compliance with the insurance requirements set forth in Section 705 of the Master Trust Agreement.

10. The Project has been, and is being, constructed in a manner consistent with all plans, specifications, engineering reports and facilities plans previously submitted to and approved by the TIFIA Lender and with good engineering practices.

11. The Borrower is in compliance with all of the terms and conditions of the TIFIA Loan Agreement and the Trust Agreement and there does not currently exist an Event of Default under the TIFIA Loan Agreement or an event of default under the Trust Agreement or any event which with the giving of notice or the passage of time or both would constitute such an Event of Default or event of default.

12. [The representations and warranties of the Borrower set forth in the TIFIA Loan Agreement and in each other Related Document are true and correct as of the date hereof and as of the Disbursement Date, except to the extent such representations and warranties expressly relate to an earlier date (in which case, such representations and warranties shall be true and correct as of such earlier date).]

2 Insert only in the Requisition delivered in respect of the initial disbursement of the TIFIA Loan.
or a similar qualifier, in which case, it shall be true and correct in all respects) as of such earlier date).]

13. As of the date hereof and on the Disbursement Date (immediately after giving effect to the above-requested disbursement of TIFIA Loan proceeds), (i) no Event of Default or event of default under any other Related Document and (ii) no event which with the giving of notice or the passage of time or both would constitute an Event of Default or event of default under any Related Document, in each case, has occurred and is continuing.

14. As of the date hereof and on the Disbursement Date (immediately after giving effect to the above-requested disbursement of TIFIA Loan proceeds), the total federal assistance provided to the Project shall not exceed eighty percent (80%) of Eligible Project Costs (as required pursuant to Section 603(b)(9) of the Act).

15. Since the date the Borrower submitted the Application to the TIFIA Lender, there shall not have occurred a material adverse change in (a) the rights or authority of the Commission to set, charge and collect tolls on the Project, (b) the right or authority of the Borrower or TxDOT, as applicable, whether directly or indirectly through contract with a third party, to construct or operate and maintain the Project, (c) the legality, validity or enforceability of any material provision of the Trust Agreement, TIFIA Loan Document or Principal Project Contracts, (d) the validity, perfection or priority of the Liens provided under the Security Documents on the Trust Estate in favor of the Secured Parties or (e) the TIFIA Lender’s rights or remedies available under any TIFIA Loan Document.

16. A copy of the quarterly construction progress report pursuant to Section 23(b)(i) of the TIFIA Loan Agreement for the quarter preceding the date of the applicable Requisition has been delivered to each of the above named addresses.

17. The undersigned acknowledges that if the Borrower makes a false, fictitious, or fraudulent claim, statement, submission, or certification to the Government in connection with the Project, the Government reserves the right to impose on the Borrower the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5307(n)(1), to the extent the Government deems appropriate.

18. A copy of this requisition has been delivered to each of the above named addressees.

19. The undersigned is duly authorized to execute and deliver this requisition on behalf of the Borrower.

20. [Add wire instructions for Borrower.]

Date: _____________________________

Borrower’s Authorized Representative

Name: _____________________________

Title: _____________________________

3 Insert in all Requisitions delivered subsequent to the initial disbursement of the TIFIA Loan.
APPENDIX TWO TO EXHIBIT D

FORM OF ACKNOWLEDGMENT OF RECEIPT OF

REQUISITION FOR DISBURSEMENT OF TIFIA LOAN PROCEEDS

[Borrower name and address]

Re: Receipt of Requisition for Disbursement of TIFIA Loan Proceeds

Ladies and Gentlemen:

Pursuant to Section 4 of the TIFIA Loan Agreement, dated as of [Dated Date], by and between GRAND PARKWAY TRANSPORTATION CORPORATION (the "Borrower") and the UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Federal Highway Administrator (the "TIFIA Lender"), the undersigned authorized representative of the TIFIA Lender hereby acknowledges receipt of the attached Requisition for Disbursement of TIFIA Loan proceeds (the "Requisition") from the Borrower. In connection therewith, we hereby represent and certify the following:

1. The date of receipt of the Requisition is ____________ .
2. Unless this Requisition is denied, disbursement shall be made on or before ____________ .

Date:

____________________________________
TIFIA Lender’s Authorized Representative
Name: ________________________________
Title: ________________________________
APPENDIX THREE TO EXHIBIT D

[APPROVAL/DISAPPROVAL] OF THE TIFIA LENDER

(To be delivered to the Borrower)

Requisition Number________________________ is [approved] [approved in part]4 [not approved]5 by the TIFIA Lender (as defined herein) pursuant to Section 4 of the TIFIA Loan Agreement, dated as of [Dated Date], by and between GRAND PARKWAY TRANSPORTATION CORPORATION (the “Borrower”) and the United States Department of Transportation, acting by and through the Federal Highway Administrator (the “TIFIA Lender”).

Any determination, action or failure to act by the TIFIA Lender with respect to the Requisition set forth above, including the withholding of a disbursement, shall be at the TIFIA Lender’s sole discretion, and in no event shall the TIFIA Lender be responsible for or liable to the Borrower for any and/or all consequence(s) which are the result thereof.

UNITED STATES DEPARTMENT OF TRANSPORTATION, acting by and through the Federal Highway Administrator

By: ________________________________
    TIFIA Lender’s Authorized Representative

Name: ________________________________
Title: ________________________________
Dated: ________________________________

4 Those portions of the requisitions that are approved and those portions that are not approved are described in Schedule A attached hereto, with explanations for items not approved.

5 Attached hereto as Exhibit A are reasons for denial of approval.
The Borrower agrees to abide by any and all applicable Federal and state laws. The following list of Federal laws is illustrative of the type of requirements generally applicable to transportation projects. It is not intended to be exhaustive. The Borrower shall require that its contractors and subcontractors comply with applicable laws:

(i) The Americans With Disabilities Act of 1990 and implementing regulations (42 U.S.C. §§ 12101 et seq.; 28 C.F.R. § 35; 29 C.F.R. § 1630);


(iii) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. §§ 4601 et seq.), with the understanding that the requirements of said Act are not applicable with respect to utility relocations except with respect to acquisitions by the Borrower of easements or other real property rights for the relocated facilities;

(iv) Equal employment opportunity requirements under Executive Order 11246 dated September 24, 1965 (30 F.R. 12319), any Executive Order amending such order, and implementing regulations (29 C.F.R. §§ 1625-27, 1630; 28 C.F.R. § 35; 41 C.F.R. § 60; and 49 C.F.R. § 27);

(v) Restrictions governing the use of Federal appropriated funds for lobbying (31 U.S.C. § 1352; 49 C.F.R. § 20);

(vi) The Clean Air Act, as amended (42 U.S.C. §§ 1857 et seq., as amended by Pub. L. 91-604);

(viii) The Federal Water Pollution Control Act, as amended (33 U.S.C. §§ 1251 et seq., as amended by Pub. L. 92-500);

(ix) The environmental mitigation requirements and commitments made by the Borrower that result in TIFIA Lender’s approval of the Final Environmental Impact Statement (issued pursuant to 42 U.S.C. § 4332(2)(C)) and issuance of the Record of Decision for the Project;


(xi) 23 U.S.C. §138

(xii) The health and safety requirements set forth in 23 C.F.R. § 635.108;


(xiv) The Buy America requirements set forth in 23 U.S.C. 313 and implementing regulations (23 C.F.R. § 635.410);

(xv) The requirements of 23 U.S.C. §§ 101 et seq. and 23 C.F.R.; and

(xvi) The applicable requirements of 49 C.F.R. Part 26 relating to the Disadvantaged Business Enterprise program.
OVERSIGHT AGREEMENT
Amended Supplement to the
Federal Highway Administration
Texas Division Office
Oversight Agreement
For Public-Private Partnership Projects

This Amended Supplement to the Federal Highway Administration Texas Division Office Oversight Agreement for Public-Private Partnership Projects is effective as of September 18, 2013. The Supplement to the Federal Highway Administration Texas Division Office Oversight Agreement for Public-Private Partnership Projects is hereby amended to read as follows:

This Oversight Agreement is applicable to those projects that have been identified by the Federal Highway Administration (FHWA) and Texas Department of Transportation (TxDOT) as oversight projects and have been assigned a FHWA Project Engineer. Such oversight projects may include those in which the development and design involve a federal action such as a change in Interstate access. The intent of this agreement is to have a programmatic approach to how FHWA will have oversight and stewardship of projects under this program and how FHWA will delegate activities to TxDOT to perform.

This Oversight Agreement governs only those oversight projects that are procured and delivered by TxDOT through public-private partnerships (P3) authorized by Chapter 223 of the Texas Transportation Code and by necessary FHWA authorization, including any Early Development Agreement entered into under a SEP-15 approval for the project ("P3 Projects"). TxDOT will pursue P3 Projects pursuant to a Comprehensive Development Agreement, Design-Build Agreement or a Facility Concession Agreement and related technical provisions with the P3 Project developer (together a "CDA", "DB" or "FCA").

This Oversight Agreement defines the relationship between the Federal Highway Administration and those other agencies involved in a P3 Project. P3 Projects may be partially or fully funded by the use of a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan, State Infrastructure Bank (SIB) loan, Title 23 funds, or other combination of Federal, State, local, and private monies. The P3 Project may use design-build contracting as a method for developing and delivering a Project as described in 23 CFR 636, in which case this Oversight Agreement, and not any separate oversight agreement for design-build projects, shall apply.

Many Federal actions may be involved with any particular project including approval of a SEP-15 for the P3 Project, approval of Request for Proposals (RFP), approval of an Environmental Document through the National Environmental Policy Act (NEPA) process, review of design schematics, and the processing of a TIFIA or SIB loan (if applicable). Attachment A contains a listing of Federal oversight responsibilities requiring approvals and other actions.
FHWA Project Personnel and Resources for Oversight:

A FHWA project engineer has been or will be provided for the oversight of each P3 Project. This project engineer will be responsible for all delegated project actions with the guidance of the FHWA Division Office leadership, the assistance of Division Office and other FHWA personnel, and in accordance with the approved CDA/DB/FCA documents. This project engineer will consult Division Office specialists, per established Division Office procedures, to provide expeditious reviews of the P3 Project. Specialists may include pavement and materials engineers, environmental specialists, financial specialists, bridge engineers, marketing specialists, technology transfer engineers, legal counsel, and others. Oversight will be conducted through Project monitoring and audit.

Planning and Environment:

FHWA will provide oversight of environmental responsibilities including review and approval of applicable National Environmental Policy Act (NEPA) decisions and possible reevaluations of the decision documents and implementation of mitigation plans. In addition, FHWA will provide oversight of planning responsibilities including conformance with the Transportation Plan and Transportation Improvement Plan and amendments.

Proposal Solicitations:

FHWA will 1) review the Request for Qualifications (RFQ) for compliance with federal requirements (for two-phase process, when applicable), 2) review and approve the Request for Proposals (RFP), 3) review and approve any subsequent major addenda / proposal revisions, and 4) concur in award. To the extent possible, FHWA will participate in TxDOT's proposal review and selection processes.

Project Management and Quality Assurance and Control

As part of each CDA, DB or FCA, TxDOT will require that the P3 Project developer develop, for TxDOT review and approval, a management plan ("MP") or facility management plan ("FMP") for the P3 Project that will establish procedures, processes and quality management systems to assure compliance with applicable Federal requirements. FHWA will review and comment, as appropriate, on the MP or FMP and its component parts. TxDOT will require proposers for P3 projects to submit to TxDOT a preliminary MP or FMP in its proposal submitted for evaluation. Once the CDA, DB or FCA is executed between TxDOT and the P3 Project developer, TxDOT will require the P3 Project developer to submit to TxDOT and obtain TxDOT approval of their completed MP or FMP prior to commencing the work described by those parts.

If the P3 Project is considered a Major Project (as defined in 23 U.S.C. 106), then prior to the execution of any proposed CDA, DB or FCA TxDOT shall obtain FHWA review and approval of the following documents for the P3 Project (for further information see also: http://www.fhwa.dot.gov/ipd/index.htm):
• TxDOT's Project Management Plan, including how TxDOT and the P3 Project developer will interact to provide comprehensive management and oversight of the project.
• TxDOT's Quality Management Plan, including the description of the QA/QC process proposed.
• TxDOT's conceptual Financial Plan, recognizing that close of finance may occur post award.

The P3 Project developer will be responsible for conducting all necessary auditing, inspection, informational and acceptance testing consistent with CDA, DB or FCA requirements and the approved MP or FMP.

For Major Projects that include TIFIA proceeds in the P3 Project developer's plan of finance, the P3 Project developer will be responsible for submitting (1) an initial plan of finance with its TIFIA application, (2) an update to the plan of finance within 60 days after financial close and (3) annual updates to the plan of finance, all in accordance with the TIFIA loan agreement. The plan of finance and updates developed and submitted by the P3 Project developer will satisfy the Financial Plan requirements for Major Projects, including 23 U.S.C. 106 and related guidance. TxDOT will submit supplemental information to FHWA concerning any public funds commitments from TxDOT and, as applicable, a plan of finance for TxDOT controlled non-P3 projects that are part of a TIFIA project and included in eligible project costs to determine the maximum amount of a TIFIA loan. The supplemental information will be submitted by TxDOT to FHWA on the dates that submission of updates to the plan of finance are required from the P3 Project developer until completion of the TxDOT controlled non-P3 project.

Design:

The P3 Project developer will be required to submit design and construction plans, specifications, drawings and other documents to TxDOT and the Independent Engineer as and when prepared. TxDOT will make available to FHWA all design submissions TxDOT receives from the P3 Project developer. FHWA will monitor design schematics as outlined in Attachment A and in accordance with the design criteria established in the CDA, DB or FCA. Design Exceptions (i.e. deviations from and exceptions to the requirements and standards for design set forth in the CDA, DB or FCA) shall receive FHWA review, comment and approval (if appropriate) prior to implementation. No prior review and comment, or prior review and approval, for designs prepared by the P3 Project developer shall be required from the FHWA except as expressly set forth in Attachment A.

Right of Way:

Right of Way activities will be accomplished in accordance with the Uniform Relocation Assistance Act and FHWA actions will be as described in Attachment A.
Construction:

FHWA will maintain a project engineer to provide construction oversight for the P3 Project. This oversight will include routine monitoring and auditing throughout the construction of the P3 Project or during any federally funded reconstruction, rehabilitation, renewal or replacement of the P3 Project that involves Federal aid or a federal action.

Laws and Standards:

TxDOT will require the P3 Project developer to comply with the policies and objectives of Title 23 and with applicable laws, regulations, standards, and directives. Projects implemented under this agreement for the NHS will be developed in accordance with American Association of State Highway and Transportation Officials (AASHTO) Guidelines and the technical requirements, documents and provisions as contained or incorporated in each CDA, DB or FCA.

Modification to such technical requirements, documents and provisions related to construction or design requires FHWA Texas Division approval prior to implementation. This may occur through FHWA's concurrence in or approval of a CDA, DB or FCA amendment. TxDOT will consult with FHWA concerning other changes in the CDA, DB or FCA (change orders, supplemental agreements, time extensions, claims, etc.).

Federal Requirements:

Public-Private Partnership agencies are reminded certain Title 23 requirements dealing with transportation planning, procurement of professional services, value engineering studies, disadvantaged business enterprise, wage rates, advertising and award of bids, convict produced materials, and Buy America provisions and all non-Title 23 requirements apply to all Federal-aid projects.

Independent Engineer:

TxDOT may authorize the use of an independent engineer (the "Independent Engineer") to carry out monitoring, statistical validation, oversight, construction inspection, review, audit and similar functions for P3 Projects. The terms for use of an Independent Engineer, its scope of responsibility and provisions to enable the Independent Engineer to act independently and neutrally shall be subject to the FHWA's review and approval prior to TxDOT's execution of a CDA, DB or FCA for a P3 Project. In addition, if federal funding is expected for the consultant contract with the Independent Engineer, it is subject to 23 CFR 172, which includes approval of the contract prior to execution with the Independent Engineer.

Audit and Monitoring:

In general, FHWA Division Office personnel may audit P3 Project designs and conduct field audits.
TxDOT and the Texas Division of FHWA will monitor P3 Project activities within their respective areas of responsibility to ensure that the P3 Project is designed, constructed and completed in compliance with applicable laws, regulations and standards.

FHWA may at any time have access to and review P3 Project records and documents held by TxDOT and by the Independent Engineer. TxDOT shall require the P3 Project developer to provide TxDOT with reasonable access to the developer's P3 Project records and documents and to provide TxDOT the right to review and audit the developer, its contractors and their respective books and records pertaining to the P3 Project.

The FHWA Project Engineer will be responsible for providing Division Office staff and Headquarters staff (as requested/required) with periodic P3 Project updates that will monitor and report on the P3 Project developer's compliance with the CDA, DB or FCA. At a minimum, updates will be provided by TxDOT, or those acting in its capacity on the P3 Project (including the P3 Project developer) to FHWA as outlined in the approved TxDOT MP or FMP for the P3 Project. In addition TxDOT will provide, during the construction period, monthly summary construction status reports for any TxDOT controlled non-P3 projects that are made part of the overall TIFIA project.

TxDOT and the Texas Division enter into this agreement and agree to carry out their respective responsibilities in a true spirit of cooperation. Nothing in this plan is intended to seclude TxDOT from assistance with respect to any program or project regardless of the oversight status.

Approved by:

For Texas Department of Transportation For Federal Highway Administration

Phil Wilson Achille Alonzi
Executive Director, TxDOT Acting Texas Division Administrator

9/11/2013 9/16/2013
Attachment A to the Supplement to the Texas Division Office Oversight Agreement
For the Oversight of Public-Private Partnership Projects

Activities Requiring FHWA approval including, but not limited to:

- Special Experimental Projects No. 15 (SEP-15) applications and Early Development Agreements (EDA). Note the EDA may modify the requirements noted in this Oversight Agreement.
- Alternate Technical Concepts (ATCs) (if applicable).
- Loan Agreement (TIFIA) (if applicable).
- Tolling Memorandum of Understanding (if applicable).
- Any divergence from the right of way acquisition procedures defined by the FCA or CDA, Project developer's approved FMP or MP, and the Uniform Relocation Assistance Act.
- Advance Construction and conversion to Federal funding (if applicable).
- Participation in costs incurred before FHWA authorization.
- TxDOT's Design Schematics included in the RFP (if applicable).
- Design Exceptions.
- Modifications to access to Interstates (Interstate Access Justification).
- Project Authorization for ROW acquisition (if Federal funds are to be used).
- Project Authorization for use of construction funds (if Federal funds are to be used).
- Obligation of funds (if Federal funds are to be used).
- Waivers to Federal Requirements including but not limited to Buy America, etc.
- Actions or approvals identified in the Texas Division Stewardship Plan ("Texas Division Stewardship Plan", July 31, 2003) as superseded by "Stewardship/Oversight Agreement for Design and Construction" not discussed herein and if consistent herewith.
- Deviations from the defined P3 project procurement process.
- Deviations from DBE goals. The requirements of 49 CFR Part 26 and the State's approved DBE plan apply.
- Civil Rights actions.
- Construction Change Orders and Claims as per the process defined by the FCA or CDA if federal reimbursement is desired.
- Construction Quality Monitoring Plan (CQMP), Owner Verification Testing and Inspection Plan (OVTIP) and deviations of the TxDOT Quality Assurance Plan (QAP) for Design Build Projects. (Note: titles or names of these plans may vary but must be in accordance with 23 CFR 637 Subpart B).
FHWA will participate in the development of the processes and procedures for and will participate when possible in all:

- Over-the-shoulder reviews (if any).
- Design workshops (if any)
- Oversight visits
- Quality audits by TxDOT

In addition to those items noted above, the following submittals will be provided to FHWA promptly after TxDOT receives them from the P3 Project developer.

- Corridor Structure Type Study and Report (as applicable)
- Value Engineering [23CFR627.5(e)]
- Preliminary Bridge layout Submittals (as applicable)
- Preliminary Design (30%) Submittals (as applicable)
- Intermediate Design (60%) Submittals (as applicable)
- Preliminary PS&E (90%) Submittals (as applicable)
- Final PS&E (100%) Submittals (as applicable)
- Design Re-submittals and Addenda (as applicable)
- "Released for Construction" Design Documents (as applicable)
- Proposed Design Changes (as applicable)
- Requests for Early Start of Construction (as applicable)
- Requests for Early Opening (as applicable)

FHWA will attend the meetings and complete reviews listed in this Oversight Agreement in accordance with the CDA or FCA. In order to attend multiple, concurrent meetings and complete multiple, concurrent design audits, FHWA will allocate sources from the Division Office, Resource Center, or other means as needed to assist the FHWA Project Engineer. In the event that FHWA is not able to provide sufficient resources to complete these tasks, it is agreed that the P3 Project will move forward with FHWA involvement in those activities to the extent practicable so as to not impact the P3 Project schedule.
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Total | $947,071,429.55 | $903,969,503.48 | $1,851,040,933.03

1 Semiannual Compounding
Interest Calculated Based Upon Actual Days over Actual Days
EXHIBIT H-1

FORM OF OPINIONS REQUIRED OF COUNSEL TO BORROWER

An opinion of the counsel of the Borrower, dated the Effective Date, to the effect that: (a) the Borrower is duly formed, validly existing and in good standing under the laws of the State of Texas; (b) the Borrower has all requisite corporate power and authority to conduct its business and to execute and deliver, and to perform its obligations under the Security Documents to which it is a party; (c) the execution and delivery by the Borrower, and the performance of their respective obligations under, the Security Documents to which it is a party, have been duly authorized by all necessary corporate action; (d) the Borrower has duly executed and delivered the TIFIA Loan Agreement and such TIFIA Loan Agreement constitutes the legal, valid and binding obligation of the Borrower; enforceable against the Borrower in accordance with its terms; (e) no authorization, consent or other approval of, or registration, declaration or other filing with any governmental authority of the United States or of the State of Texas is required on the part of the Borrower for the execution and delivery by such party of, and the performance of such party, for the operating and maintenance of the Project; (f) the execution and delivery by the Borrower, and compliance with the provisions of the TIFIA Loan Agreement does not (i) violate the articles or certificate of incorporation or by-laws, (ii) violate the law of the United States of America or the State of Texas or (iii) conflict with or constitute a breach of or default under any material agreement or other instrument known to such counsel to which the Borrower is a party, or to the best of such counsel’s knowledge, after reasonable review, any court order, consent decree, statute, rule, regulation or any other law to which the Borrower presently is subject; (g) the Trust Agreement establishes, in favor of the Trustee for the benefit of the TIFIA Lender, the valid and perfected Lien on the Trust Estate which it purports to create without any further action by the Borrower or any other party, and no documents or instruments are required or necessary to be recorded or filed for record in any place to establish the Trustee’s Lien in the Trust Estate (for the benefit of the Secured Parties); (h) the Borrower is not an investment company required to register under the Investment Company Act of 1940, as amended; and (i) to our knowledge after due inquiry, there are no actions, suits, proceedings or investigations against the Borrower by or before any court, arbitrator or any other governmental authority in connection with the TIFIA Loan Documents that are pending.